



Meeting of East Renfrewshire Health and Social Care Partnership	Performance and Audit Committee
Held on	25 June 2025
Agenda Item	8
Title	CIPFA Financial Management Code – Action Plan Update
Summary To provide Performance and Audit Committee with a progress update on the CIPFA Financial Management self-assessment action plan.	
Presented by	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)
Action Required The Performance and Audit Committee is asked to note and comment on the action plan update as at June 2025.	

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

PERFORMANCE AND AUDIT COMMITTEE

25 June 2025

Report by Chief Financial Officer

CIPFA FINANCIAL MANAGEMENT CODE – ACTION PLAN UPDATE

PURPOSE OF REPORT

1. The purpose of this report is to provide Performance and Audit Committee with an update on the action plan identified from the previously agreed self-assessment of the CIPFA Financial Management Code. The original report and resulting plan was last presented to this committee in June 2024.

RECOMMENDATION

2. The Performance and Audit Committee is asked to note the report note and comment on the action plan as at June 2025.

BACKGROUND

3. The CIPFA Financial Management Code is designed to support good practice in financial management and to assist local authority bodies, including Integration Joint Boards, in demonstrating their financial sustainability.
4. The detail and purpose of the report, along with the resulting action plan was reported to the Performance and Audit Committee in June 2023. It was recognised that as some of the actions are longer-term, progress would be reviewed as part of annual governance arrangements. The last progress update was reported in June 2024.

REPORT

5. The action plan was structured to assess against a number of questions (A to Q) and we identified five areas where we could potentially improve or enhance our performance.
6. The same approach has been taken as last year, so rather than pull out these five actions for update in isolation, the full plan has been reviewed for completeness and is included at Appendix 1.

CONCLUSIONS

7. The IJB is compliant with the Financial Management Code and the update against the self-assessment at Appendix 1 evidences this.

RECOMMENDATIONS

8. The Performance and Audit Committee is asked to note and comment on the action plan as at June 2025.

REPORT AUTHOR AND PERSON TO CONTACT

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3 June 2025

Chief Officer, IJB: Alexis Chappell

BACKGROUND PAPERS

PAC 26-06-2024: Item 8. CIPFA Financial Management Code – action plan update

http://eastrenfrewshire.gov.uk/media/10454/PAC-Item-08-26-June-2024/pdf/PAC_Item_08_-_26_June_2024.pdf?m=1718729970753

CIPFA Financial Management Code – Self Assessment and Action Plan – Progress Update as at 25 June 2025

FM Ref	Requirement	What we are currently doing	Areas for Development
1. The responsibilities of the chief finance officer and leadership team			
A	The leadership is able to demonstrate that the services provided by the IJB provide value for money	<ul style="list-style-type: none"> The IJB has the following in place to ensure best value: <ul style="list-style-type: none"> Regular reports to the IJB and the Performance & Audit Committee (PAC) in relation to financial performance Quarterly performance reports to PAC show progress against the 9 national outcomes The IJB has a Reserves Policy and application and creation of reserves is clearly set out in finance reports. All reports to the IJB and / or PAC requiring decisions are clear and include, where relevant:- <ul style="list-style-type: none"> Options available Implications for people Equality impacts Financial and legal implications Risk Results of consultations if required Identification of risk and mitigations PAC receive an annual report on commissioned services Inspection and internal / external audit reports are routinely presented The Savings, Recovery and Renewal (SRR) programme capturing change activity is reported to each IJB with a focus on delivering benefits as well as savings As part of the annual accounts audit, external Audit assess these arrangements to ensure best value is delivered for the IJB. 	<p>June 2024: Savings progress is reported within financial reporting and the Recovery & Renewal Programme report all major change</p> <p>June 2025: As above, savings progress continues to be reported. The Recovery & Renewal Programme will be reviewed and closure report to the IJB with any open projects transferring to the Change & Improvement Programme being developed alongside the IJB new Chief Officer. This will be taken through the appropriate IJB governance.</p>

