Grant Thornton

Rotherham Metropolitan Borough Council DRAFT

Auditor's Annual Report
Year ending 31 March 2026

10 November 2026



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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

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Introduction

This report brings together a summary of all the work we have undertaken for Rotherham Metropolitan Borough Council (The Council) during 2025/26 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 2026 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 2025/26.
- 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.

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.

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. During 2024/25, the NAO consulted on and updated the Code to align it with 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. The deadline requirement for 2025/26 AARs is 30 November 2026.

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Local government – context

Local government has remained under significant pressure in 2025/26

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.

Present



Financial Sustainability

Despite the Fair Funding Review 2.0, many councils continue to face significant financial challenges, including social care, SEND and temporary accommodation 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



Digital change

AI and digital change are automating routine processes and enabling more personalised services for residents. This is shifting workforce skills as councils seek productivity gains. Risks around digital exclusion, data quality, ethics, and governance mean strong leadership and controls are increasingly important.



Reorganisation and Devolution

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

Local

Rotherham Metropolitan Borough Council (the Council) is a metropolitan borough council with a population of over 271,000 residents. The Council operates under an Executive decision-making model, which oversees the formation of all major policies, strategies and plans. The Council's formal decision making and governance structure constitutes the Council and an Executive (the Cabinet). The Council has 59 councillors, and has been under Labour majority control since the borough's creation in 1974. Councillors are responsible for agreeing policies about provision of services and how the Council's money is spent. The Council employs officers who are responsible for its day-to-day management.

It is within this context that we set out our commentary on the Council's value for money arrangements in 2025/26.

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02 Executive Summary

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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	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 Assessment of arrangements
Financial sustainability	No significant weaknesses identified; two improvement recommendations raised within our report for 2024/25.	No risk of significant weakness identified during planning for 2025/26.	No significant weakness in arrangements was identified and no key recommendation made. We retained and updated one improvement recommendation within our report for 2025/26 relating to demand led services.
Governance	No significant weaknesses identified; three improvement recommendations raised within our report for 2024/25.	No risk of significant weakness identified during planning for 2025/26.	No significant weakness in arrangements was identified. We raised two improvement recommendations within our report for 2025/26. These relate to risk management and procurement arrangements and were retained / amended from the previous year. We did not raise any key recommendations.
Improving economy, efficiency and effectiveness	Two significant weaknesses identified; two key recommendations and two improvement recommendations raised within our report for 2024/25.	Two risks of significant weakness identified during our planning for 2025/26.	One significant weakness in arrangements identified and a key recommendation in relation to the condition of corporate buildings. We replaced a prior year key recommendation on housing with a new improvement recommendation. We raised one new improvement recommendation on performance reporting, and we retained one prior year improvement recommendation on data quality.

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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 did not identify any significant weaknesses in arrangements for financial sustainability and we raise just one improvement recommendation in relation to demand led services.

The Council has a good track record of delivering savings and managing financial risk. There is significant financial pressure on services, including for children and young people. The Council is developing plans to reduce costs by increasing the use of in-house children's placements; speeding up assessments for adults; and optimising waste services. Clear targets and milestones will be needed.

The Council incurred an overspend on the 2025/26 High Needs Block of £3.6 million in 2025/26. A high needs stability grant of £0.4 million in respect of 2025/26 has been indicated by government but the Council still needs to limit DSG overspends between now and 31 March 2028.



Governance

The Council's statutory accounts process is well run. The Annual Governance Statement for 2025/26 provides details of progress made to address any weaknesses, and the Internal Audit annual opinion for 2025/26 confirmed that the overall control environment has Adequate assassurance.

We did not identify any significant weaknesses in arrangements, and we raise just two improvement recommendations.

The Risk Management Guide was refreshed in 2025/26. The Council now needs to update its Risk Management Policy.

Procurement procedure rules are detailed in the Council's Constitution. Our review did not identify any reporting of exemptions to procurement procedure rules (waivers) and there were some cases of non-compliance with arrangements for contract awards within the Regeneration and Environment Directorate.



Improving economy, efficiency and effectiveness

The Council made strong progress in 2025/26 with completing housing stock condition surveys. By September 2026, 12,200 housing stock condition surveys had been completed, covering 62% of stock, with 94% of the homes surveyed meeting the Decent Homes Standard. We replaced a prior year key recommendation with an improvement recommendation in relation to updates now needed to asset management and capital investment plans.

Last year we raised a key recommendation regarding the Council's corporate buildings. Stock condition surveys had not been completed. Procurement of a new computerised system has now commenced, and condition surveys started in July 2026. We retain our prior year key recommendation whilst these are being completed. We raise two improvement recommendations in relation to performance reporting and data quality.

