

Teignbridge District Council

Interim Auditor's Annual Report
Year ending 31 March 2025

8th December 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 Teignbridge District 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 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. 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

Teignbridge District Council (the Council) is a district in South Devon, located between Exeter and Torbay and the south-eastern area of Dartmoor. The district was first formed on 1 April 1974 under the Local Government Act 1972. There are twenty-four wards in Teignbridge. The Council is based in the town of Newton Abbot. At the time of writing this report (December 2025), the Council has forty-seven councillors. Twenty-five councillors disclose that they are members of the Liberal Democrat party; ten disclose that they are members of The Independent Group; nine disclose that they are members of the Conservative party; two disclose that they are independent (with no group); and one discloses that they are a member of Reform UK.

It is within this context that we set out our commentary on the Council's value for money arrangements in 2024/25.

Present



Financial Sustainability

Many councils continue to face significant financial challenges, including housing revenue account 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.



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.

Future

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Council's arrangements is set out below. Further detail can be found on the following pages.

| Criteria | 2023/24 Assessment of arrangements | 2024/25 Risk assessment | 2024/25 Assessment of arrangements |
|---|---|--|---|
| Governance | R Significant weakness in arrangements for standards, behaviour and decision-making. One statutory and three key recommendations raised. See pages 8 to 11 for current progress. | One risk of significant weakness identified in relation to standards, behaviour and decision-making. | R Although there is some evidence of progress, our statutory and key recommendations from 2023/24 are retained. In addition, we raise two new improvement recommendations on pages 20 and 21. Our first improvement recommendation concerns stewardship (and savings plans). Our second improvement recommendation concerns budget monitoring. |
| Financial sustainability | R Significant weakness identified in relation to a cinema project which was abandoned after the decision to proceed with the project had been made. One key recommendation. See page 11. | One risk of significant weakness identified in relation to medium-term financial planning. | A No significant weakness identified in arrangements for financial sustainability in 2024/25. However, our first new governance improvement recommendation above concerning stewardship (and savings plans) is relevant to financial sustainability as well as governance. |
| Improving economy, efficiency and effectiveness | R Significant weakness identified in relation to a cinema project which was abandoned after the decision to proceed with the project had been made. One key recommendation. See page 11. | No risks of significant weakness identified | A No significant weakness identified in arrangements for economy, efficiency and effectiveness in 2024/25. However, we raise one new improvement recommendation on page 29 in relation to partnerships and procurement. |

G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendation(s) made.

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

Executive Summary – follow up of 2023/24 statutory recommendation

Our Auditors Annual Report for 2023/24 raised one statutory recommendation, in six parts. At the time of writing this report, the statutory recommendation is retained for 2024/25, although we recognise that work is in progress.

| Prior Recommendation | Raised | Progress | Current status |
|---|---------|--|--|
| <p>SR1</p> <p>The Council should:</p> <ol style="list-style-type: none"> 1. Commission a suitably qualified expert to investigate the underlying causes of member behaviours which contravene the standards set out in the Council's constitution under the members' code of conduct and the member/officer protocol; and which have impacted the Council's reputation and working culture. The Council should then develop an action plan to enable members and officers to address those issues. 2. Adopt a consistent zero-tolerance approach to any swearing; lack of respect for other people attending meetings; or other abusive behaviour towards other members or officers in meetings. This should be done by making full use of the procedural rules set out in the Council's constitution by: Immediately adjourning the meeting; moving a motion that the member concerned be not heard; or moving a motion that the member concerned should leave the meeting. 3. Consider amendments to its constitution to extend those procedural rules to all meetings of committees of the Council and amend the Member Code of Conduct to <p>Continued on next page</p> | 2023/24 | <p>The Council is in the process of procuring a suitably qualified expert to assist with analysing and addressing causes of bad behaviour.</p> <p>Amendments to the Constitution were approved in May 2025, surrounding meetings and motions. This was the culmination of work by a cross-party working group facilitated by the Centre for Governance Scrutiny.</p> <p>The Standards Committee met in July 2025, and is now called the Governance Committee. New members have been appointed to the Standards Committee (now Governance Committee) - including four Liberal Democrats, one Conservative member and one member from the Independent Group.</p> | Retained, although we recognise that work is in progress |

Executive Summary – follow up of 2023/24 statutory recommendation

| | Prior Recommendation | Raised | Progress | Current status |
|---------------|--|---------|--|--|
| SR1 Cont'd | <p>include an obligation for all members to reinforce standards of behaviour and to support the Chair of the Council and chairs of committees of the Council in their use of procedural rules to ensure proper conduct. Group Leaders should model good behaviour and discipline members of their groups whose behaviour breaches the Code of Conduct and the member/officer protocol.</p> <p>4. Continue to provide information and support to ensure that members and officers who are subjected to aggressive and abusive behaviour from individual members can, if they wish, submit a written complaint to the Monitoring Officer immediately, so that it can be dealt with under the Council's Standards procedures.</p> <p>5. Ensure that Group Leaders take responsibility for their members working collaboratively with officers and for their members improving behaviours and relationships.</p> <p>6. Review membership of the Standards Committee, with only members who have an excellent behavioural track record being eligible to join it. Meetings should then resume. A Governance Committee should be introduced to reinforce the work of the Standards Committee. As with the Standards Committee, members on the Governance Committee must have an unblemished behavioural track record.</p> <p>Securing good standards and behaviour amongst members will help to strengthen corporate governance and working culture. This in turn should help to create a positive environment from which the Council can build better relationships and address the other issues it faces, such as transacting business as usual and maintaining respect and co-operation around decisions once they have been taken.</p> | 2023/24 | <p>The Member Conduct Review has commenced.</p> <p>A Governance Action Plan is in place and monitoring by the Audit Committee has commenced.</p> <p>Our prior year statutory recommendation remains in place but we recognise that progress is being made. Root causes of issues and complaints, and ability of Group Leaders to take responsibility for their groups, now need to be addressed.</p> | Retained, although we recognise that work is in progress |