B	The IJB complies with the CIPFA Statement on the Role of the Chief Finance Officer (CFO) in Local Government (2016)	<ul style="list-style-type: none"> • The CFO is a key member of the HSCP's Senior Management Team and is the IJB's Section 95 Officer. • The CFO is actively involved in all material business decisions and offers challenge and influence on decisions made. This is evidenced through the CFO's attendance and participation at key business meetings such as the IJB and PAC pre-agendas and meetings, HSCP Management meetings, Savings, Recovery and Renewal programme board, Chief Officer bi-annual performance review meetings, national CFO executive and section meetings, attendance at partner strategic and operational meetings. • The CFO champions the promotion and delivery of good financial management. This is reflected in the management structure within the organisation and the reporting of financial performance to all key management groups, including the Extended Senior Management Team and the Joint Staff Forum. • The IJB's Financial Regulations clearly outlines the role and responsibilities of the CO, CFO and all budget holders in relation to financial management. • The CFO is a professionally qualified accountant with significant experience as a CFO. The HSCP's finance team is suitably resourced and experienced in support of the CFO undertaking their role. • Our Finance & Resources structure includes a Depute CFO post to support resilience and succession planning. 	<p>Continue development opportunities for Depute CFO and continue to build on recent Finance service structure changes to move towards a fully integrated finance team.</p> <p>June 2024: development still planned, capacity constrained in 2023/24 due to staffing changes</p> <p>June 2025: The Accountancy team of 5 FTE has been fully recruited, with the most recent appointment in May 2025, although workloads remain challenging. A development programme will be established and will build on previous plans.</p>
2. Governance and financial management style			
C	The leadership team demonstrates in its actions and behaviours responsibility for	<ul style="list-style-type: none"> • The IJB and the HSCP management team have a clear commitment and shared vision to deliver the outcomes in our strategic plan 2022–25. 	<p>Continue to progress existing open audit recommendations and report new activity.</p> <p>June 2024: this is custom and practice and works well.</p>

	governance and internal control.	<ul style="list-style-type: none"> • With a long standing history of integration we are have a mature and well developed approach, underpinned by appropriate policies and codes of conduct. • The importance of governance and internal controls is reflected in the IJB constitution, policies and reporting and in that of our partner bodies; schemes of delegation define the responsibilities for all staff members and establishes the levels at which financial management responsibilities lie in terms of decisions and approvals of spend. • An annual assessment of compliance with governance and internal controls is undertaken by the Chief Officer and her team for both partner bodies as part of the annual assurance for both internal and external auditors. This in turn supports the Annual Governance Statement for the IJB annual report and accounts as well as those of our partners. • Internal audit reviews provide assurance on a range of internal controls and all reports with any associated recommendations are reported to the Performance and Audit Committee. • Annually our external auditors assess our arrangements to ensure they are appropriate and operate effectively. The most recent audit concluded that there were no issues with arrangements in place. 	<p>June 2025: continues to work well, with increased NHS audit information to PAC.</p> <p>The new Strategic Plan covers the period 2025 – 2028.</p> <p>The new Chief Officer for the IJB took up post in May 2025.</p>
D	The IJB applies CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)".	<ul style="list-style-type: none"> • The IJB has adopted governance arrangements consistent where appropriate with the six principles of the CIPFA/SOLACE framework "Delivering Good Governance in Local Government Framework" or "Local Code". The system of internal control is designed to manage risks to a reasonable level based on a risk based approach. • The Annual Governance Statement outlines how the IJB has complied with its Local Code. The statement for 2021/22 	<p>Continue to review the action plan in the Annual Governance Statement and consider whether any developments could enhance presentation.</p> <p>June 2024: reviewed to support good governance</p> <p>June 2025: as above</p>