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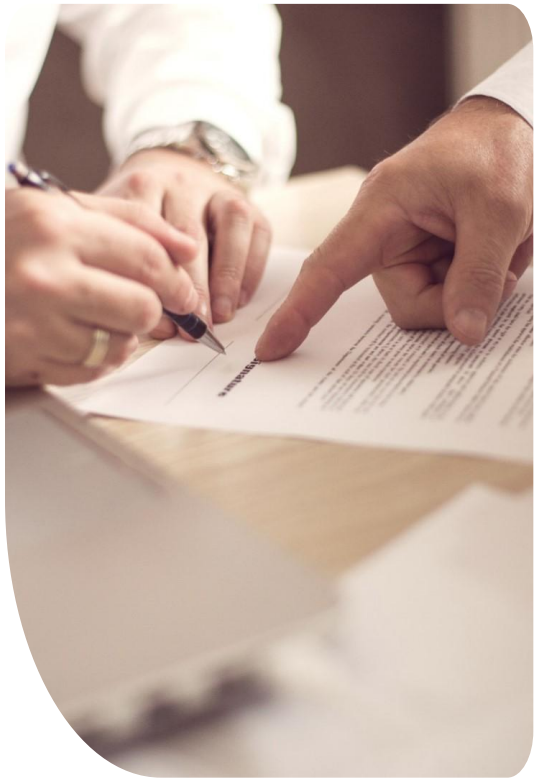
Executive summary – auditor's other responsibilities

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	2025/26 outcome
Opinion on the Financial Statements	We have nearly completed our audit of your financial statements and anticipate issuing an unqualified audit opinion, following the Audit Committee meeting on 24 November 2026. Our findings are set out in further detail on pages 10 to 13.
Use of auditor's powers	We did not make any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014. 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. We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014. 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.



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

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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

We have nearly completed our audit of your financial statements and anticipate issuing an unqualified audit opinion, following the Audit Committee meeting on 24 November 2026.

The full opinion will be included in the Council's Annual Statement of Accounts for 2025/26, which can be obtained from 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 2026 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 2025/26
- 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 NAO Code of Audit Practice (2024, 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 provided draft accounts in line with the national deadline of 30 June 2026 and these were supported by detailed working papers.

The accounts were adjusted for some amendments following audit, but there was no impact on the General Fund from these adjustments, and we raised some recommendations but none of these were classed as significant.

Audit Findings Report (ISA260 report)

We report the detailed findings from our audit in our Audit Findings Report. This report will be presented to the Council's Audit Committee on 24 November 2026. Requests for this Audit Findings Report should be directed to the Council.

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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 have nothing to report in this regard.



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Use of auditor's powers

We bring the following matters to your attention:

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

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04 Value for Money commentary on arrangements

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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.

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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 *Continued on next page*	In 2025/26, the Council incurred a net General Fund overspend of £0.3 million. Budget pressure for Children and Young People's Services (£6.2 million) and Adults, Housing and Public Health Services (£7 million) contributed to the pressure the Council faced, but the Council had planned-in contingency of £5.4 million for children's social care contingency; and delivered underspends (in part from vacancies and grant maximisation) in other areas. We note that the Council prepared a balanced budget for 2026/27 and 2027/28 but by July 2026 was forecasting an overspend of £5.9 million for 2026/27, against a net revenue budget of £390.3 million. This broadly equated to a forecast overspend of £5.5 million on services for children and young people, primarily influenced by continued pressures relating to Children in Care external placement costs. The Council is developing plans to reduce its dependency on external placements, by increasing its own provision of placements; developing a kinship care offering; and exploring options for closer working with independent fostering agencies. The Council is also experiencing financial pressure in relation to high demand and complex care packages in Adults services; additional costs on old waste vehicles maintenance when the procurement of new waste vehicles was delayed; and increases in home to school transport demand. Benchmarking has been used by the Council to identify future areas for transformation, including faster assessments for working age adults between 2026/27 and 2028/29. *Continued on next page*	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.

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Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
Continued from previous page identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	*Continued from previous page* New waste vehicle procurement and also waste route optimisation are expected to complete in 2026/27. At the time of writing our report, the Council was still working to identify reasons for a forecast £1.1 million overspend on home to school transport. Demand pressures on this service should be considered within the context of wider demand pressures for the SEND service. Overall, the Council was able to limit its use of reserves to support the General Fund Revenue Account to £0.3 million in 2025/26. The General Fund and earmarked Reserves stood at £53.8 million at the end of 2025/26. However, budget pressure already identified in 2025/26 is continuing to challenge the Council in 2026/27. Our improvement recommendation from 2024/25 is retained in relation to 2025/26. Any further escalation of budget pressure could result in a key recommendation in future years. The Council incurred an overspend on the 2025/26 High Needs Block of £3.6M in 2025/26, leading to an overall DSG deficit for the year of £2.9 million, and breaking the terms of its safety valve agreement with DFE. The Council has a SEND Sufficiency Strategy in place and submitted a SEND reform plan to DFE in June 2026. The SEND Reform Plan was approved on 2 October 2026 and a high needs stability grant of £0.4 million in respect of 2025/26 was indicated. The Council will need to work to limit overspends between now and 31 March 2028, when statutory override ends. **Given the demand pressures identified, we have revised our improvement recommendation from the previous year – see improvement recommendation 1 on page 20.**	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.