Executive Summary – follow up of 2023/24 key recommendations

Our Auditors Annual Report for 2023/24 raised three key recommendations. At the time of writing this report, the three key recommendations are retained for 2024/25, although we recognise that work is in progress or planned to strengthen arrangements for decision-making and interests.

| Prior Recommendation | Raised | Progress | Current status |
|--|---------|--|----------------|
| KR1 Matters were identified over the course of our audit that suggested members do not always understand which aspects of Council business they do or do not have access to by law. Members need to be clear about what they can and can not have access to. The Constitution outlines matters for meetings that members of the public are excluded from (“Part 2 meetings”). Where Part 2 meetings are used, all present should adhere to the legal confidentiality requirements of Part 2 meetings. | 2023/24 | For 2024/25, we identified one instance of councillors using council information to stage a protest against the Council and its development of NA3 by the developer Vistry; this was a breach of confidentiality. Whilst councillors considered officers were slow to respond to their concerns when they were first raised, it must be acknowledged that the matters involved were complex and stop notices should not be used without complete understanding of the situation as they can result in financial consequences and reputational harm for the Council if they are improperly served. Councillors were kept informed of progress and all emails and queries received a reply in good time. | Retained |
| KR2 The Council should review arrangements around declarations of interest and investigations. An internal audit of declarations of interest should be arranged. | 2023/24 | The declarations of interest audit has now taken place, and the report and recommendations were received in October 2025. The report provided Reasonable Assurance over arrangements for declarations. Management will work through Actions. | Closed |

Executive Summary – follow up of 2023/24 key recommendations

| Prior Recommendation | Raised | Progress | Current status |
|--|---------|---|--|
| <p>KR3 Decision-making arrangements at Executive Committee and Full Council level should be reviewed and, where necessary, strengthened. The planned decision flowchart should be completed. If necessary, longer timescales for evaluation of the impact of decisions should be introduced.</p> <p>As we recommended in our Auditor's Annual Report for 2021/22 and 2022/23, the Council needs to ensure that once decisions are made, they are stuck to - in order to allow projects to proceed as required. Once decisions are made, they should be treated with trust and respect by members and officers, and they should be acted on in a spirit of mutual co-operation. This will require wider relationships to be working well.</p> <p>Over time, if there are reasons to revisit a decision, this should be done through main constitutional arrangements.</p> <p>The events of 2023/24 show that financial loss and delayed project progress can result when decisions are undermined from outside the main constitutional process. Lack of trust between members and officers may be one of the underlying causes of member behaviour contravening standards set out in the constitution. The lack of trust and the poor relationships and behaviours ensuing from it may be undermining business as usual processes.</p> <p>The Council wrote off £522,000 when it abandoned the cinema project. The Council has other high profile capital projects, and it will be important that decision-making is applied carefully around them.</p> | 2023/24 | <p>We noted that in February 2025, LGA Peer Reviewers reported that decision making arrangements had improved given the lack of significant last-minute changes to recommendations in meetings. However, they also reported that there were still concerns around one meeting not being as easy as expected; and the way officer advice is given and challenged on the planning committee.</p> <p>The decision-making flowchart was delayed. The Council reported to the Audit Scrutiny Committee on 16th April 2025 that this will now be allocated to the newly recruited Democratic Services Team Leader and taken forward along with the review of the Constitution. The flowchart is now available on the Council's website, and a draft decision making guide was circulated to the Senior Management Team in November 2025.</p> <p>Retained as a Governance issue only for 2024/25 while new arrangements are embedded.</p> <p>There were no specific issues from reversal of decisions that affected financial sustainability and economy, efficiency and effectiveness (EEE) in 2024/25. Therefore, not retained for these criteria.</p> | <p>Retained as a Governance issue only for 2024/25, although we recognise that work is in progress.</p> <p>Not retained for financial sustainability and EEE in 2024/25.</p> |

Executive Summary – findings for 2024/25

We set out below the key findings for 2024/25 from our commentary on the Council's arrangements in respect of value for money.



Governance

We have seen some evidence of progress since our prior year Auditor's Annual Report (February 2025). For example, identification of an external consultant to help with behaviour; new member appointments to the Standards Committee; and the Audit Committee reviewing progress with a Governance Action Plan. However, there are still significant areas where our recommendations from 2023/24 have not yet been addressed. Complaints about members are increasing; one Group Leader has expressed difficulty in disciplining their group; a lack of trust means officers have expressed hesitance to share information with members; and some members have questioned the need to make savings when reorganisation is close at hand.

