

# Torbay Council

Auditor's Annual Report  
Year ending 31 March 2025

November 2025



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# 01 Introduction and context

# Introduction

This report brings together a summary of all the work we have undertaken for Torbay Council during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

## Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

## Auditor's powers

Under Section 31 of the Local Audit and Accountability Act, the auditor of a local authority may make an application for judicial review of a decision of that authority, or of a failure by that authority to act, which it is reasonable to believe would have an effect on the accounts of that body. They may also issue.

- Statutory Recommendations to the full Council which must be considered publicly
- A Public Interest Report (PIR)

## Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

# Local government – context

Local government has remained under significant pressure in 2024/25

## National

### Past



#### Funding Not Meeting Need

The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.



#### Workforce and Governance Challenges

Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.

## Local

Torbay Council is a unitary authority providing the majority of Council services, alongside strategic functions provided by the Devon and Torbay Combined County Authority, to a population of 139k residents. The Council operates under a Leader and Cabinet model of governance. The Council has 36 elected members, 17 Conservatives, 15 Liberal Democrats, and 4 independent members. An 'Independent Group' has been formed by 3 independent members with the remaining independent member not aligned to any one group. The Council is led by a minority conservative administration. Local elections are held every four years with the next all-out election scheduled to take place in May 2027. The Council put in place comprehensive arrangements to respond to the Local Government Reorganisation (LGR) agenda. Councils within Devon will need to submit their final LGR plans to central government by 28 November 2025.

## Present



#### Financial Sustainability

Many councils continue to face significant financial challenges, including housing pressures. There are an increasing number of councils in receipt of Exceptional Financial Support from the government.



#### External Audit Backlog

Councils, their auditors and other key stakeholders continue to manage and reset the backlog of annual accounts, to provide the necessary assurance on local government finances.

## Future



#### Funding Reform

The UK government plans to reform the system of funding for local government and introduce multi-annual settlements. The state of national public finances means that overall funding pressures are likely to continue for many councils.



#### Reorganisation and Devolution

Many councils in England will be impacted by reorganisation and / or devolution, creating capacity and other challenges in meeting business as usual service delivery.

## 02 Executive Summary

# Executive Summary – our assessment of value for money arrangements

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	No significant weaknesses in arrangements identified. Two improvement recommendations made.	No risks of significant weakness identified.	The Council has demonstrated good financial grip in 2024/25 and has been able to set a balanced budget for 2025/26 without the need for drawdown of reserves. The Council places a clear focus on financial sustainability as evidenced by its reserves strategy and its response to areas of financial variance and mitigation of financial risk. No significant weaknesses in arrangements are identified, but three improvement recommendations are made in relation to arrangements for Dedicated Schools Grant, the identification of savings and the management of a key financial risk.
Governance	One significant weakness in arrangements identified. Three improvement recommendations made.	Risk of significant weakness identified with regards to the Council's finance team capacity and capability.	We conclude there are sound governance arrangements in place within the Council's control environment and effective decision making. However, we have identified a significant weakness with regards to the Council's finance team capacity and its arrangements for preparation of the financial statements. This was first raised in our prior year findings and continues to present a challenge for the Council. We have also raised an improvement recommendation relating to procurement waivers.
Improving economy, efficiency and effectiveness	No significant weaknesses identified. One improvement recommendations made.	No risks of significant weakness identified	The Council proactively seeks out opportunities to support continuous service improvement and it has effective corporate performance management and reporting arrangements in place. Whilst many services across the Council show evidence of good arrangements, a recent inspection of SEND services highlighted systemic weaknesses within this service. We have concluded a significant weakness in these arrangements for SEND in light of these findings and the subsequent improvement notice issued to the Council.

# Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.



## Financial sustainability

We have not identified any significant weaknesses with regards to the Council's arrangements to secure financial sustainability. The Council reported a revenue underspend of £0.4m, in 2024/25 which demonstrates effective financial control. The Council set a balanced budget for 2025/26 without the use of reserves or savings. The Council prudently sets a minimum level of unallocated reserves as part of its annual budget setting process and overall reserves are of a level that offers reasonable contingency. The Council is forecasting, at quarter one 2025/26, an adverse variance of £0.8m and is responding, in a timely manner, to mitigate areas of overspending. We have raised improvement recommendations relating to the Dedicated Schools Grant (DSG) deficit, the identification of savings to support a balanced Medium Term Financial Strategy (MTFS), and the management of a key financial risk.



## Governance

We have identified a significant weakness with regards to the Council's finance team capacity. This was first raised in our prior year findings and continues to present a challenge for the Council.

The Council has continued to review and enhance its risk management arrangements and regularly assesses key risks that threaten its objectives. The Council has in place an effective internal audit service with the Head of Internal Audit providing 'Reasonable Assurance' for 2024/25. The Council's control environment is further supported by counter fraud resources and the activities of the Audit Committee. The Council has in place arrangements to support informed and appropriate decision making, which is underpinned by comprehensive scrutiny. The Council has responded appropriately to changes in procurement legislation. We have raised an improvement recommendation relating to oversight of contract waivers.



