

Scrutiny Review – Cabinet Response Template

Scrutiny Committee: CRMG

Panel Members;

Councillor Mike Hurleston (Chair)

Councillor Jilly Julian

Councillor Tom McGee

Councillor Janet Mobbs

Review title: Local Government Financial and Governance Sustainability

Date completed: 28 February 2023

Officer responsible for response: Michael Cullen

Date response(s) agreed: 1 October 2023

The Final Report and Recommendations from the review were considered by CRMG on 28th February 2023 and approved for submission to Cabinet.

Minutes from CRMG Scrutiny on 28th February were as follows;

Chair of the Corporate, Resource Management and Governance Scrutiny Review Panel, Councillor Mike Hurleston, submitted a report (copies of which had been circulated) detailing the work of the panel's review of Local Government Financial and Governance Sustainability and sought the Scrutiny Committee's agreement for onward submission to Cabinet.

RESOLVED – That the report be approved for submission to Cabinet.

The minutes from the Cabinet meeting were as follows;

The Vice Chair of the Corporate, Resource Management & Governance Scrutiny Committee and Lead Councillor for the Review (Councillor Mike Hurleston) attended the meeting to present the final report of the Scrutiny Review 'Local Government Financial and Governance Sustainability' (copies of which had been circulated) and to answer questions from the Cabinet.

RESOLVED - (1) That the Deputy Chief Executive be requested to prepare a response to the "Local Government Financial and Governance Sustainability" Scrutiny Review and the recommendations contained therein for consideration by the Cabinet at a future meeting.

(2) That the gratitude of the Cabinet be recorded for the excellent work undertaken by the Scrutiny Review Panel 'Local Government Financial and Governance Sustainability' and others involved in the Review.

The following Cabinet response has been prepared and incorporates an update on implementing the four recommendations from the review.

Original Recommendation	Agreed response and update
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<p>Recommendation 1 Further development of the Member induction, and ongoing training and development:</p> <ul style="list-style-type: none"> • Enhanced new member training (to include decision making and case studies of where the wrong decisions have been taken); • A programme of update or ‘top-up’ training be provided to Members to ensure that emerging legislation or changes in practice were being appropriately cascaded; • Further designation of mandatory training akin to the existing planning, licensing and employment law training that Members must receive to sit on committees; • Development of Member specific on-line Finance and Governance for Members training module (as well as face to face training); and, • Greater visibility on current development and training opportunities: 	<p>Cabinet accepts and fully supports this recommendation. Over the last 12 months we have further developed a range of training programmes and bespoke training sessions to support members to deliver their roles more effectively. These include;</p> <ul style="list-style-type: none"> • Members Induction Training Programme The Induction Programme has been designed to equip members with the essential knowledge and skills necessary to make informed decisions, engage in meaningful discussions and contribute positively to the Council’s goals and objectives. Through this programme, members gain a comprehensive understanding of their roles and responsibilities and acquire the necessary tools to carry out a broad range of duties effectively. The aim is to empower members with the knowledge and skills required to fulfil obligations and make a positive impact in your community. A range of sessions and bespoke training make up the Programme. Specific training sessions relevant to this review are outlined below. • Introduction to Decision Making & Democratic Services. This was held on 15th May 2023. The aim of the session was to explain how the Council’s decision-making works with reference to the functions of the Council Meeting, Cabinet, Scrutiny Committees, ‘Ordinary’ Committees and Area Committees. All councillors are automatically a member of their local Area Committee. This session outlined Members’ roles and responsibilities at Area Committees, the role of the Area Committee itself and how democracy at a local level can bring decision-making closer to the people that members represent. One of the most important functions of the Council is the work of its Scrutiny Committees in scrutinising the work of the Council’s Cabinet. Stockport’s five Scrutiny Committees are fundamental to ensuring the good governance of the borough. • Local Government Finance and Performance. This was delivered on 24th May 2023. The aim of the session was to highlight that embedding effective financial management enables a robust financial platform to inform decision making and provide assurance on the use of the council’s resources to provide value for money in the delivery of essential services to Stockport residents and businesses. The session further provided an introduction to financial management to assist councillors in making decisions which have
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budgetary implications. It also provided an introduction to the council's approach to managing organisational performance, focusing particularly on how performance is reported and reviewed.