Our recommendations from 2023/24 are retained and we raise two new improvement recommendations in respect of 2024/25.



Financial sustainability

We raised a significant weakness for 2023/24 when an abandoned cinema project led to financial loss. However, this was not repeated in 2024/25.

We have seen evidence of good practice in 2024/25 arrangements for financial sustainability. There is a £2.6 million "Modern 25" savings and transformation plan in place. The Council has a new Workforce Strategy and a new Strategic Assets Management Plan. However, we have seen some areas of weakness in arrangements for stewardship. The £2.6 million transformation plan is relatively modest in value. Some members have expressed doubt about the need to make savings in the run up to reorganisation.

Our governance improvement recommendation on stewardship is relevant to arrangements for financial sustainability.



Improving economy, efficiency and effectiveness

We raised a significant weakness for 2023/24 around project management for the abandoned cinema project. However, this was not repeated in 2024/25.

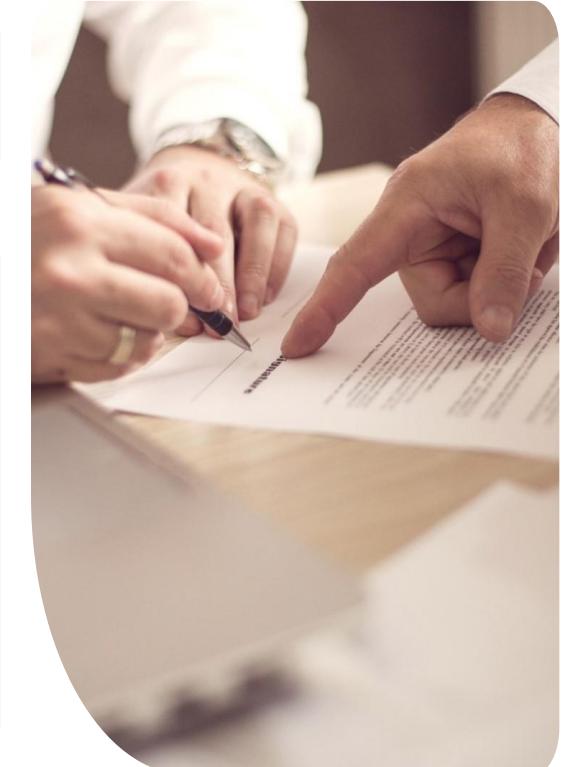
The Council was successful in improving planning service performance in 2024/25. An Action Plan was successfully adopted by the Council, and the Council is currently exceeding the government's target.

Looking at performance more widely, we note that there are six "red" RAG rated indicators for housing and homelessness, which is an increase from 2023/24 (5). There have also been vacancies in Principal Officer roles on some key projects, and a pause in the delivery of a new finance system project that the Council is working on with partners.

We raise one new improvement recommendation.

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 | At the time of writing this report, our audit of your financial statements is ongoing. |  |
| Use of auditor's powers | <p>In 2023/24, we made written statutory recommendation under Schedule 7 of the Local Audit and Accountability Act 2014. This recommendation is retained.</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 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:



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.



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).



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.

Governance – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

| | | |
|---|---|----------|
| <p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p> | <p>To help address longstanding tensions between members and officers, a new member-officer protocol was agreed in July 2024. However, relationship issues persisted throughout 2024/25, at member-to-member level as well as between members and officers. Relationship issues were highlighted as something that needed to be addressed in the Annual Governance Statements for 2023/24 and 2024/25; and were highlighted in our statutory recommendation in February 2025.</p> <p>Our statutory recommendation was endorsed by the Full Council on 25th February 2025. In the meeting, some members questioned the sufficiency of time allowed to speak at the Full Council meeting; and whether "bad behaviour" is really the exercise of free speech, exacerbated by lack of transparency. As pages 8 and 9 of this report show, our statutory recommendation from February 2025 has not yet had time to be fully addressed. It has therefore been retained.</p> <p>Disagreements between councillors on 25th February over how the Auditor's Annual Report for 2023/24 was shared, the length of speaking time allowed, and transparency of information shared with members suggest that trust is low between some members and officers and between some members and fellow members. Between June 2024 and June 2025, 61 complaints were reported to the Standards Committee. 30 of these were from elected or co-opted members. We note that there were no Standards Committee meetings held during 2024/25. A Standards Committee meeting was held on 2nd July 2025, and the high number of complaints about members was a subject of the agenda at that meeting.</p> <p>We note that after the year end, on 15th July 2025, the Council notified one Councillor that they were no longer qualified to act as Councillor, because of their meeting non-attendance. The Councillor challenged the disqualification and the Council dealt with the challenge before declaring a vacancy. A vacancy was declared on 20th August 2025 instead of being declared forthwith. The circumstances surrounding the delay have been clearly explained and there is no evidence of significant weakness in the Council's arrangements for the disqualification.</p> | <p>R</p> |
|---|---|----------|