## Improving economy, efficiency and effectiveness

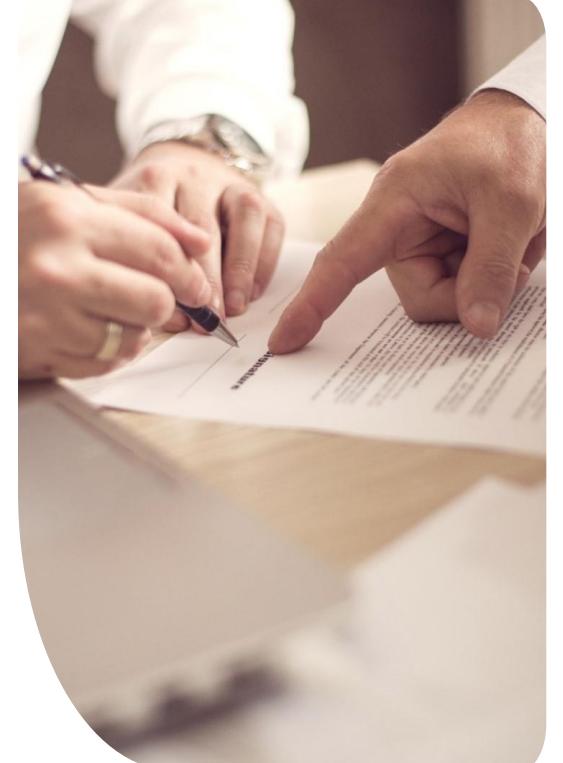
We have identified a significant weakness with regards to Ofsted and CQC inspection findings relating to Special Educational Needs and Disabilities service provision (SEND).

The Council has in place comprehensive arrangements to monitor performance, which were enhanced even further during 2024/25.

The Council can demonstrate an appetite to learn from others as evidence by its participation within several peer reviews to help support continuous improvement. The Council has extensively prepared for Care Quality Commission (CQC) inspection of adult social care services with inspection outcomes expected in late 2025. The Council places a focus on stakeholder engagement as evidenced by the resident's satisfaction survey and the Council's commitment to drive forward further improvement from the survey findings.

# Executive summary – auditor's other responsibilities

This page summarises our opinion on the Council's financial statements and sets out whether we have used any of the other powers available to us as the Council's auditors.

Auditor's responsibility	2024/25 outcome	
Opinion on the Financial Statements	<p>At the time of writing, we await the publication of the Council's draft 2024-25 financial statements for audit. Pages 11-13 of this report will be updated for the conclusions from our work at the end of the 2024-25 audit cycle later this year.</p>	
Use of auditor's powers	<p>We did not make any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.</p> <p>We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014.</p> <p>We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.</p> <p>We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.</p>	

## 03 Opinion on the financial statements and use of auditor's powers

# Opinion on the financial statements

These pages set out the key findings from our audit of the Council's financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

## Audit opinion on the financial statements

At the time of writing, the Council has not yet published its draft 2024/25 financial statements.

A notice of delay has been published on the Council's website.

**Grant Thornton provides an independent opinion on whether the Council's financial statements:**

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

## Findings from the audit of the financial statements

The Council was unable to provide draft accounts in line with the national deadline of 30 June 2025. The accounts were provided on 2 October 2025, as the Council was undertaking significant work to improve the quality and clarity of the accounts.

The Council has not yet published its draft accounts because some key elements relating to IFRS16 remain outstanding.

## Audit Findings Report

We will report the detailed findings from our audit in our Audit Findings Report. We intend to present a version of our report to the Council's Audit Committee on 21 January 2026.

# Other reporting requirements

## Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We will report the detailed findings from our audit in our Audit Findings Report. We intend to present a version of our report to the Council's Audit Committee on 21 January 2026.



# Use of auditor's powers

## We bring the following matters to your attention:

### Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body.

We did not issue any statutory recommendations to the Council in 2024/25.

### Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a report in the Public Interest with regard to arrangements at Torbay Council for 2024/25.

## 04 Value for Money commentary on arrangements

# Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Council's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



## Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



## Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



## Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

# Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	<p>The Council reported a £0.4m underspend for 2024/25, which represented a marginal variance of 0.3% to the original net revenue budget of £139.2m and demonstrates effective financial control of the Council's overall position. It is noted however that there were significant budget variances within this net position.</p> <p>Significant variances included an over recovery of investment income (£1.5m), predominately due to higher than budgeted interest rates. Underspends were offset by adverse variances in such areas as corporate services (£0.5m) due to demand and recruitment challenges. Place services overspent by a combined £1.4m due a range of service variances, including lower than expected income receipts from development control and estates with further pressure relating to the planned in-sourcing of Torbay Development Agency. The 2024/25 outturn report clearly identified how all areas of variance were being addressed and would be incorporated into the Council's future financial planning which is good practice. The 2024/25 revenue underspend was allocated to reserves intended to support Council priorities.</p> <p>The Council set a balanced net revenue budget (NRB) of £147.5m for 2025/26, following a better-than-expected local government funding settlement. We note the budget was successfully balanced without the need for savings, the use of reserves or by utilising the full Council Tax flexibility, all of which underlines the Council's relative financial resilience at the time the budget was set.</p> <p>(continued)</p>	A