		confirmed there were no new significant governance concerns, but identified actions we would take in 2022/23. The annual report and accounts for 2022/23 updates on the progress/completion of these actions and identifies new or ongoing actions moving into 2023/24.	
E	The Financial Management style of the IJB supports financial sustainability	<ul style="list-style-type: none"> • The IJB's financial management style can be described as 'enabling transformation' using the CIPFA FM Financial Management hierarchy Model. • Financial Sustainability is recognised as a key strategic risk within the IJB's Strategic Risk Register. The risk and mitigating actions are reviewed at every meeting of the Performance and Audit Committee. • The IJB has set a balanced budget each year since 2015/16 and implemented a reserves strategy to recognise and supported pressures. This has served us well however reserves are now diminishing. • The IJB has a framework in place to manage its financial affairs including:- <ul style="list-style-type: none"> • Financial regulations and Standing Orders • Reserves Strategy • Medium Term Financial • Partner Schemes of Delegation • Financial regulations and Standing Orders of both Partner Bodies • The Savings, Recovery and Renewal (SRR) programme captures all strategic projects and change and recognises the cross cutting nature of some savings, in particular our Supporting People programme. There is solid governance in place and the Chief Officer and her team are the programme board. This in turn supports a culture of continuous improvement 	<p>Recognising the challenging budget set for 2023/24, the Medium Term Financial Plan 2023/24 to 2027/28 reflects the current challenging landscape. This will be reviewed and updated as part of the 2024/25 budget setting process, if not before.</p> <p>The delivery of £7m savings in 2023/24 is fundamental to financial sustainability and progress will continue to be reported to each meeting of the IJB.</p> <p>We need to continue to develop strategic financial discussions with both partners to ensure the demographic, demand and cost pressures the IJB face are fully evidenced and communicated.</p> <p>June 2024: 2023/24 resulted in financial recovery discussions with both partners. This will continue into 2024/25 as we work to deliver the challenging savings programme as part of balancing the 2024/25 budget.</p> <p>June 2025: Improved position, however the financial outlook is still challenging, both locally and nationally. Significant</p>

		<p>and feeds into routine reporting and development including implementation of our strategic plan.</p> <ul style="list-style-type: none"> • The finance and commissioning teams support all services with input into the SRR, as well as supporting everyday operational matters. • The CFO presents regularly to the IJB, Performance and Audit Committee, the management team, the Joint Staff Forum through scheduled meetings and seminar sessions. • The Medium Term Financial Plan considers the sustainability of the IJB over the medium term, including scenarios showing costs pressures and potential funding over low, medium and high scenarios. The plan provides the detail of assumptions risks and sensitivity. 	<p>progress on savings delivery was made during 2024/25.</p> <p>June 2024: This will also be reviewed against the Scottish Government financial plan for Health & Social Care upon its publication during 2024.</p> <p>June 2025: The Medium Term Financial Plan has been refreshed to cover the period to 2029/30.</p> <p>We are awaiting publication of the Scottish Government medium term financial plan.</p>
3. Medium to long term financial management			
F	The IJB has carried out a credible and transparent financial resilience assessment	<ul style="list-style-type: none"> • All financial monitoring reports to the IJB are prepared on a projected outturn basis, including early identification of key risks, use of reserves, savings progress and any budget virement to support clear decision making in year and to inform forward planning. • The Medium Term Financial Plan considers the sustainability of the IJB over the medium term, including an assessment of funding, cost and demand pressures and the risks over the medium term. • The Medium Term Financial Plan includes sensitivity analysis which identifies the implications if planning assumptions change and what the impact of this would be for the financial position of the partnership. 	<p>The unaudited annual report and accounts for 2022/23 show the diminishing reserves balance for the IJB.</p> <p>As in section E above ongoing discussion with our partners is fundamental to ensure there is full understanding of the financial situation.</p> <p>June 2024: as above detailed discussions will continue with both partners during 2024/25.</p> <p>June 2025: Regular discussions continue, position improved on previous year. NHSGGC provided an</p>