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>Local Government Association (LGA) Peer Reviewers reported in January 2024 that decision-making at the Council is not as easy as they would expect. Our Auditor's Annual Report for 2023/24 highlighted, in February 2025, cases of decisions being made but not adhered to. The Council committed to produce a decision-making flowchart by March 2025. It was not in place during 2024/25, but is now available on the Council's website. We are aware that a cross-party working group facilitated by the Centre for Governance and Scrutiny has been put in place for the review of the Constitution.</p> <p>The Council has a Governance Action Plan and progress against it is being monitored by the Audit Committee (formerly called the Audit Scrutiny Committee) on a six-monthly basis. Nevertheless, some poor behaviour in meetings has persisted since February 2025. At an Overview and Scrutiny meeting in May 2025, for example, there was a dispute between members over a point of order; and refusal by one member (who subsequently left the meeting) to vote on their own notice of motion. Behaviour of this nature can undermine the attention paid to business as usual and risks moving the focus of attention away the Council's core objectives. Officers inform us that procurement of external consultants who can support behavioural improvement is underway. Furthermore, there were amendments made to the Constitution in May 2025, surrounding arrangements for future meetings and motions.</p> <p>Officers inform us that after our Auditor's Annual Report for 2023/24 commented on behaviour, at least one Group Leader stated that they found it difficult to discipline their Group. The Executive is currently exploring appropriate options for supporting Group Leaders so that they can effectively take responsibility for their Groups. Pages 10 to 11 show that there are key recommendations as well as the statutory recommendation from February 2025 that have not yet been fully addressed and are retained.</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 |
|--|---|--------|
| 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 Strategic and Corporate Risk Register was shared twice with the Audit Committee in 2024/25. Internal Audit Progress reports were shared with the Audit Committee at every meeting in 2024/25. The Constitution includes an Anti-Fraud, Theft and Corruption Policy. There is also a Whistleblowing Policy which members have been briefed on. The Council recently ran a campaign to ensure staff could raise concerns through the Human Resources / Wellbeing channels if necessary.</p> <p>Our Auditor's Annual Report for 2023/24 stated that "members are not always confident that interests have been declared by fellow members". We raised a key recommendation noting that an internal audit of declarations of interest, gifts and hospitality was required. The internal audit of declarations has been undertaken. The report concluded in October 2025 that there is Reasonable Assurance over arrangements for declarations. Management will work through actions recommended.</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 |
|---|--|--------|
| approaches and carries out its annual budget setting process | <p>In February 2025, although the budget for 2025/26 was approved by a majority of members, sixteen members had abstained from approving it. They abstained because of a collection of concerns, including debt levels, dependency on reserves, and affordability of capital projects entered into in the run up to reorganisation. We did not identify any specific evidence of inappropriate debt or capital spending in 2024/25. We also confirmed that a Medium-Term Financial Plan task and finish group now plans to review prioritisation for the capital programme budget going forward. However, the Council should work to reduce dependency on reserves for balancing future budgets; and should seek to replenish the reserves. In the run up to local government reorganisation, the Council is required to maintain effective financial stewardship. The Council should ensure that the budget for 2026/27 includes granular savings plans and is based on a sustainable approach to debt, capital and reserves. We raise an improvement recommendation on page 20 of this report.</p> | A |
| 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>Budget monitoring data was reported to the Executive Committee in September and November 2024. Budget and financial plan proposals were reported to the Executive and Overview and Scrutiny Committee in January and February 2025. However, no further in-year monitoring data was reported. Year end outturn data for 2024/25 was reported to Audit Committee and Executive Committee in September 2025 – the administration chose not to have any meetings in August – with the next reporting to take place in December 2025.</p> <p>The accounts for 2021/22 and 2022/23 received a disclaimed audit opinion in November 2024. The accounts for 2023/24 received a disclaimed audit opinion in February 2025. The Council missed the deadline for publishing unaudited accounts for 2024/25 by four days. We note that when the 2024/25 audit does complete, a modification of opinion is expected because of backstop implications from previous years. We raise an improvement recommendation on page 21 of this report.</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)

Area for Improvement identified: identifying and delivering recurrent savings

Key Finding:

In February 2025, sixteen members abstained from approving the budget for 2025/26. Their concerns included planned future dependency on reserves for bridging budget gaps.

At a public Full Council meeting held on 29 July 2025, discussions indicated that some members feel making savings is no longer important in the run up to reorganisation. Proposed savings projects (eg for public conveniences) are being challenged on the grounds that there is no point in helping the new unitary council that will come after reorganisation takes place. We note that this is not a view held by all members. This sentiment runs contrary to the fact that the Ministry of Housing, Communities and Local Government (MHCLG) has advised Councils that in the run up to reorganisation they need to make “decisions that are in the best interests of the whole area”. The Minister of State for Local Government and English Devolution shared MHCLG’s advice on 24th July 2025 with the Leaders of all 21 of the Councils invited to submit proposals for unitary local government.

The present Council has a £2.6 million transformation plan that it is working through, but this is relatively modest in value. The Council should seek new transformation opportunities, supported by skilled staff and granular monitoring. Monitoring should be led by the finance team.