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

# Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p> <p>(continued)</p>	<p>We also note the Council has increased its tax base through a proactive review of Council Tax discounts and the application of a second home levy both of which has resulted in additional income to the Council for 2025/26. Setting the level of Council tax is a decision for the Council. However, the government finance settlement and calculation of core spending power assumes that Councils will make full use of Council Tax increase flexibilities in order to secure sustainable and recurrent income in the base budget. The Council is facing budget pressures in 2025/26 and budget gaps over the medium term and future decisions to increase Council Tax should ensure that financial sustainability over the medium term is considered.</p> <p>The latest financial forecast for 2025/26 identifies a forecast overspend of £0.8m, with budget monitoring reports explaining the specific focus the Council is placing on areas of adverse variance.</p> <p>The latest published (November 2024) Medium Term Financial Strategy (MTFS) 2025/26- 2027/29 indicates a budget gap of £1.6m (£1m in 2026/27 and £0.6m in 2027/28) which will require the Council to identify savings. This is assessed in more detail in the following section.</p> <p>Unbudgeted DSG expenditure was higher than expected in 2024/25. The Council's DSG deficit reached £6.2m as of 31 March 2025 despite the Council's participation with the government safety value programme. It is important the Council mitigates this area of overspending and we have raised an improvement recommendation.</p>	A

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

# Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
plans to bridge its funding gaps and identify achievable savings	<p>The Council's 2025/26 budget was balanced without the need for savings plans or the use of reserves. However, budget papers do refer to strategic financial sustainability plans which had been prepared for key service areas. These were described as plans 'focusing upon actions that can make the biggest difference to the Council, both in terms of outcomes and financial savings'.</p> <p>The financial sustainability plans, incorporated within the 2025/26 budget, did not have an associated savings target or describe how such activity would contribute to help bridge budget gaps within the MTFS (£1m in 2026/27 and £0.6m in 2027/28).</p> <p>At the time of our reporting, we are yet able to assess a more recent, and agreed, iteration of the Council's MTFS. However, based on the current published version (November 2024) the Council has not clearly identified how it plans to specifically bridge funding gap of £1.6m for the period 2026/27 – 2027/28. This leads to an improvement recommendation.</p>	A
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>During 2024/25 the Council further developed its strategic planning by the adoption of a Council Business Plan 2024-2027 which sets out the priorities that underpin the overarching Community and Corporate Plan. Our work has identified interconnectivity between the priorities within the Council Business Plan 2024-2027 and the Council's financial planning.</p>	G

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

# Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	<p>The Council can demonstrate the links between financial planning and the People Strategy, Asset Management Strategy and Climate Change Action Plan 2024 – 2026.</p> <p>The Council's financial plans are interconnected with other associated strategies, which are agreed as part of the annual budget setting process. These include the Capital Strategy 2025, Treasury Management Strategy 2025 and Minimum Revenue Provision Policy. The Council has arrangements in place to monitor the delivery, and affordability, of its capital programme. These arrangements have been strengthened in 2024/25 through the introduction of an enhanced capital gateway process and the introduction of the Capital and Growth Board to support the wider oversight of the Council capital plans.</p>	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	<p>The Council clearly articulates the key financial risks it faces and sets out mitigations within the Council's strategic and corporate risk registers. We also note budget setting and monitoring reports describe key financial risks the Council is managing. As part of the annual budgeting process the Council agrees a comprehensive reserve policy, with the adequacy of Council reserves being informed by a risk-based assessment. As part of the 2025/26 budget the Council committed to maintain its working balance at a minimum of 5% of NRB and also increased its unallocated comprehensive spending review reserve to £3.2m, both of which represent a reasonable level of contingency and is reflective of good practice.</p> <p>The Council has informed us that financial scenario planning is undertaken as part of the annual budget process, to model such areas as Council Tax and social care growth. Senior officers and Members are aware of such scenario planning. The Council is alert to the financial risk it faces. However, we have identified an area where further scenario planning could help the Council strengthen financial risk planning, specifically within adult social care, and we have raised an improvement recommendation.</p>	A

**G** No significant weaknesses or improvement recommendations.

**A** No significant weaknesses, improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Financial sustainability (continued)

## Area for Improvement identified: managing the Dedicated Schools Grant (DSG) deficit

**Key Finding:** The DSG is a budget allocated in four blocks, including schools, early years, high needs, and central school services. However, the Council has been spending more than the funding provided, as have others in the sector, and is in a deficit position. This is attributable to the High Needs Block (HNB), which is funding to support children and young people with special educational needs and disabilities (SEND), with needs generally identified through Education, Health and Care Plans (EHCP). A statutory override has been put in place by the government which currently allows the Council, like others in the sector, to treat the DSG deficit as a negative reserve. This mechanism is temporary and is due to end on 31 March 2028. The Council set a deficit DSG budget for 2024/25, but the final outturn reported a higher-than-expected deficit, despite the Council's participation with the governments 'safety value programme'.

**Evidence:** The Council incurred unbudgeted DSG spending of £1.7m in 2024/25, principally driven by HNB expenditure. This was higher than the deficit originally budgeted for of £0.5m and demonstrates the Council is not yet able to successfully contain DSG expenditure in line with budget expectations. The level of DSG overspending resulted in a cumulative DSG deficit of £6.2m as of 31 March 2025. For context, the Council's unallocated reserves are £10.8m (01 April 2025) and the Council should ensure it is taking action to mitigate any future impact on reserves should the statutory override be removed.

The Council is part of the Safety Valve programme, a Department of Education (DfE) intervention programme which is aimed at supporting Councils to manage DSG deficits relating to high needs expenditure. The DfE has committed to supporting the Council by agreeing £12.9m of funding but this is dependant on the Council attaining DfE targets for the trajectory of the deficit being 2022/23 to 2026/27. The Council has already received £8.3m from the DfE in response to its DSG recovery plan, without which the DSG cumulative deficit would have been £14.5m as of 31 March 2025.