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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	The Council had a good track record of delivering savings in 2025/26. Savings of £7.5 million were scheduled for the year; and savings of £7.1 million (95%) were delivered. All planned children and young people and adult services savings were delivered in 2025/26. The only area of savings slippage related to regeneration and environment, being the under delivery of £0.4 million savings due to slower than expected route optimisation in 2025/26. Actions were raised by the Council to deliver the route optimisation savings in 2026/27. Savings delivery has also been strong so far in 2026/27. The Council planned savings of £3.6 million for 2026/27 and by the end of July, £2.4 million of those savings had already been secured. Planned savings for children and young people (£0.8 million) and corporate services (£0.7 million) had been secured in full, and some 50% of all planned regeneration savings had already been secured. For adult savings, work was underway in July 2026 to identify options for reducing agency spend; and to identify reasons why the Council spends more per working age adult than the national average. This work is expected to enable new savings of £0.9 million.	G
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Council plans finances to support the sustainable delivery of services and the corporate priorities set out in the Council Plan for 2025-30 (Forging Ahead). During 2025/26, the capital programme was re-set from a four-year programme to a five-year programme so that it covered the same timescale as the Council Plan. The overall General Fund and Housing Revenue Account Capital Programme for the period 2025/26 to 2029/30 is now £768.4 million. The Capital Programme includes planned capital works that deliver Council priorities.	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.

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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	The budget and medium-term financial strategy are supported by a Capital Strategy and a Treasury Management and Investment Strategy. They are also supported by a Reserves Strategy, a Flexible Use of Capital Receipts Strategy and a Carbon Impacts Assessment. There is regular reporting to Cabinet on progress with the General Fund and HRA capital programme and with the housing delivery programme. Some 91% of the planned capital programme for 2025/26 was delivered; and the housing delivery programme remains in track to deliver 1000 new council homes by Summer 2027 (114 new homes built in 2025/26). We note that substantial progress was made with stock condition surveys for the Housing Revenue Account in 2025/26. Stock condition data should now be used to inform asset management and capital investment plans. This was a key recommendation in the 2024/25 AAR but due to the progress made this is now reflected as an improvement recommendation - **see improvement recommendation 6 on page 32 of this report.**	A
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	Risks (such as future borrowing and funding levels) are highlighted in the budget and Medium-Term Financial Strategy. Regular financial monitoring reports brought to Cabinet throughout the year ensure that members are sighted on the Council's financial position and on any new, emerging risks through the year. The Audit Committee receives regular Corporate Strategic Risk Register updates, including on financial plans and budget gaps. In February 2026, the Council assessed that there was a sufficient balance of reserves to mitigate overall budget risk for 2026/27 but recognised that calls on the reserves would not be sustainable in the long term. A contribution to the reserves of £2.8 million was planned in the budget for 2026/27. Financial data from July 2026 indicates that an overspend of £5.9 million is currently being forecast. General Fund corporate reserves stood at £53.8 million at the start of 2026/27.	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.

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Financial sustainability (continued)

Area for Improvement identified: Demand Led Services

Key Finding: Savings targets for Children and Young People's Services were delivered in full for 2025/26. However, the Council continues to face budget pressure. In July 2026, the Council forecasted a net overspend for 2026/27 of £5.9M. This included underlying forecast overspends in Children and Young People Services (£5.5M); Adults, Housing and Public Health (£2.2M); and Regeneration and Environment (£3.2M). The Council already has mitigations in all three areas planned - setting clear targets and milestones will be important.

The Council incurred a DSG deficit of £2.9 million in 2025/26. It's SEND Reform Plan was approved on 2nd October 2026 and a high needs grant of £0.4 million was agreed at the same time. The Council needs to continue its focus on limiting any further increase in the DSG deficit between now and 31 March 2028. Work to influence EHCP demand may also help manage demand pressure for home to school transport.

Evidence: Budget outturn reporting for 2025/26; budget monitoring reporting for 2026/27; correspondence with DFE; discussion with officers.

Impact: Ongoing requirement to manage (and limit) growth in High Needs spending and general fund revenue budget pressures.

2025/26 Improvement Recommendation 1

IR1 2025/26: The Council should continue to ensure that it fully addresses pressures faced in the short and medium term. This should include:

- Setting clear milestones and financial targets for initiatives to speed up working age adult assessments; reduce dependency on external children's placements; and optimise waste vehicle procurement and routes; and
- Seeking to limit any increase in the DSG deficit between now and 31 March 2027. The Council should be mindful that any work to influence reductions in demand for SEND may help to reduce budget pressures for home to school transport, as well as limiting increases in the DSG deficit.