Evidence: Webcasts of Council meetings; budget papers; Modern 25 records; discussions with officers.

Impact: Increased risk of weakness in arrangements for stewardship, governance and financial sustainability.

New Improvement Recommendation 1

IR1:

The Council needs to maintain effective stewardship in the run up to reorganisation. This will mean taking a sustainable approach towards decision-making for assets, reserves and savings plans. The budget for 2026/27, and decisions made in the build-up to that budget, should reflect the ongoing requirement to balance the budget and maintain a sustainable position. All members will need to be committed to this aim.

The Council needs to explore options for more transformation-based savings in the medium term. The Council needs to invest in appropriate staff skills and capacity to deliver this; and needs to consider whether stronger financial reporting tools would help to identify and monitor savings. As savings programmes get underway, monitoring and reporting should be led from the finance team. Additional granular reporting should be introduced to enable sufficient monitoring of the progress on Modern 25 programme.

Governance (continued)

Area for Improvement identified: identifying and delivering recurrent savings

Key Finding: Budget monitoring reports were shared with the Executive Committee in September and November 2024. Budget planning documents were shared in January 2025 and budget outturn documents for 2024/25 were shared in September 2025.

Draft accounts for 2024/25 were published after their statutory deadline and the audit opinion is expected to include a disclaimer in connection with backstopped accounts from previous years.

Evidence: Budget monitoring reports shared with the Executive Committee; discussions with officers.

Impact: Increased risk of weakness in arrangements for governance. Reduced ability to make decisions based on up-to-date financial information.

New Improvement Recommendation 2

IR2: The Council should consider whether there is anything that can be done to reduce dependency on just a small number of people to produce budget monitoring data at year end.

Draft accounts should be published in line with their statutory deadline and supported by a comprehensive set of working papers, and sufficient capacity to service an audit to completion.



Grant Thornton insight

Budget monitoring

CIPFA's Financial Management Code states that to remain financially sustainable an authority must have timely information on its financial and operational performance. Quarterly reports to members on budget outturn to date and budget forecast for the year are common for many Councils. Some Councils facing financial pressure choose to share budget data more regularly with their Cabinet or Executive, for example on a monthly basis.

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 has forecasted budget gaps of £1.5 million in 2025/26; £3.8 million in 2026/27; £3.6 million in 2027/28; and £2.8 million in 2028/29. The gaps equate respectively to 7.5%, 21.8%, 21.5% and 15.1% of forecast net service cost each year. The Council had £11.7 million of earmarked reserves available (as at 31 March 2025) to cover these gaps, but should that balance be depleted beyond what is forecast, then the Council would quickly be in a position of needing to use the General Fund Balance. The Council has various planned mitigations to reduce pressure on reserves, such as reduced need for future pension contributions; new letting arrangements; charges for pest control; plans for increased leisure income; and the expectation of some staff vacancy savings. The Council uses internal borrowing to minimise finance costs. There is also a Modern 25 programme to deliver £2.6 million savings from transformation over the next two years. This is a relatively modest sum of planned savings. In the medium term, a higher value transformation programme may be needed to secure ongoing financial sustainability.</p> <p>To deliver a higher value savings programme, the Council will need the right skills and capacity. A recent report by LGA Peer Reviewers highlighted concerns around skills and capacity just for the current £2.6 million programme. LGA Reviewers referred to the need to "upskill" Council staff and noted that capacity at the Council's shared service IT provider was an issue for supporting transformation, as well as capacity at the Council itself. The Council has invested £500,000 in an invest to save reserve in the 2025/26 budget, however, stronger financial reporting systems and stronger staff skills and capacity may be needed to secure the benefits from this. Developing strong financial reporting skills and upskilling staff to support savings is part of good stewardship. We raise an improvement recommendation on page 20 of this report.</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>Some of the £2.6 million Modern 25 savings depend on planned asset disposals. Work has been ongoing to cleanse and restructure asset data records. Most of the savings are expected to occur from 2025/26 onwards, with only £89,685 targeted for 2024/25. Those elements that were targeted for 2024/25 were on track to be delivered at the time we completed our work - £207,815 was in fact forecast to be delivered in 2024/25. However, detailed monitoring of progress has been carried out by the Business Transformation Team in conjunction with the Finance team.</p> <p>If higher value savings and transformation is going to be achieved in future, detailed analysis of information to identify potential savings and monitor progress towards them will be needed. Officers inform us that at present, there are only limited arrangements for finance-led monitoring of progress with the Modern 25 scheme, and that tools such as Power BI could be explored. Oversight over Modern 25 should rest with the finance team. The finance team and finance business partners should work together to identify which reporting functions might help and whether there are training needs as well. This is important for good stewardship. We raise an improvement recommendation on page 21 of this report.</p> | A |
| plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities | <p>In February 2025, the Council issued a new One Teignbridge corporate strategy for 2025-30. The Council's priorities are: Community, Economy, Environment, Homes and Infrastructure. The revenue and capital budgets for 2025/26 and later years align with the corporate priorities. The Council shows a clear awareness of the need to distinguish between statutory and discretionary activity. The Council's revenue and capital budget proposals for 2025/26 included an observation that 35% of residents agree with the Council reducing the discretionary services it provides.</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>At the time we completed our work, we were informed that the Council had recently approved a new Workforce Strategy (October 2024) and a new Strategic Asset Management Plan (June 2024). We were also informed that the Digital Strategy was due to be updated shortly; that there are annual Capital and Treasury Strategy processes that support the annual budget; and that carbon action planning also takes place. In the first half of 2024/25, the capital programme increased in value from £53.3 million to £59.3 million due to projects that had been deferred being included in the programme now. However, we note that some of the capital projects in the programme are marked as provisional, because the Council recognises it will not be able to deliver everything aimed for in the run up to local government reorganisation. The Council recognises that prioritisation is going to be needed for the capital programme going forward. We were informed that the Medium-Term Financial Plan task and finish group met on 10th July, 23rd July and 5th August and will continue to meet in the coming months to review a range of capital and revenue options. The asset database has been completely restructured in year, which may help with capital prioritisation and planning.</p> <p>Significant areas of disposals to support the redesign of services include: sale of Old Forde House; review of options for Teignmouth lido; increased investment in a leisure centre where returns are high; and renegotiation sports facility leases. However, we note that there has been reluctance to pursue some potentially unpopular options such as disposal of public conveniences in the run up to local government reorganisation. We raise an improvement recommendation on page 20 of this report in relation to the importance of continuing effective stewardship.</p> | A |
| identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans | Financial risks are shown on the strategic and corporate risk register and in budget data shared with members. Budget proposals include data on sensitivity and risk and on the robustness of estimates and the adequacy of reserves. They include consideration of what the impact would be if council tax rates or inflation rates were to change. We note that the Council increased the minimum prudent level of reserves (general revenue reserve balance) from £2.4 million to £2.5 million in 2024/25. | 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.