**Impact:** The Council's DSG deficit is increasing, and budgeted expenditure is not in line with safety value plans which creates financial risk. Additionally, if the statutory override is not further extended in April 2028 the Council could become liable for the DSG deficit which will impact available reserves, which would create further financial sustainability risks. We have also raised an associated key recommendation relating to improvement priorities within the local area SEND service. Further details are included within the improving economy, efficiency and effectiveness section of this report.

## Improvement Recommendation 1

**IR1:** We recommend the Council places a significant organisational focus on the continued development and implementation of interventions that will support the management and mitigation of the DSG budget deficits. This should include progressing the planned locality model as part of the children's social care financial sustainability plan, and wider interventions, agreed as part of the safety valve programme.

# Financial sustainability (continued)

## Area for Improvement identified: savings plan development

**Key Finding:** The 2025/26 budget was balanced without the need to develop savings plans. However, budget gaps exist within the MTFS 2025/26 – 2027/28 and the Council is yet to clearly identify and quantify specific savings plans to balance the MTFS.

**Evidence:** The Council has adopted a strategic approach to focus on areas of budget spend and risk through the development of financial sustainability plans. These are intended to focus on key areas of budget spend and risk. The 2025/26 budget report included financial sustainability plans in relation to the locality model for children and young people, children's social care placements, home to school transport, housing needs and legal services. We note all these areas are subject to financial volatility and the financial sustainability plans included description of intended actions to control costs. However, there were no associated future savings associated to these sustainability plans which could help balance the MTFS 2025/27 – 2027/28. The financial impact of the Council's financial sustainability plans should be included in budget setting and monitoring papers to support transparency and oversight.

We do note the Council is working with health partners to drive efficiencies within adult social care. This is referenced in more detail later in this report.

**Impact:** The local government sector is exposed to a number of financial risks which will require careful navigation. The Council is taking a strategic approach to manage budget pressures and variances. However, the clear identification of costed savings plans would support financial resilience, help smooth budget gaps and further enhance transparency.

## Improvement Recommendation 2

**IR2:** We recommend the Council identifies specific savings plans and targets as part of its annual budget setting process to ensure the proactive and transparent management of MTFS budget gaps.

# Financial sustainability (continued)

## Area for Improvement identified: scenario planning - adult social care

**Key Finding:** The Council has delegated its adult social care service responsibilities to Torbay and South Devon NHS Foundation Trust and NHS Devon Integrated Care Board (ICB). This longstanding and innovative collaboration was driven by a shared vision, values, and long-term commitment to improving the delivery of health and social care in Torbay. The delegated arrangements are made under Section 75 of the National Health Service Act 2006 and is commonly referred to as a 'Section 75 Agreement'.

**Evidence:** In March 2023 Cabinet approved a new Section 75 Agreement with health partners. The agreement was extended for a further five years from 1 April 2025 and includes a 12-month notice period. The Cabinet report outlined that the tri-partite arrangement was to be delivered through a partnership approach. The report also placed into context the challenging financial circumstances health partners operated within and explained the ICB were forecasting an adult social care annual budget deficit, that would reach £36m per annum by 2027/28. In consideration of these financial challenges partners agreed to drive forward, together, an extensive transformation programme focused on three thematic areas: service transformation, financial grip and control, and high performing services. We have been informed by the Council that this work continues, supported by external resources, and several work-strands are in train to support transformation and financial sustainability on a shared endeavour basis. The Council's 2025/26 budget report referred to this ongoing transformational activity and explained the annual spend against the Section 75 Agreement remained significantly more than the budget (original budget for 2025/26 £58.3m). We have been informed by the Council that the current forecast (2025/26) overspend relating to adult social care delivery is c£30m, however work is ongoing to validate the level of variance that is directly attributable to services within the Section 75 Agreement.

**Impact:** The Council's management of its financial risks would be further strengthened by the Council undertaking specific scenario planning in relation to adult social care costs, and any potential eventualities, relating to the Section 75 Agreement. This would support the Council, and Members, to appraise and mitigate any potential financial risks and factor these with the Council's medium term financial planning.

## Improvement Recommendation 3

**IR3:** We recommend the Council undertakes specific scenario planning in respect of its adult social care funding arrangements defined under the current Section 75 Agreement, updates Members with regards to outputs, and incorporates these as part of the Council's medium-term financial planning.

# Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	<p>The Council further developed its risk management arrangements during 2024/25, through risk management workshops and by the Council's review of its central risk management policy. The Council operates a hierarchy of risk registers (including both strategic and corporate risk registers) and places a specific focus on the risk management arrangements relating to its wholly owned integrated services company (SWISCo), all of which is supported by oversight and governance by the Audit Committee. We also note that the Audit Committee considers an annual risk assurance report relating to adult social care services, which are delivered by the NHS on the Council's behalf. This is deemed good practice in consideration of the scale, value and statutory nature of such services.</p> <p>The Council has in place an effective internal audit service, with oversight and governance, to internal audit activity provided by the Audit Committee. For 2024/25 an overall 'Reasonable Assurance' opinion was provided by the Head of Internal Audit.</p> <p>The Council places an organisational focus on counter fraud measures, including adopting key strategies and resourcing a specialist team, with regular updates to counter fraud activity provided to the Audit Committee. This demonstrates the Council commitment to combatting fraud and error and is good practice.</p>	G
approaches and carries out its annual budget setting process	The Council's annual budget setting process is project managed by the Council finance team and follows a well-structured plan that involves officer, member, and stakeholder input. The Council has in place particularly strong oversight to support the development of its annual budget as evidenced the activities of the Priorities and Resources Review Panel and the Overview and Scrutiny Board, whose recommendations were subsequently considered by Cabinet alongside the outcomes of a meaningful public consultation. The Council Audit Committee also provided additional oversight to the Council's draft Treasury Management Strategy 2025/26.	G