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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	The Council has refreshed its Risk Management Guide. Last year we raised an improvement recommendation that the Council should strengthen its Risk Management Policy, and the recommendations made are incorporated into the Guide. We are aware that the Risk Management Policy is currently under review. We amend the recommendation to reflect current circumstances- **see improvement recommendation 2 on page 24.** Internal Audit is provided in-house. Audit Committee receive regular reports, including the IA Plan, IA Charter, progress reports and annual report. Minutes of Audit Committee show limited discussion and challenge. There are appropriate year end reporting arrangements, with the Head of Internal Audit Annual Report 2025/26 providing Adequate assurance. The Draft Annual Governance Statement 2025/26 provided details of progress made to address weaknesses identified in the prior year and work planned to address new governance issues during 2025/26. Counter Fraud services are provided by the Internal Audit Service, and activity is reported through IA progress reports. Internal Audit has a log of fraud risks that the council is susceptible to.	A
approaches and carries out its annual budget setting process	The Council has an established budget setting process, which includes updates for changes in government funding; oversight from the Oversight and Scrutiny Management Board before submission to Cabinet and Council; and public consultation. The Medium-Term Financial Strategy shared with members in February 2026 covered the period 2026/27 to 2028/29 inclusive.	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.

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Governance – commentary on arrangements (continued)

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	Regular internal financial monitoring reports to Cabinet set out the Council's financial position, expected forecast for year-end; narrative for any overspends; and established mitigations. The external statutory accounts reporting is well run. Grant Thornton's external audit confirmed that the statement of accounts for 2024/25 was true and fair on 9th December 2025. The draft Statement of Accounts for 2025/26 was published on 10 June 2026, some twenty days in advance of the statutory deadline of 30 June 2026. At the time of writing this report, our audit of the financial statements was proceeding as planned, with no indications of significant weakness in arrangements for audit at this stage, although we note that the work had not yet been completed.	G
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	Cabinet is the main decision-making body of the Council. It met throughout 2025/26 and meeting papers clearly identify reports requiring key decisions. Minutes provide a detailed account of reports presented. We did not identify any inappropriate tone from the top. The Council has an Overview and Scrutiny Management Board (OSMB) and three scrutiny Select Commissions. All forums met throughout 2025/26 and minutes evidence good discussion and challenge. The Audit Committee held public meetings throughout 2025/26. Minutes provide evidence of discussion and challenge. An annual report provides a summary of work undertaken. The Council's joint arrangements are written into the Constitution for work undertaken with the Councils of Sheffield, Barnsley and Doncaster. Joint work includes waste management, emergency planning and health services.	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.

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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	The Council's constitution includes the Councils Code of Conduct and Officer Employment Procedure Rules. The Standards and Ethics Committee considers complaints and concerns under the whistleblowing policy. Gifts and hospitality (employees) received Reasonable Assurance from Internal Audit during 2025/26. The Council has a public facing register of declarations. Procurement Procedure Rules are detailed in the Council's Constitution. Our review of Audit Committee meeting papers did not identify any reporting of exemptions to procurement procedure rules (waivers) and we re-issue the recommendation raised in 2024/25 regarding this. We also noted that that there has been some cases of non-compliance with arrangements for contract awards within the Regeneration and Environment Directorate - **see improvement recommendation 3 on page 25.** Last year we raised an improvement recommendation regarding the development of a Procurement Strategy. A Procurement Strategy was approved in July 2026 and considers all elements we recommended. We close our prior year recommendation.	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.

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Governance (continued)

Area for Improvement identified: Risk Management Policy

Key Finding: The Risk Management Guide has been refreshed and includes risk escalation and de-escalation arrangements between the risk registers. The Council's risk appetite statements are detailed in an appendix to the Guide and explained within the Guide. However, the Risk Management Policy is currently still under review. The version shared with us was produced in 2022.

Evidence: Risk management documentation retained by the Council and discussion with officers.

Impact: Our prior year improvement recommendation is retained.

2025/26 Improvement Recommendation 2

IR2 2025/26: The Council should update its risk policy to reflect the updated Risk Management Guide.

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Governance (continued)

Area for Improvement identified: Procurement Arrangements

Key Finding: The Council does not report use of waivers (exemptions to procurement procedure rules) to a public facing committee. We also noted that there have been some cases of non-compliance with arrangements for contract awards within the Regeneration and Environment Directorate.

Evidence: Committee papers and discussion with officers.

Impact: Transparent monitoring of the use of waivers and testing safeguards to minimise potential inappropriate awarding of contracts will support the Council to gain assurance of the management of activity outside of procurement procedure rules.

2025/26 Improvement Recommendation 3

IR3 2025/26: As part of ongoing improvements in contract management, the Council should:

- Introduce waiver reporting to the relevant committee at least annually.
- Ensure that contract managers in each Directorate complete the contract management training programme and are ensuring compliant contract management with the Council's requirements.

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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	Performance reports are presented to Cabinet six-monthly and detail progress of delivering the priority actions and performance measures stated in the Year Ahead Delivery Plan. Performance is reported through alignment to the Councils Themes and does not bring together low performing areas in the executive summary. The report is very long, national metrics are not included, and there is no indication of how data reported against performance measures is validated. We raise an improvement recommendation - **see improvement recommendation 4 on page 30** Initial work has commenced to develop a new Data Quality Strategy. We will restate the recommendation raised in previous years that the strategy includes details of a data quality framework- **see improvement recommendation 5 on page 31.** The Council maintains national SEND comparison benchmarking data and is leading the development of a benchmarking dataset and dashboard to support regional local authorities' comparison of performance against metrics for Educational and Health Care Plans; and against wider SEND performance metrics. In addition, benchmarking analysis on spending on Children's Social Care services is updated annually using budget data and indicates how reduced spending will bring Rotherham's average spend in line with its neighbours.	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.