Grant Thornton insights – learning from others

The Council has the arrangements we would expect to see in respect of the capital programme, but could challenge itself to go further, based on the best arrangements we see across the sector

What the Council is already doing

The Council takes a proactive approach towards planning for the capital programme. It has:

- A five-year Capital Strategy covering 2025-30.
- A history of securing Future High Street Funds investment into the Teignbridge area.
- A new Strategic Asset Plan, adopted in 2024/25.
- New annual portfolio reviews for asset disposals and restructured the asset database, introduced in 2024/25.
- The Corporate Projects Board is reviewing the capital programme
- A Medium-Term Financial Plan task and finish group, tasked in 2025/26 with prioritising projects for the capital programme.

What others do well

- It is common for capital programmes to be kept under review; for there to be re-profiling; and for there to be dedicated groups challenging capital project timelines when projects are first proposed. In the past, some Councils elected to lengthen the number of years covered by their capital programme so that timelines can be staggered more accurately. We recognise that this is unlikely to be an option for many in the run up to reorganisation.

The Council could consider

- Assessment of timelines for delivery and assessment of likely priorities for the successor unitary council when decisions are made about what to include in the current capital programme.
- Continued good stewardship over assets and capital commitments in the run up to local government reorganisation.

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>Quarterly reports on performance are shared with the Overview and Scrutiny Committee, which will continue to receive quarterly reports on the Teignbridge Council Strategy. Each service area has its own dashboard, and work is ongoing to move every service area dashboard over to Power BI and live reporting. New members of staff are being recruited to support this work. We make no specific recommendation for 2024/25 on key performance indicator reporting, but we note at page 30 that there may be scope for learning from others.</p> <p>As at Quarter 3 of 2024/25, the Council RAG rated its performance as “red” for six housing and homelessness indicators. This is a deterioration on the position at the end of 2023/24, when five key performance indicators were RAG rated “red” for housing and homelessness. To some extent, performance below target for housing has been driven by landlords leaving the residential rental market to set up holiday accommodation. However, there have also been issues around timing of the completion of building projects. New national legislation designed to speed up planning permission, and simplify arrangements at Council, level has been proposed.</p> | G |
| evaluates the services it provides to assess performance and identify areas for improvement | <p>Our Auditor’s Annual Report for 2023/24 reported that the planning service was nearly placed in special measures because of non performance on non major planning applications timescales. An Action Plan was adopted by the Council in 2024/25, with around 112 actions in total. The Council is currently exceeding the government target for approval of non major planning applications and has performed at or above the required 70% compliance rate since Quarter 1 of 2024/25. The Ministry for Housing, Communities and Local Government has confirmed that the Council is no longer at threat of special measures. The Council continues to monitor performance at Executive Management Team level.</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 |
|---|--|--------|
| 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>In January 2024, LGA Peer Reviewers recommended that the Council strengthen partner relationships and develop interactive engagement with communities. The Council has worked hard on both these fronts. A new Strategy and Partnerships service has been restructured; and community engagement formed a significant part of the work to develop and agree the new One Teignbridge corporate strategy. In February 2025, LGA Peer Reviewers reported that they were "impressed by the inclusive way" the new strategy was adopted. Resourcing to support the Council's work with partners now needs to be addressed. The Council has a Corporate Projects Board that informally steers projects. Officers inform us that the terms of reference for the Corporate Projects Board are due to be updated once resources can be found to support the Board and once the rest of the restructuring of the Strategy and Partnerships service is complete. In the meantime, we are aware of at least one building development project being completed with a commercial partner where the Council's role of Principal Officer is vacant because a retiree has not yet been replaced.</p> <p>One of the Council's significant partners is its shared service IT provider (Strata Service Solutions Ltd). One of the key projects that was being delivered with the shared service IT provider surrounded acquiring a new finance system and aligning it with the finance systems used by the other Councils in the shared service arrangement (Exeter City Council and East Devon District Council). For this project, officers inform us that there had at stages been vacancies in the support roles required at Teignbridge District Council. The go-live date should have occurred before the start of 2024/25 but was delayed until late 2026. Officers inform us that the project has now been paused</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.