**G** No significant weaknesses or improvement recommendations.

**A** No significant weaknesses, improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	<p>The Council has in place comprehensive arrangements to carefully track, monitor and report its financial position throughout the financial year to members. Timely, detailed, yet proportionate budget monitoring reports are considered quarterly by the Overview &amp; Scrutiny Board, Cabinet and full Council. These reports included relevant financial information, forecasts and are supported by a detailed explanatory narrative which provides informative context. The Audit and Governance Committee also provide additional oversight to the Council's treasury management activity. Earlier on in this report we have made a wider recommendation relating to savings plans. However, we do note, the 2025/26 budget was set without the need for savings so not repeated within this section.</p> <p>Our 2023/24 assessment identified significant weaknesses in the Council's arrangements to prepare its statutory financial statements, due to skills and capacity challenges leading to a delay in publication and a number of errors and control findings within the 2023/24 audit. For 2024/25, there challenges remain in terms of finance team capacity and consequently, the Council was unable to prepare draft accounts for 2024/25 in adherence to statutory deadlines. The Council is taking action to remedy the situation however it is yet to be able to meet its statutory financial reporting responsibilities. We have identified a significant weakness in arrangements, and we have restated a prior year key recommendation.</p>	R

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

# Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	<p>The Council's Constitution is a legal document which guides the Council on its decision-making process, setting out a framework for members and officers to work within and clearly sets out the terms of reference for the Council's committees. It also sets out procedures to ensure that decisions are made efficiently, transparently and with accountability to residents. The Constitution is reviewed and updated by the Council to ensure it remains fit for purpose, which is good practice. The Council operates a Leader and Cabinet model of governance. Details of all Cabinet, committee and full Council meetings are published on the Council's website. Our review of Cabinet papers has identified that there is a structured and transparent decision-making process. Effective oversight of Cabinet decisions was provided by:</p> <ul style="list-style-type: none"> <li>• Overview and Scrutiny Board</li> <li>• Adult Social Care and Health Overview and Scrutiny Sub-Board</li> <li>• Children and Young People's Overview and Scrutiny Sub-Board</li> </ul> <p>The Council produces an Overview and Scrutiny annual report which is good practice. The annual report identified the wide range of relevant matters considered by the Overview and Scrutiny boards, during 2024/25. The Council also operates an Audit Committee which regularly met during 2024/25, with minutes of these meetings demonstrating a range of topics being assessed within the committee's remit. We also note the Audit Committee has an independent member, undertook an effectiveness self-assessment during 2024/25, and produces an annual report of activity, all of which is notable practice.</p> <p>The Council has responded appropriately to LGA peer review findings in respect of member conduct and behaviour and we are satisfied the Council is taking steps to develop a respectful culture and respond appropriately to the findings.</p> <p>The Council has undertaken extensive activity to respond to the government's LGR agenda. The Council's latest proposals is for a four unitary model for Devon. Proposals have been underpinned by comprehensive stakeholder feedback which is good practice.</p>	G

**G** No significant weaknesses or improvement recommendations.

**A** No significant weaknesses, improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	<p>The Council has a range of policies, codes and procedures which describe expectations for members and officers in terms of conduct and behaviour, and support compliance with legislative and regulatory requirements. These include the Code of Conduct (member and officer), Whistleblowing Policy and Counter-Fraud and Corruption Policy and procedures for declaring interests and gifts and hospitality.</p> <p>We also note the Council operates a standards Committee to promote and maintain high standards of member conduct.</p> <p>The Council has put in place arrangements to support adherence to the Procurement Act 2023, including updating its contract procedure rules. We have identified an opportunity for the Council to enhance procurement compliance even further and have raised an improvement recommendation.</p>	A

**G** No significant weaknesses or improvement recommendations.

**A** No significant weaknesses, improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Governance (continued)

## Significant weakness identified in relation to finance team capacity and financial reporting

**Key finding:** In our Auditor Annual Report for 2023/24 we recommended that the Council strengthens its finance capacity to enable it to commit sufficient time to all aspects of financial reporting. The Council is acting on this recommendation however the draft accounts for 2024/25 were not produced in adherence to statutory deadlines.

**Evidence:** The Council has a recent track record of submitting draft accounts after the statutory deadline. The statutory deadline to publish the 2024/25 draft statement of accounts was 30 June 2025. The Council did not prepare an initial set of draft financial statements until September 2025. The Council has also issued a public notification setting the of delay of publication and as at our time of reporting (November 2025) the Council is yet to formally publish its draft 2024/25 financial statements for public inspection.