		<ul style="list-style-type: none"> • The Medium Term Financial Plan describes the key issues and challenges for the IJB, with some national context, to allow us to deliver financial sustainability over the medium term (please see section E above). It also recognises the scale of the financial gap is so significant that there needs to be ongoing discussions with partner bodies in relation to funding. • The budget set for 2023/24 identified a number of risks in relation to the level of inflation, demand and is predicated on delivery a significant level of savings. It is difficult to see how any further saving of similar magnitude could be sustained. • The IJB has an established Reserves Policy which is reviewed annually. 	<p>additional in year allocation, on a non-recurring basis, recognising continued prescribing pressures.</p> <p>June 2024: all usable reserves were depleted as part of financial recovery. There is a tension between savings delivery, delivering services and building reserves; however the latter needs to be considered to allow us to rebuild from financial recovery.</p> <p>June 2025: Reserves position improved, but still in breach of policy.</p>
G	The IJB understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	<ul style="list-style-type: none"> • The IJB's Annual Budget, Annual Report and Accounts, Medium Term Financial Plan and Strategic Risk Register all reflect financial sustainability as a risk. These are subject to regular review to ensure the reported position and associated assumptions remain robust. • The regular revenue monitoring reporting to the IJB will flag early and changes and if significant will trigger a review of the Medium Term Financial Plan in year. The revenue monitoring reporting informs forward financial planning. • The information in the medium term financial plan also informs other key strategic reports and plans, such as the Strategic Plan, Annual Performance Report and Strategic Commissioning Plan • Seminars with the IJB, internal and external consultation on the budget and regular sessions with the management team are undertaken to support the annual budget setting process. 	

		<ul style="list-style-type: none"> Regular discussion also takes place with our Trades Union colleagues 	
H	The IJB complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	<ul style="list-style-type: none"> This is not relevant as the IJB does not have capital programmes or borrowing powers. All assets belong to our partners. 	
I	The IJB has a rolling multi-year medium-term financial plan consistent with sustainable service plans.	<ul style="list-style-type: none"> The IJB has a Medium Term Financial Plan which reviewed and updated each year. This is underpinned, is informed by and in turn informs a range of strategies such as our commissioning plan, workforce plan, accommodation strategy; all of which support delivery of the IJB's Strategic Plan. The Medium Term Financial Plan is prepared in conjunction with all service areas and reflects all significant demand and cost pressures being experienced both at a local and national level. Please see Section E above. 	
4. The annual budget			
J	The IJB complies with its statutory obligations in respect of the budget setting process.	<ul style="list-style-type: none"> The IJB is fully aware of the need to set a balanced budget as established in s108 (2) of the Local Government (Scotland) Act 1973 and s93 (3) of the Local Government Finance Act 1992. The need to meet this requirement is set out within the annual budget report. A balanced budget was agreed by the IJB on 27 March 2023 for 2023/24. 	
K	The budget report includes a statement by the CFO on the robustness of the estimates and the statement on the adequacy of the	<ul style="list-style-type: none"> The requirement for a CFO statement in relation to this is a specific legislative requirement in England and Wales, but not in Scotland. The 2023/24 Budget report includes detail on the cost pressures faced by the IJB, the available funding to offset, the associated funding gap and savings proposals to close the gap. The risks 	

	proposed financial reserves.	<p>and implications are clearly set out. At the IJB seminar sessions this information is discussed in greater detail.</p> <ul style="list-style-type: none"> • The Medium Term Financial Plan includes sensitivity analysis which demonstrates the implications if estimates differ from assumptions and the potential impact this could have on IJB finances. • The IJB has a Reserves Policy which is based on CIPFA guidance and recommended practice. The IJB general reserve 0.2% is well below the agreed policy level of 2% and the history and rationale for this has been discussed at length at each annual audit. 	
5. Stakeholder engagement and business cases			
L	The IJB has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.	<ul style="list-style-type: none"> • The IJB promotes consultation with a range of stakeholders, including those with lived experience and we have a well-established engagement network. • Comprehensive engagement with all stakeholders is standard when developing the strategic plan which determines the strategic priorities which the IJB sets out to deliver over the medium term, the strategic commissioning plan, the annual budget etc. This engagement promotes partnership working and ensures stakeholders have input on their priorities. • The IJB undertook a month long engagement with stakeholders when developing the 2023/24 budget, this included our partner bodies. • Stakeholders are well represented on the IJB and participate in all seminars. • In preparing the annual budget each year, the Chief Officer and Chief Financial Officer engage with both partner bodies to ensure that pressures are fully understood as well as the implications of changes to funding for services. The Chief 	