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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	Performance in 2025/26 has been positive. The Council's Adult Social Care services received a Good rating and a score of 73 for local authority assessment by CQC. The report was published in March 2026, ranking the Council the highest scoring authority against its geographical neighbours. All seven children's homes have received an inspection since 1 April 2025. Five were rated Good and two were rated Outstanding. In addition, work is in progress to address issues identified at the joint Ofsted and CQC Area SEND inspection in 2024, and all actions from the Ofsted inspection as part of the Inspecting Local Authority Children's Services (ILACS) programme in 2024, were completed during 2025-26. Ofsted undertook a ILACS short inspection in Nov 2025, with an overall judgement of outstanding. The Council continues to report the outcomes of external inspections, reviews and audits to the Audit Committee through six-monthly reports, including progress made to address recommendations and areas for improvement.	G
	Last year we raised a key recommendation regarding the Council's need to complete housing stock condition surveys. Strong progress has been made from the prior year in completing stock condition surveys. There is now work to update the Asset Management Plan. As a result of the strong progress, we will downgrade the key recommendation to an improvement recommendation - **see improvement recommendation 6 on page 32.**	A
	Last year we raised a key recommendation regarding the Councils need to have a full understanding of its assets and the condition of its corporate buildings. Procurement of a Computerised Asset and Facilities Management (CAFM) has commenced. The Council expect the system will significantly enhance reporting capability, assurance, and continuous improvement. Condition surveys across the estate commenced in April 2026. Given limited progress in 2025/26, we retain the key recommendation - **see key recommendation on page 29.**	R

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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	Public consultation and an engagement exercise were undertaken in late 2024 to shape the priorities in the refreshed Council Plan 2025-2030: Forging ahead. Progress to deliver the Plan is presented to Cabinet twice a year. There is evidence of strategic priorities being developed with partner support. The refreshed SEND Strategy, co-produced with partners across the borough, the SEND Joint Commissioning Strategy for Rotherham 2024-2027 and Best Start Local Plan 2026 – 2029, were all approved by Cabinet. The work of key partnerships is reported to Cabinet. The Safer Rotherham Partnership (SRP) presents an annual report covering activity against its key priorities. The Rotherham Safeguarding Children's Partnership (RSCP) also presents an annual report to Cabinet.	G
commissions or procures services, assessing whether it is realising the expected benefits	Contract management is devolved across Directorates. An Ethical Procurement Policy 2025 and a Procurement Strategy 2026-2031 are in place. Previous weaknesses in compliance with contracts have been addressed and the number of contracts has reduced significantly. The Council is working to deliver efficiencies through joint procurement of one giant estates provider in the future. Progress on capital projects is reviewed by the Capital Programme Board. Cabinet receives reports on the overall capital programme rather than individual project progress.	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.

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Improving economy, efficiency and effectiveness (continued)

Significant weakness identified in relation to corporate buildings

Key finding: The Council has not completed condition surveys of its corporate buildings.

Evidence: Recruitment has strengthened capacity across both Compliance and Property Management functions. In addition, three new Building Managers have been appointed and support the day-to-day management of contractors, undertake regular inspections of Council buildings, and carry out compliance and assurance checks. A dedicated role has been established to manage strategic and planned maintenance. Management of contractors has been strengthened through a review of existing contractual arrangements, and it is anticipated that implementation of a CAFM system will enhance monitoring.

Condition surveys across the estate commenced in 2026/27 i.e. after the end of 2025/26. These will inform future investment, maintenance planning, and strategic decision-making. Landlord inspection and testing regimes are now in place, and a review of vacant assets is underway to consider whether they require investment, or they are no longer desirable.

Impact: The completion of condition surveys of corporate buildings will inform the next phase of work required to support the Council to meet legislation and regulations.

2025/26 Key recommendation 1

KR1 2025/26: Corporate Buildings: The Council must continue to strengthen arrangements and ensure that stock condition surveys progress sufficiently. Once it is ready to do so, it should seek independent assurance over compliance with relevant standards.

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Improving economy, efficiency and effectiveness (continued)

Area for Improvement: Performance Reporting

Key Finding: The overview /summary of the performance report to Cabinet does not provide information regarding action planned to address low performing measures, nor national metrics.

Evidence: Performance reports to Cabinet detail progress to deliver the 89 priority actions and 27 performance measures stated in the Year Ahead Delivery Plan. The overview of performance is reported as an executive summary and does not provide supporting commentary on action planned to address low performing metrics.

The set of metrics for Adult Social Care does not include national metrics. There is no indication of how data reported against performance measures is validated.

Work is underway to refresh the report with support from the OSC. In October 2026, OSC supported review of the format, contents and layout. The first iteration of the refreshed report is scheduled for presentation to Cabinet in Jan 2027. The Council is considering how to incorporate the local outcomes framework, and reporting annually, but trying to determine when best time is due to differing publishing dates of national data.