The Council recognises the need to strengthen finance team capacity and capability. Following the appointment of the Council's section 151 officer there has been good evidence of the Council's introducing measures to stabilise and improve finance team capacity and capabilities. However, the Council acknowledges further work remains and the improvement journey continues. Interim finance team resource has been secured to provide additional capacity to the team and the Council is currently making further arrangements to strengthen its finance functions.

**Impact:** The delays in the provision of draft 2024/25 statement of accounts has significantly impacted the planned audit of the 2024/25 accounts.

The Council is yet to have in place sufficient finance resources, below the Section 151 officer and senior finance leads, to support the multiple responsibilities of a local Government finance team including external audit requirements.

## Key recommendation 1

**KR1:** The Council must ensure there is sufficient capacity and capability to ensure that financial reports, including the statement of accounts, are prepared adequately with sufficient quality assurance for review.

# Governance (continued)

## Area for Improvement identified: Procurement waivers

**Key Finding:** The Council has in place arrangements to report, assess and record procurement waivers. However, we have identified an opportunity for arrangements to be enhanced even further.

**Evidence:** Procurement contract waivers (where normal procurement processes cannot or have not been applied) are considered by senior officers for approval in line with processes set out within the Council's contract procedures rules and Commercial Policy. However, the Council does not report the number or value of such waivers to those charged with governance. We do observe such arrangements in place in other Council's, and it is considered good practice.

**Impact:** The reporting of waivers to those charged with governance will enhance existing arrangements and support value for money, and compliance, in procurement even further.

## Improvement Recommendation 4

**IR4:** We recommend the Council reports, at least annually, details relating to procurement waivers to those charged with governance.

# Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	<p>The Council has in place comprehensive performance management arrangements which have been further enhanced during 2024/25.</p> <p>The Council adopted a Council Business Plan 2024 -2027 which is the focused delivery plan for the Council's strategic, long term, Community and Corporate Plan 2023 - 2043. The Business Plan 2024 – 2027 includes a set of key performance indicators that are used to measure progress and is underpinned by a Performance Management Policy, reviewed and updated, during 2024/25. The Performance Management Policy seeks to embed performance management into the culture and decision-making of the Council and aligns to the strategic and operational objectives set out in the Community and Corporate Plan 2023-2043 and Council Business Plan 2024- 2027.</p> <p>Detailed performance management reports are considered, quarterly, by the Senior Leadership Team, a meeting of Cabinet and Directors and by the Overview and Scrutiny Board. The Council also transparently publishes these performance reports on its website. The Council has in place a data quality policy and utilises benchmarking data to inform its strategic and operational planning.</p>	G

**G** No significant weaknesses or improvement recommendations.

**A** No significant weaknesses, improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>evaluates the services it provides to assess performance and identify areas for improvement</p> <p>(continued)</p>	<p><b>Adult social care</b></p> <p>The Council proactively sought peer review insight, through the LGA, to further assist it to prepare for the new CQC adult social care inspection regime. LGA recommendations were incorporated within an action plan which was subject to appropriate oversight. CQC, in September 2025, conducted an inspection of adult social care to assess the Council's effectiveness at meeting duties under the Care Act 2014. CQC findings are expected to be published in the coming months, and we will assess the outcomes as part of our future value-for-money work. We have also noted that the Council has recently formed an Adult Social Care Assurance Board. This board meets monthly and brings together senior leaders within the Council and the NHS, who have overall accountability for the delivery of adult social care services. The board's terms of reference include a sharp focus on matters of quality and assurance which is good practice.</p> <p><b>Children's social care</b></p> <p>Children's social care services were judged to be 'Good' by Ofsted in May 2022. A Joint Targeted Area Inspection (JTAI) was conducted, during 2023/24, of the multi-agency response to the identification of initial need and risk in Torbay. Priority areas of improvement were identified. The Integrated Care Board was determined to be the principal authority and prepared a written statement of proposed action (WSoA), to respond to areas of concern which was submitted to inspectors in May 2024, supported by an action plan of improvement. The action plan is overseen by the Torbay Safeguarding Partnership and the Council's Children and Young People's Overview and Scrutiny Sub-Board have received appropriate updates. We consider these are reasonable arrangements but will continue to track improvement as part of our work in future years.</p> <p>During 2024/25, the LGA conducted a peer review of local area SEND services and identified a range of areas requiring improvement. These were incorporated within a SEND Local Area Improvement Partnership Action Plan.</p> <p>In March 2025, Ofsted and CQC undertook a joint Local Area SEND inspection with the report identifying significant concerns about the experiences and outcomes of children and young people with SEND.</p>	R

**G** No significant weaknesses or improvement recommendations.

**A** No significant weaknesses, improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
evaluates the services it provides to assess performance and identify areas for improvement  (continued)	<p>Subsequently, the DfE, have issued a formal improvement notice to the Council in response to the areas of priority action and improvement highlighted in inspection findings. The factors have identified a significant weakness in arrangements, and we have raised a key recommendation.</p> <p>The Council invited the LGA to conduct a Peer Challenge in 2024/25 with the outcome report detailing a very positive direction of travel for the Council and setting out opportunities for even further improvement. The Council has responded appropriately to the LGA peer review by the development of an action plan which provides evidence of the Council's willingness to engage in sector-led improvement.</p>	R
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	<p>The Council places a strong emphasis on seeking stakeholder engagement to support strategic planning, decision making and to help shape service delivery. A key example being the resident's satisfaction survey which is being promoted online and through several community engagement events. We also note the survey is targeted to people aged 16 and over but there is also a survey for those aged 12 to 15, demonstrating the inclusive nature of the engagement exercise. The Council is committed to benchmark the findings of this survey against other Council's and use the findings to drive forward further improvement. This is good practice. The Council participates within significant partnership arrangements, and such activities are reported to the those charged with governance which supports transparency and oversight.</p>	G
commissions or procures services, assessing whether it is realising the expected benefits	<p>The Council has appropriate contract management arrangements in place as evidence by the operation of a contract register, pipeline and a risk-based methodology that supports contract reviews. The Council has also cascaded contract management training and is enhancing arrangements even further with the development of a contract management framework to complement the existing, overarching, policies and procedures. The Council actively participates in collaborative commissioning arrangements, which is good practice.</p> <p>The Council has in place arrangements to carefully monitor and control capital projects.</p>	G