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

| We considered how the Council: | Commentary on arrangements | Rating |
|---|--|--------|
| commissions or procures services, assessing whether it is realising the expected benefits | <p>The Council has a central procurement function, which also manages procurement for Strata Service Solutions Ltd, South Hams District Council, and West Devon Borough Council as well.</p> <p>The Council has a private and a public contracts register. The central procurement team supports officers in writing key performance indicators into contracts for monitoring at the procurement stage of agreeing new contracts. Once new contracts go live, actual monitoring of the key performance indicators on the contracts then passes to officers in the service lines.</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.

Improving economy, efficiency and effectiveness

Area for Improvement: contract management

Key Finding:

We are aware of at least one high profile building development capital project where the Principal Officer role is vacant because a retiree has not been replaced. We understand that there were at times vacancies in the Council's support roles for a new finance system project that has now been paused.

Evidence: Finance system project documentation; discussion with officers, including at the shared service IT provider.

Impact: Increased risk of weakness in arrangements for improving economy, efficiency and effectiveness.

New Improvement Recommendation 3

Resources for the Corporate Projects Board and the Principal Officer roles on high profile capital projects should be reviewed and where necessary increased.



Grant Thornton insights – learning from others

The Council has the arrangements we would expect to see in respect of performance reporting, but could challenge itself to go further, based on the best arrangements we see across the sector

What the Council is already doing

Quarterly reports on performance are shared with the Overview and Scrutiny Committee. Each service area has its own dashboard, and work is ongoing to move every service area dashboard over to Power BI and live reporting. New members of staff are being recruited to support this work.

The Council's approach to data quality is embedded within its Digital Strategy, which is due to be updated.

What others do well

Our recent national report on Lessons Learnt from Auditors' Annual Reports for 2023/24 highlighted that moves to live performance reporting systems are increasingly common across England:

- Our report showed that maintaining data quality is important when live systems are introduced. Some Councils maintain standalone Data Quality Policies, which can be helpful.
- Our report also highlighted how Councils can strengthen their key performance indicator arrangements by drawing on national and regional benchmarking data, which is available from a variety of providers in the local government sector.

The Council could consider

- Introducing benchmarking against other comparator groups to improve the context within which performance data is assessed.
- Adopting a separate Data Quality Policy when the Digital Strategy is next updated.

04 Summary of Value for Money Recommendations raised in 2024/25

Value for money recommendations raised in 2024/25

Statutory and key recommendations

As shown on pages 8 to 11 of this report, we retained one statutory recommendation (in six parts) from 2023/24 and three key recommendations from 2023/24.

We have seen evidence that progress is being made against the statutory and key recommendations we raised in 2023/24 but at the time of writing this report, there were still further actions needed.

Improvement recommendations

As shown on pages 20, 21 and 29 of this report, we raise three new improvement recommendations for 2024/25.



Improvement recommendations raised in 2024/25

| Recommendation | Relates to | Management Actions |
|--|--|--|
| <p>IR1</p> <p>The Council needs to maintain effective stewardship in the run up to reorganisation. This will mean taking a sustainable approach towards decision-making for assets, reserves and savings plans. The budget for 2026/27, and decisions made in the build-up to that budget, should reflect the ongoing requirement to balance the budget and maintain a sustainable position. All members will need to be committed to this aim.</p> <p>The Council needs to explore options for more transformation-based savings in the medium term. The Council needs to invest in appropriate staff skills and capacity to deliver this; and needs to consider whether stronger financial reporting tools would help to identify and monitor savings. As savings programmes get underway, monitoring and reporting should be led from the finance team. Additional granular reporting should be introduced to enable sufficient monitoring of the progress on Modern 25 programme.</p> | <p>Governance And Financial sustainability (page 20)</p> | <p>Actions: we will continue to explore alternative and additional savings opportunities over and above the areas identified within Modern 25 with Members, Managers etc through business plan review and scrutiny, the work of the MTFP task and finish group and opportunities for early partnership working as part of the lead in time for LGR. We are comfortable with BTT having the management of the Modern 25 programme as intertwined with process mapping and other procedural changes but working closely with the Head of Finance & Audit and the Finance team to capture and agree the savings made and reporting and implementing these accordingly.</p> <p>Responsible officer: Gordon Bryant</p> <p>Due date : quarterly updates and annual updates to budget process</p> |