Impact: Including national metrics in the relevant section of the report will provide Members with the full picture of performance. Inclusion of action planned in the summary section will give focus to the reader and provide assurance that that poor performance is being addressed appropriately.

2025/26 Improvement Recommendation 4

IR4 2025/26: The Council should review its performance report to cabinet to ensure it includes:

- supporting commentary on action planned to address low performing metrics within the executive summary,
- performance against national measures and targets in line with national publishing timetables,
- performance compared to neighbours and national data where appropriate,
- an assurance statement regarding the quality of data reported.

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Improving economy, efficiency and effectiveness (continued)

Area for Improvement: Data Quality

Key Finding: The Council has recruited a Director of Policy, Strategy and Engagement and initial work has commenced on the development of a new Data Quality Strategy.

We will retain this recommendation to support production of the new Data Quality Strategy and recommend that this includes details of a data quality framework.

Evidence: Data quality documentation retained by the Council, and discussion with officers.

Impact: Our prior year improvement recommendation is retained.

2025/26 Improvement Recommendation 5

IR5 2025/26: The Council should develop a corporate data quality policy and ensure this is used to inform a data quality review. It could look to the national data quality framework to guide this work.

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Improving economy, efficiency and effectiveness (continued)

Area for Improvement: Housing Stock

Key Finding: The Council has made good progress to ensure housing stock condition surveys are undertaken as planned.

Evidence: In 2025/26 the housing condition stock survey programme exceeded its annual target, delivering 6,490 surveys against a target of 6,000 and increasing valid, in-date survey coverage from 5.13% to 36.65% by 31 March 2026.

In September 2026, the Council received notification from the regulator that the quarterly review meetings had ceased due to the regulator being satisfied that the Council is progressing appropriately and taking necessary steps to achieving 100% coverage.

At 18 September 2026, 12,200 (62%) stock condition surveys had been completed; with 94% of the homes surveyed meeting the Decent Homes Standard. Internal staff moves and additional external resource was required to achieve this. Internal changes will be maintained going forward to support achievement of 100% stock surveys by the revised forecast to complete by the end of September 2027, brought forward from March 2028.

Work is now progressing to update the Asset Management Plan to reflect the stock condition survey findings.

Impact: An up-to-date Asset Management Plan will provide the Council with complete details of work required to sustain a safe housing stock.

2025/26 Improvement Recommendation 6

IR6 2025/26: The Council should continue to build on improvements and ensure that the housing stock condition survey programme progresses as planned. Stock condition data should be used to inform asset management and capital investment plans and should also be kept updated to manage the Council's housing stock effectively.

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05 Summary of Value for Money Recommendations raised in 2025/26

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Key recommendation raised in 2025/26

	Recommendation	Relates to	Management Actions
KR1	Corporate Buildings: The Council must continue to strengthen arrangements and ensure that stock condition surveys progress sufficiently. Once it is ready to do so, it should seek independent assurance over compliance with relevant standards.	Improvement economy, efficiency and effectiveness (page 29)	Actions: A suitably qualified surveying/stock condition contractor is now in place and survey work has commenced, with schools and care-type facilities being assessed as an initial priority. The contract provides for an initial review of the portfolio to establish an improved baseline understanding of asset condition, followed by an ongoing rolling stock condition survey programme covering approximately 25% of the relevant estate each year. This will establish a four-year cycle for refreshing condition information and ensure that the Council's understanding of its estate remains current rather than relying on a one-off survey exercise. The resulting condition data will support a more consistent, evidence-based and risk-led approach to maintenance, asset management and future investment planning. Once the survey programme and supporting arrangements have reached an appropriate level of maturity, the Council will seek independent assurance over the effectiveness of the arrangements and compliance with relevant standards. Responsible Officer: Kevin Fisher, Service Director, Property and Facilities Due Date: March 2029.

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR1	The Council should ensure that it fully addresses pressures faced in the short and medium term. This should include: - Setting clear milestones and financial targets for initiatives to speed up working age adult assessments; reduce dependency on external children's placements; and optimise waste vehicle procurement and routes; and - Seeking to limit any increase in the DSG deficit between now and 31 March 2026. The Council should be mindful that any work to influence reductions in demand for SEND may help to reduce budget pressures for home to school transport, as well as limiting increases in the DSG deficit.	Financial sustainability **(page 20)**	Actions: These recommendations are effectively suggesting that the Council continues to work towards addressing issues already identified within the Council's Budget and MTFS. The Council is aware of the issues and will continue its plans to address them as much as is possible. The delivery of the working age adult assessments saving will be tracked and delivered through the Council's existing governance and monitoring procedures. The delivery of reduced costs for Children's placements will continue to be addressed, as much is possible, through the use of the in-house residential programme, fostering increases and kinship care arrangements. This is a national pressure that the majority of care providing authorities are struggling with. Similar for DSG deficits, the Council has explained within it's Budget and MTFS along with the following financial monitoring reports what the pressures due to demand and rising costs are. These demand pressures are recognised by Government as being out of the control of Local Authorities. The potential future funding from the DfE will be built into the Council's financial planning and the Council will continue to monitor the position closely to mitigate growth in the deficit as much as is possible. Responsible Officer: Rob Mahon, Service Director, Financial Services Due Date: March 2028.
IR2	The Council should update its risk policy to reflect the updated Risk Management Guide.	Governance **(pages 24)**	Actions: A new Risk Management Guide has been developed and will be considered by the Councils Audit Committee in November 2027 seeking full adoption. Following that the Council's Risk Management Policy last updated in 2022 will be refreshed. Responsible Officer: Jane Maxwell, Director of Policy, Strategy and Engagement Due Date: March 2028.