- **An Introduction to Internal Audit and Risk Management.** This is a bespoke session delivered as part of the Induction Programme and was held online on 17th July 2023. This annual training session provided an overview for new members (and the committee's new co-opted member) of the important role that internal audit and risk management play in promoting best practice in corporate governance and the internal control environment and key areas and risks for new members to be aware of in their roles.

Further ad hoc training is provided outside of the Induction Programme to support members in their role. This includes:

1. **Councillors' Guide to Understanding your Council's Financial Reporting Requirements.** A CIPFA Webinar was held online on 6th September 2023. An externally sourced course delivered by the Chartered Institute of Public Finance and Accountancy. The course considered four key themes:
 - Overview of Local Government Financial Reporting.
 - A Councillor's Guide to the Accounting Statements.
 - Latest Developments in Local Authority Financial Reporting.
 - Key Questions and Governance Considerations for Elected Members.
2. **Audit Committee Training on the Council's Annual Statement of Accounts.** This training is delivered on an annual basis and is specifically targeted at members of the Audit Committee. The aim is to talk through the various components that make up the statement of accounts to ensure that members understand the basic principles.
3. **Externally provided Treasury Management Training.** The objective of the session is to guide members around the investment of council funds, debt management and treasury management practices. It aims to provide an understanding of the strategy behind treasury

management, including key concepts such as performance measurement, and explain the legislative and regulatory background that underpins the treasury management function.

4. **Deep Dive Risk Reviews.** In order to upskill members of the Audit Committee and increase knowledge around the key risk areas of the council, a range of risk workshops have been developed in conjunction with the Chair and Deputy Chair. The first two workshops to be delivered in 2023/24 are “Medium Term Financial Planning (MTFP) risks” and “Cyber Security/Data risks”. The aim is to deliver these workshops biannually and will complement the traditional quarterly audit committee meetings.

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<p>Recommendation 2 An annual monitoring report be provided to CRMG Scrutiny Committee that provides assurance that Member and Officer training requirements have been met.</p>	<p>Cabinet accepts and fully supports this recommendation.</p> <p>The Assistant Director – Legal and Democratic Governance (Monitoring Officer) will provide an annual report to CRMG Scrutiny Committee on this in relation to Member training. Annual reports on officer training will be provided as part of the Workforce Report updates to CRMG.</p>

Original Recommendation	Agreed response and update
<p>Recommendation 3 There is a continuation of regular reviews of the Constitution ensuring that it and associated frameworks and standards are reviewed and updated against best practice.</p>	<p>Cabinet accepts and fully supports this recommendation.</p> <p>The Constitution provides that it is reviewed annually by the Monitoring Officer, and this is adhered to. It previously provided that it be reviewed every two years but that was changed to annually on the recommendation of the Constitution Working Party.</p>

Original Recommendation	Agreed response and update
<p>Recommendation 4 Members are engaged in the development of Environmental, Social and Governance policies within the Treasury Management Strategy.</p>	<p>Cabinet accepts and fully supports this recommendation.</p> <p>The Council reviews the Treasury Management and Investment Strategy each year as part of its budget setting process. This review includes Member training delivered by our treasury management advisors Link and a consultation paper presented to Corporate, Resource Management and Governance (CRMG) Scrutiny Committee.</p> <p>The development of the Council's Environmental, Social and Governance (ESG) policy will feature in both sessions and give Members an understanding of the challenges of setting an ESG policy and an opportunity to be engaged in the process of developing the Council's policy.</p>