**G** No significant weaknesses or improvement recommendations.

**A** No significant weaknesses, improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Improving economy, efficiency and effectiveness (continued)

## Significant weakness identified: Reporting and monitoring improvement actions from external inspections

**Key Finding:** During 2024/25 the Council has been subject to an external inspection that assessed local area SEND provision. Systemic failings were identified by this inspection. On 1 October 2025, DfE, have issued an improvement notice to the Council and this underlines the significance of the inspection findings. It is important the Council and its partners carefully monitor, and drive forward improvement, through regular updates to members.

**Evidence:** The Council and NHS Devon Integrated Care Board (ICB) are responsible for planning and commissioning services to meet the local needs of children and young people with SEND, as part of a local area partnership. The partnership oversees the commissioning of local education, social care and health provision for children and young people with SEND. In March 2025, Ofsted and CQC undertook a joint Local Area SEND inspection with the report identifying widespread and/or systemic failings leading to significant concerns about the experiences and outcomes of children and young people with SEND, which the local area partnership must address urgently. The inspection outcome included four areas for priority action. Due to the significance of the findings, an improvement notice has been issued (on 1 October 2025) to the Council. The notice sets out how the Council should respond to inspection findings, with such improvements to be delivered by 30 September 2026. The Council, and its partners, have responded and a detailed priority impact plan (PIP) has been created to support improvement. Additionally, a refreshed SEND Local Area Improvement Partnership (SLAIP) Board, with an independent chair, has been established to provide oversight for the PIP. We understand the board is accountable to senior leaders of the Council and the ICB, and updates to progress will be provided to both Children and Young People's Overview and Scrutiny Sub-Board and Cabinet. Although we are yet to identify a formal update being provided to those charged with governance.

**Impact:** The inspection report has identified serious systematic failings, and an improvement notice has been served by DfE. It is important the Council ensures members are regularly updated in order that appropriate oversight can be provided to SEND improvement progress.

## Key Recommendation 2

We recommend the Council:

- Provides the Children and Young People's Overview and Scrutiny Sub-Board and Cabinet with an update to the progress made by the Council, and key partners, in driving forward required improvements in SEND. A regular cycle of member updates should also be agreed to ensure appropriate member oversight in place to support meaningful and sustainable SEND service improvement.

# 05 Summary of Value for Money Recommendations raised in 2024/25

# Key recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
KR1	The Council must ensure there is sufficient capacity and capability to ensure that financial reports including the statement of accounts, are prepared adequately with sufficient quality assurance for review.	Governance (pages 23 - 28)	<p>Actions: We have built capacity within the Corporate Finance team however, due to unforeseen absenteeism, we have not completed the Accounts as effectively as we would have liked. We will continue to use specialist agency staff to address specific knowledge / skills gaps until such time as we are fully resourced within the team.</p> <p>Responsible Officer: Head of Corporate Finance.</p> <p>Due Date: 1 April 2026.</p>
KR2	<p>We recommend the Council:</p> <ul style="list-style-type: none"> <li>Provides the Children and Young People's Overview and Scrutiny Sub-Board and Cabinet with an update to the progress made by the Council, and key partners, in driving forward required improvements in SEND. A regular cycle of member updates should also be agreed to ensure appropriate member oversight in place to support meaningful and sustainable SEND service improvement.</li> </ul>	Improvement economy, efficiency and effectiveness (pages 29–32)	<p>Actions: Whereas we accept this recommendation, the Council is well aware of the issue and we are already delivering the improvements, and member engagement, as required</p> <p>Responsible Officer: Director of Children's Services</p> <p>Due Date: Already delivering.</p>

# Improvement recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
IR1 We recommend the Council places a significant organisational focus on the continued development and implementation of interventions that will support the management and mitigation of the DSG budget deficits. This should include progressing the planned locality model as part of the children's social care financial sustainability plan, and wider interventions, agreed as part of the safety valve programme.	Financial sustainability (pages 16 - 22)	<p>Actions: We have been closely monitoring and reporting on the status of our safety valve programme throughout its duration. Despite early success, similar to the vast majority of Councils across the Country, recent targets have been challenging. We have subsequently adapted our plan, incorporating further strategic interventions, and have reported these regularly through Directors and Senior Politicians. We therefore feel that this recommendation has already been addressed.</p> <p>Responsible Officer: Director of Children's Services</p> <p>Due Date: Already delivering.</p>
IR2 We recommend the Council identifies specific savings plans and targets as part of its annual budget setting process to ensure the proactive and transparent management of MTFS budget gaps.	Financial sustainability (pages 16 - 22)	<p>Actions: We do not accept this recommendation. We have taken a deliberate strategic decision not to set savings targets against individual Sustainability Plans, instead compiling a programme of strategic plans aimed at driving out organisational efficiencies to deliver the totality of the sums required to address the gaps as detailed in our MTFP. This decision has resulted in positive culture change whereby Senior Officers and Members 'own' the Corporate Sustainability Plan programme. Only when we can demonstrate a reduction in spend in a specific area, (as a result of actions delivered through sustainability plans), will we subsequently adjust budgets.</p> <p>Responsible Officer: Not applicable.</p> <p>Due Date: Not applicable.</p>