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR3	As part of ongoing improvements in contract management, the Council should: • Introduce waiver reporting to the relevant committee at least annually. • Ensure that contract managers in each Directorate complete the contract management training programme and are ensuring compliant contract management with the Council's requirements.	Governance (page 25)	Actions: The Council will include reporting on the use of exemptions within its reports to Audit Committee on an annual basis. Delivery of the new contract management training will be tracked and reported through to SLT on a regular basis, as part of wider contract management reporting to SLT. Responsible Officer: Rob Mahon, Service Director, Financial Services Due Date: March 2028.

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR4	The Council should review its performance report to cabinet to ensure it includes • supporting commentary on action planned to address low performing metrics within the executive summary, • performance against national measures and targets in line with national publishing timetables, • performance compared to neighbours and national data where appropriate, • an assurance statement regarding the quality of data reported.	Improvement economy, efficiency and effectiveness (page 30)	Actions: The Council is reviewing its performance management framework and using the Local Outcomes Framework to ensure consistent benchmarking with national measures. It will establish local outcome dashboards and an internal organisational health dashboard. Responsible Officer: Jane Maxwell, Director of Policy, Strategy and Engagement Due Date: March 2028.

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR5	The Council should continue to develop its new Data Quality Strategy and ensure it describes the Councils data quality framework, including the process for validating data collected, used and submitted by the Council, and how assurance is given within performance reports regarding the quality of data reported.	Improvement economy, efficiency and effectiveness (page 31)	Actions: The Council is developing a Data Strategy which is being integrated with the new Digital and Technology Strategy. Responsible Officer: Jane Maxwell, Director of Policy, Strategy and Engagement Due Date: March 2028.
IR6	The Council should continue to build on improvements and ensure that the housing stock condition survey programme progresses as planned. Stock condition data should be used to inform asset management and capital investment plans and should also be kept updated to manage the Council's housing stock effectively.	Improvement economy, efficiency and effectiveness (page 32)	Actions: The Council continues to accelerate the completion of comprehensive stock condition data across HRA Assets. By the end of Q2 2026/27, 2,925 surveys had been completed in-year, increasing valid in-date survey coverage to 66.40% (13,129 of 19,773 properties). Given this acceleration, it is anticipated that the programme will complete by November 2027. The Council has commissioned an external consultant to validate our asset data and to work with officers to develop our longer-term investment plans over the 30yr business plan. This work is on-going and will complete across two phases and by Spring 2027. A Council Housing Asset Management Plan 2026-30 has been developed and will be submitted for approval alongside the HRA Budget 2027/28. The Plan sets out the Council's approach to ensuring its housing assets remain safe, decent, sustainable and financially viable, while responding to strengthened regulatory requirements and changing tenant needs. Responsible Officer: Sarah Clyde, Service Director, Housing. Due Date: March 2028.

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06 Follow up of previous Key recommendations

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Follow up of 2024/25 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR1	The Council should continue to build on improvements and ensure that the stock condition survey progresses as planned. Stock condition data should be used to inform asset management and capital investment plans, and should also be kept updated to manage the Council's housing stock effectively.	2023/24	The Council has made good progress to ensure stock condition surveys are undertaken as planned. Work is now progressing to update the Asset Management Plan to reflect the stock condition survey findings. With so high a number of surveys completed within one year, this will take time to complete. Our prior year KR is downgraded to an IR.	Implemented	Recommendation downgraded to an IR because asset management plan now needs to be updated. **See 2025/26 improvement recommendation 6 on page 32.**
KR2	The Council should continue to strengthen arrangements, and ensure that stock condition surveys progress sufficiently. Once it is ready to do so, it should seek independent assurance over compliance with relevant standards.	2023/24	Recruitment has strengthened capacity across both Compliance and Property Management functions. Condition surveys across the estate commenced in 2026/27 i.e. after the end of 2025/26. These will inform future investment, maintenance planning, and strategic decision-making. Landlord inspection and testing regimes are now in place, and a review of vacant assets is underway to consider whether they require investment, or they are no longer desirable.	In progress	key recommendations (re)raised. **See 2025/26 key recommendation 1 on page 29.**

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07 Appendices

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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.