		Officer is a member of both partner bodies' corporate management teams.	
M	The IJB uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	<ul style="list-style-type: none"> As part of the annual budget process consideration is given to options for savings. This process includes a detailed assessment of impacts for service users, patients, staff as well as other operational delivery and financial risks. Where relevant this will also include a consideration of options and a recommendation in relation to the preferred option. The Savings, Recovery and Renewal programme uses clear and transparent project methodology to support major projects and service redesign. This includes options appraisals where relevant. 	
6. Performance monitoring			
N	The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	<ul style="list-style-type: none"> The Annual Budget and Medium Term Financial Plan are prepared in conjunction with the senior management team so that all known and emerging issues and risks are captured. Staff communication bulletins ensure colleagues are aware of all issues and promote involvement requesting ideas for savings and how we could do things differently. The Strategic Risk Register for the IJB is informed by service operational risk and contingency planning. This also informs the HSCP aspects of our partners risk registers. Regular financial and performance reporting identify early issues and where required more detailed work will be undertaken as required. Significant changes such as the Supporting People Framework are regularly discussed at the senior management and extended management team and supported by a number of development and information sessions for staff. 	<p>Regular monitoring of the impact of the Supporting People Framework during 2023/24 is required to assess progress, impact and savings.</p> <p>June 2024: This did not work as well as we hoped in 2023/24 and increased focus is in place for 2024/25.</p> <p>June 2025: Significantly improved position with over achievement in non-Care at Home services on a recurring basis.</p> <p>The framework is fully embedded.</p> <p>The Care at Home shortfall has been incorporated into the service redesign and applied to the budget.</p>

O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.	<ul style="list-style-type: none"> The financial reporting to the IJB includes detail on reserves (being the key element of the balance sheet) and shows the opening balance, in year use, in year additions and the projected balance along with notes on use and commitments. Any decisions on change of use or new reserves is requested to the IJB as part of financial reporting governance. Debtor and creditor balances are regularly reviewed. 	
7. External Financial Reporting			
P	The CFO has personal responsibility for ensuring that the statutory accounts provided to the local IJB comply with the Code of Practice on Local IJB Accounting in the United Kingdom.	<ul style="list-style-type: none"> The IJB's CFO is responsible for the preparation of the annual report and accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and by the deadlines set in legislation. These responsibilities are set within the Statement of Responsibilities included in the annual accounts, which is signed by the CFO. The CFO and Depute CFO are the key contributors to the production of the accounts and ensure those supporting them have access to the Code of Practice and are suitably trained and professionally qualified. These responsibilities of the CFO are set out in statute (s95 of the Local Government (Scotland) Act 1973) are also included in the CFO's job description. To date the IJB has met all of its statutory reporting deadlines for the submission of draft accounts to the external auditor by 30 June each, despite significant challenges during the pandemic. The IJB has consistently received an unqualified opinion from the external auditor from the audit of its Annual Accounts since established in 2015/16. 	
Q	The presentation of the final outturn figures and variations from budget allow the leadership	<ul style="list-style-type: none"> The financial monitoring reporting to the IJB is based on the projected outturn for the year. This promotes early indication of issues and / or pressures and allows informed decision making. 	

	<p>team to make strategic financial decisions.</p>	<ul style="list-style-type: none"> • The financial monitoring report provides a variance analysis across all services and also details reasons for any significant changes in the projected outturn position for each service since that last reported. • The focus on the projected outturn for each service informs budget planning for the year ahead. • The IJB's financial outturn for the year is presented to the Performance and Audit Committee and the IJB as part of the unaudited annual report and accounts and considers any material variation from the position as last reported. • Information from the final outturn informs ongoing budget monitoring work for the following financial year. 	
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