# Improvement recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
IR3 We recommend the Council undertakes specific scenario planning in respect of its adult social care funding arrangements defined under the current Section 75 Agreement, updates Members with regards to outputs, and incorporates these as part of the Council's medium-term financial planning.	Financial sustainability (pages 16 - 22)	<p>Actions: As mentioned during the VFM review, it is impossible for the Council to conduct any meaningful scenario planning in this area until we are able to establish a robust and accurate baseline of the financial liability apportionment between Torbay Council and Health with regards to the current caseload. We have commissioned some independent work to help inform our initial assessment of liability and we are beginning to work through the existing (2,700) caseload to get a clearer view as to what level of cost over-run relates to statutory Adult Social Care Services. Scenario planning can only occur after this initial piece of work has been completed.</p> <p>Responsible Officer: Director of Adults and Communities</p> <p>Due Date: 1 April 2026.</p>
IR4 We recommend the Council reports, at least annually, details relating to procurement waivers, to those charged with governance.	Governance (pages 23 - 28)	<p>Actions: Agreed. We will formally report procurement waivers on an annual basis.</p> <p>Responsible Officer: Head of Commercial Services</p> <p>Due Date: 1 April 2026.</p>

## 06 Follow up of previous Key recommendations

# Follow up of 2023/24 Key recommendations

Prior Recommendation	Raised	Progress	Current status	Further action
KR1 The Council must ensure there is sufficient capacity and capability to ensure that financial reports including the statement of accounts, are prepared adequately with sufficient quality assurance for review. Furthermore, sufficient capacity should be given to the team to ensure that audit queries are met in a timely manner and resolved sufficiently.	2023/24	Following the appointment of the Council's section 151 officer there has been good evidence of the Council's introducing measures to stabilise and improve finance team capacity and capabilities. However, the Council recognises further work remains and the improvement journey continues.	Partially implemented.	We have reworded and restated our prior year key recommendation.

# 07 Appendices

# Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council's Value for Money arrangements

## Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

## Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

## Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.



### A range of different recommendations can be raised by the Council's auditors as follows:

**Statutory recommendations** – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

**Key recommendations** – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

**Improvement recommendations** – actions which are not a result of us identifying significant weaknesses in the Council's arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

## Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year

Key performance and risk management information reported to the Overview & Scrutiny Board and Audit Committee.

Interviews and discussions with key stakeholders

External review such as by the LGA, CIPFA, or Local Government Ombudsman

Progress with implementing recommendations

Regulatory inspections such as from Ofsted and CQC

Findings from our opinion audit

Annual Governance Statement including the Head of Internal Audit annual opinion

# Appendix C: Follow up of 2023/24 improvement recommendations

Prior Recommendation	Raised	Progress	Current position	Further action
IR1 The Council's medium-term resource plan should clearly align to its other plans such as the productivity, estates and net zero. To ensure the budget aligns to the Council's operational and strategic aims.	2023/24	The Council have responded to this recommendation.	Implemented.	None needed.
IR2 The Council should undertake more detailed sensitivity and scenario analysis as part of its planning process. Outcomes/outputs should be presented to members to allow for further challenge/scrutiny.	2023/24	The Council have informed us that scenario analysis has continued internally but does not feature explicitly within public documents. We understand different scenarios are presented to senior officers and members, throughout the budget setting process.	Partially implemented.	We have reworded and restated our prior year recommendation to reference a specific area of Council activity that should be subject to scenario planning.
IR3 To enhance the quality and comprehensiveness of future reports, it is recommended that all aspects and impacts of the decision are to be documented in more detailed consideration and analysis. This will ensure that decision-makers are fully informed and can make well-rounded, strategic decisions.	2023/24	The Council have responded to this recommendation.	Implemented.	None needed.

# Appendix C: Follow up of 2023/24 improvement recommendations

Prior Recommendation	Raised	Progress	Current position	Further action
IR4 If a decision was undertaken with delegated authority, the justification and the additional information on the decision must be reported back to Cabinet for transparency.	2023/24	The Council have responded to this recommendation.	Implemented.	None needed.
IR5 The Council should provide further training around roles and responsibilities required as members. Furthermore, the Council should ensure that members are regularly informed about the Councillor of Code and should abide it.	2023/24	The Council has taken a number of measures to support member adherence to code of conduct requirements. Some issues remain but these are not widespread.	Implemented.	None needed.
IR6 We have raised an improvement recommendation that the Council should ensure that it clearly documents action plans on improving performance, improvement against them and that there is clear ownership of responsible individuals delivering that change.		The Council has developed further its performance management arrangements during 2024/25 and we note performance reports include a 'Key challenges' section which described Council's planned actions to improve areas of improvement.	Implemented.	None needed.



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