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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

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Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	The Council should ensure financial sustainability fully address pressures faced in the short and medium-term. This includes: Placing an emphasis on delivering its agreed financial trajectory in line with the Safety Valve Agreement and consider alternative arrangements to lower its forecasted deficit for 2025/26. Fully delivering its children and young people's services (CYPS) savings targets in 2025/26.	2024/25	Savings targets for Children and Young People's Services were delivered in full for 2025/26. However, the Council continues to face budget pressure. In July 2026, the Council forecasted a net overspend for 2026/27 of £5.9M. This included underlying forecast overspends in Children and Young People Services (£5.5M); Adults, Housing and Public Health (£2.2M); and Regeneration and Environment (£3.2M). The Council already has mitigations in all three areas planned - setting clear targets and milestones will be important. The Council incurred a DSG deficit of £2.9 million in 2025/26. It's SEND Reform Plan was approved on 2nd October 2026 and a high needs grant of £0.4 was agreed at the same time. The Council needs to focus now on limiting any further increase in the DSG deficit between now and 31 March 2028. Work to influence EHCP demand may also help manage demand pressure for home to school transport.	In progress	We amend the recommendation. **See 2025/26 improvement recommendation 1, page 20.**

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Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR2	The Council should ensure that regular reports to Cabinet include specific performance updates on major capital projects against planned expectations. At the appropriate stage, this should include assessments of both economic benefits delivered and financial returns compared to original projections. Insights from these evaluations should be used to inform the planning and delivery of future major capital investments.	2024/25	Housing delivery progress reports were shared with Cabinet three times in 2025/26. Within financial monitoring reports, capital outturn data includes references to projects progress where relevant to variances between budget and forecast.	Implemented	Recommendation closed. No further action required.
IR3	The Council could strengthen its risk policy by including risk escalation and de-escalation arrangements between the tiers of risk registers and including risk types and applying risk appetite to each type.	2024/25	The Risk Management Guide has been refreshed and includes risk escalation and de-escalation arrangements between the risk registers. The Risk Management Policy, however, is currently under review.	In progress	Recommendation retained. **See 2025/26 improvement recommendation 2, page 24.**

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Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR4	The Council should continue to strengthen its counter-fraud controls by developing a corporate counter-fraud risk register and ensuring counter-fraud risks in departmental risk registers are updated. It also needs to enhance its counter-fraud plan.	2023/24	Internal Audit has a log of fraud risks that the council is susceptible to. This includes the controls in place, links to any risk registers, Internal Audit assurances over the risks and any further mitigating action that is required (extract below). This has been discussed at the Risk Champions group. Services have discussed and are continuing to have discussions within their own directorates regarding fraud risks, and their inclusion as appropriate in either service level or directorate level risk registers. Internal Audit has oversight of the corporate fraud risk log, and this will be updated regularly. The only difference is Internal Audit have not scored the risks themselves. This is because the Council is of the opinion that it is for services themselves to manage risks (score them and put mitigating actions in place), and fraud risk is just one type of risk. The risk methodology that the Council has should apply to fraud risks as it would do with any other risk type. The Council's Risk Management Policy and Guide state that risk management is the responsibility of all Council officers.	Implemented	Recommendation closed. No further action required.

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Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR5	The Council should develop and publish a Procurement Strategy. This should set procurement strategic priorities that align with the Council's priorities such as net zero and capture changes to procurement following the Procurement Act (2023) and the national Procurement Policy Statement (2024). It should include measurable actions and indicators with clear accountabilities and an annual review process. The Strategy should be widely communicated to staff and members to raise awareness of their responsibilities.	2023/24	The Procurement Strategy 2026-2031 was approved in July 2026 by the Executive Director of Corporate Services under delegated authority. The reason for the decision was due to the Council not having a procurement strategy for a significant number of years. The Strategy supports and reflects national and local policy, including the requirements of the Procurement Act 2023, and the Councils Plan 2025-2030, financial and procurement procedure rules and the MTF strategy. The strategic priorities are detailed and how progress will be measured. We will close this recommendation.	Implemented	Recommendation closed. No further action required.

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Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR6	The Council should develop a corporate data quality policy and ensure this is used to inform a data quality review. It could look to the national data quality framework to guide this work.	2024/25	The Council has recruited a Director of Policy, Strategy and Engagement and initial work has commenced on the development of a new Data Quality Strategy. We will retain this recommendation to support production of the new Data Quality Strategy and recommend that this includes details of a data quality framework.	In progress	Recommendation retained. **See 2025/26 improvement recommendation 5 on page 31.**
IR7	As part of ongoing improvements in contract management, the Council should consider: • Introducing contract tiering (gold/silver/bronze). • Managing contracts based on risk. • Seeking assurance that new arrangements in place are embedded and effective. • Introducing waiver reporting to be considered by the relevant committee at least annually.	2024/25	The Council has made progress to strengthen its contract management arrangements. A priority of the Procurement Strategy 2026-2031 is to strengthen internal oversight through SLT. A contract management dashboard has been developed to report performance against KPI's of major contracts. This is reported quarterly to SLT. However, our review did not identify any reporting of waivers, and there was no evidence of the introduction of a tiering process of contracts using a risk and value-based approach. The Council did not agree to implement a tiering framework. We also noted that there have been some cases of non-compliance with arrangements for contract awards within the Regeneration and Environment Directorate.	In progress	We amend the recommendation. **See 2025/26 improvement recommendation 3 on page 25.**

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