Improvement recommendations raised in 2024/25

| | Recommendation | Relates to | Management Actions |
|-----|---|--|--|
| IR2 | <p>The Council should consider whether there is anything that can be done to reduce dependency on just a small number of people to produce budget monitoring data at year end.</p> <p>Draft accounts should be published in line with their statutory deadline and supported by a comprehensive set of working papers, and sufficient capacity to service an audit to completion.</p> | Governance (page 21) | <p>Actions: The requirement for additional resources is agreed and the Head of Finance and Audit is working on a restructure which needs urgent implementation to replace and enhance recent staff losses with the necessary technical knowledge.</p> <p>Responsible officer : G Bryant</p> <p>Due Date: TBC</p> |
| IR3 | <p>Resources for the Corporate Projects Board and the Principal Officer roles on high profile capital projects should be reviewed and where necessary increased.</p> | Improving economy, efficiency and effectiveness (EEE) (page 29) | <p>Actions: The phase 2 restructure is picking up on the need to increase resources in this area. This covers both project delivery and the monitoring of external contributions.</p> <p>Responsible Officer: TBC</p> <p>Due Date: TBC</p> |

05 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 Executive or full Council

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 |
|--|---------|---|------------------|
| <p>IR1 An action plan was shared with Full Council on 29th October 2024 for improvements around relationships, the constitution, strategy and partnerships, and the functioning of the authority. Initial monitoring arrangements have been put in place. Reports regarding changes to the Constitution are due to be presented to the next full Council. Standards issues are due to be presented by Statutory Officers to Group Leaders; and a report on Governance issues is due to be presented to annual Council. It will be important not only that this initial monitoring does take place, but that continuous monitoring is then adopted on a permanent basis</p> | 2023/24 | <p>The Council shared a summary of progress against the Action Plan with the Audit Scrutiny Committee (now known as the Audit Committee) on 16th April 2025. However, it showed signs of delay with progress, compared to target dates. Going forward, this will be monitored as part of our review of progress with statutory and key recommendations.</p> | Closed |
| <p>IR2 The Council should continue with its return to Audit and Scrutiny Committee reviewing the risk register twice a year.</p> | 2023/24 | <p>A copy of the Strategic and Corporate Risk Register was shared with the Audit Scrutiny Committee in June 2024 and December 2024.</p> | Closed |

Appendix C: Follow up of 2023/24 improvement recommendations

| | Prior Recommendation | Raised | Progress | Current position |
|-----|--|---------|---|------------------|
| IR3 | The Council should review and revise relevant sections of the constitution to bring the terms of reference of the Audit Scrutiny Committee into line with CIPFA recommended good practice, including the co-option of an external independent member and the election of a chair who is not a member of the administration. The Committee should be renamed to remove the term 'Scrutiny'. | 2023/24 | The Audit Scrutiny Committee changed its name to Audit Committee on 29th July 2025. Job descriptions have been drawn up for the recruitment of an independent member. The Audit Scrutiny Committee did receive and review progress with the Governance Action Plan in April 2025. | Closed |
| IR4 | The Council should recognise good practice and consider the election of an opposition or independent member as Chair of the Overview and Scrutiny Committee. | 2023/24 | We have been informed that a new Chair of the Overview and Scrutiny Committee has been appointed, from outside the ruling administration. | Closed |

Appendix C: Follow up of 2023/24 improvement recommendations

| | Prior Recommendation | Raised | Progress | Current position |
|-----|---|---------|--|------------------|
| IR5 | The Council should continue to monitor progress with implementing a new finance system. | 2023/24 | The new finance system project remains significantly behind schedule. We raise new improvement recommendations around the governance arrangements and contract performance monitoring for this contract. | Superseded |
| IR6 | Draft accounts for 2024/25 should be published in line with their statutory deadline and supported by a comprehensive set of working papers, and sufficient capacity to service an audit to completion. We note that in relative terms, the Council has performed well compared to many peers in timescales for preparing draft accounts. The Council has put itself in a good position to now comply with statutory deadlines going forward. | 2023/24 | The accounts for 2021/22 and 2022/23 received a disclaimer of audit opinion in November 2024. The accounts for 2023/24 received a disclaimer of audit opinion in February 2025. The Council missed the deadline for publishing unaudited accounts for 2024/25 by four days. We note that when the 2024/25 audit does complete, a modification of opinion is expected because of backstop implications from previous years. Superseded by a new, shorter improvement recommendation for 2024/25. | Superseded |

Appendix C: Follow up of 2023/24 improvement recommendations

| | Prior Recommendation | Raised | Progress | Current position |
|-----|---|---------|--|------------------|
| IR7 | The Council should seek to reduce its dependency on the Funding Reserve to close budget gaps. The Council should then aim to stabilise its reserves over the medium-term. | 2023/24 | There is evidence that some Councillors have not taken responsibility to safeguard reserves in the run up to local government reorganisation. We raise a new improvement recommendation highlighting responsibility for good stewardship, including over reserves, in the run up to local government reorganisation. | Superseded |
| IR8 | The Council should maintain the arrangements now in place so that performance on non-major planning applications remains above the government's minimum target. | 2023/24 | Data provided to us for April 2025 shows that the Council is currently exceeding the government target for approval of non major planning applications. | Closed |



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