

## Appendix 1 - Annual Governance Statement 2024/25 – In-year update

The table below is an extract of the 2024/25 Annual Governance Statement, amended to present an updated position with regards each of the significant issues included in the statement.

| Issue,<br>Owner and<br>Due Date                                                                                                                                                                                                                                                                                                 | Action<br>(from 2024/25 Approved AGS)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Update / Progress<br>(as at December 2025)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p>We need to ensure we deliver savings identified in our Medium-Term Financial Strategy (MTFS) to manage within our financial means and embed change in following transformation of our services, including schools. (This may need to be strengthen depending upon the financial outturn / future financial projections).</p> | <p>The Council's financial position continues to be extremely challenging. The outturn position for 2024/25 was a £38m overspend on services, predominantly social care and temporary accommodation. Although this has been partly offset by one off use of reserves and historic balances, £20.4m of savings were expected to be delivered in year, only 63% was delivered. Of the non-delivered savings, £440k has been written out in future years as non-deliverable, the remaining is expected to be delivered in full in 2025/26. In total, £30m of savings are expected to be delivered in 2025/26 and although contingency has increased to protect against the non-delivery of some, it will not be sufficient if non delivery percentage remains at a similar level.</p> <p>A strengthened process has been established for the monitoring and reporting of savings which will track bot the financial savings and progress with the changes to deliver the savings. Monitoring is in place monthly to enable corrective action to be</p> | <p>The Council's Financial Recovery Plan has been in place since April 2025 (prior to the time period of this review) based on the Council's current financial position, recommendations from the CIPFA resilience review and work by an external consultant in Autumn 2024. The focus of the current plan is to eliminate the Council's reliance on EFS for 2026/27 onwards and move towards financial sustainability in the short to medium term. Given the deteriorating financial position, this plan is now subject to review with a focus on reducing reliance on EFS and improving financial resilience over the next three years. Other actions include:</p> <ul style="list-style-type: none"> <li>Continuing with the emergency governance and oversight arrangements that are established within the organisation, through the Finance Recovery Board and Cabinet Recovery Board;</li> <li>Ensuring all budget holders are held to account for delivering within their allocated cash limits, recognising the work that has taken place to 'right-size' budgets for 2026/27;</li> </ul> |

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| <p>Corporate Director of Finance and Resources</p> <p>31/3/2026</p> | <p>taken early in the year for any non-delivery and is reported to Silver and Gold through the Council's emergency response arrangements.</p> <p>During budget series in April, the focus was on the delivery of existing savings, with all of Leadership Network working together on the development and implementation of delivery plans, with a particular focus on cross cutting savings.</p> <p>During 2024, a strengthened medium term and annual budget setting process was established which has set some good foundations and planning is well underway for 2026/27 budget planning. This includes:</p> <ul style="list-style-type: none"> <li>• Review of financial pressures. This has initially focussed on 2026/27 but also across the 5 years of the MTFS using the 2024/25 outturn and period 2 forecast for 2025/26 as the basis and strengthening the use of scenario planning to consider risks and uncertainties to give a more realistic view of risks with the estimates.</li> <li>• A review of other assumptions, including inflation and pay to provide a more realistic financial position across the next five years.</li> <li>• Regular review of all assumptions will continue through until December 2025 as new information comes to light, up to the point of publication.</li> </ul> | <ul style="list-style-type: none"> <li>• Further strengthening the spend control mechanisms that are already in place across the organisation in order to further drive a consistent commitment to value for money, namely: <ul style="list-style-type: none"> <li>➤ Spend control panel (and continue to review thresholds)</li> <li>➤ Recruitment Panel - agency and permanent recruitment restrictions on nonessential roles.</li> <li>➤ Single point of governance for all of the capital programme (Strategic Capital Board)</li> <li>➤ Single point of governance for all commissioning and procurements over £160,000 (Commissioning Panel and Board)</li> <li>➤ All reports which involved spending over £25,000 to be reviewed by the Section 151 Officer.</li> </ul> </li> <li>• A strong focus on delivering the £30m of savings already contained within the 25/26 budget and the £21.9m for the 26/27 budget by 1st April 2026, in order to secure full year effect for 26/27.</li> <li>• Inviting external challenge and support for the Council in the form of an independent Financial Resilience Sounding Board, building on, enhancing and updating the 2025 CIPFA independent review work.</li> <li>• Preparation of mid-year budget proposals that could be taken in the summer of 2026,</li> </ul> |
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|  | <ul style="list-style-type: none"> <li>• Review of the Capital Programme with the expectation of a reduced capital programme over the medium term, reducing the rate at which debt is increasing.</li> <li>• New capital programme governance arrangements are now in place which includes a new gateway process for ensuring that no capital scheme progresses without a clear business case that has been approved.</li> <li>• A refreshed Budget Series took place in April, May and June 2025, with a focus on ensuring existing savings are on track for delivery and identifying new savings and income opportunities to balance the budget for 2026/27. These are being considered in a structured way through four lenses (efficiency, commercialism, prevention and prioritisation) to ensure that every £ spent is delivering on the outcomes in the CDP and prioritisation is in line with smaller funding envelope and keeping any ongoing reliance on EFS to a minimum.</li> <li>• Review of 'committed' reserves, of which those which are uncommitted are exceptionally low given the level of risk faced by the authority. This has focussed on £22m of balances within the Services Reserve and Grants Reserve to identify any transfer into the Budget Planning Reserve. The first phase identified £2.9m</li> </ul> | <p>realigning resources to new priorities and presenting options for 27/28 savings. This will give opportunities for in year spend reductions and additional time for the delivery of those measures prior to 1st April 2027, therefore securing full year effect.</p> <p>A key part of the current recovery plan and the revised resilience plan will be about reviewing all services again to identify efficiencies that reduce costs and increase productivity but also assure us that we have got the basics right. It will include looking at options to re-shape how services are delivered, including statutory services. This work will commence early in 2026 for review by the new administration in Autumn 2026 and build on the work undertaken for the 2026/27 budget process. Improvements have already been made in estimating current and future service pressures as part of the 2025/26 and 2026/27 budget process with much greater use of non-financial trend data, scenario planning and estimates for risks and uncertainties. There is already some improvement demonstrate in 2025/26 with forecasting variations month on month being less volatile. In addition, the 2026/27 corporate contingency will be increased to £25m to recognise the uncertainty in demand led services. Budget Fortnight took place for the 2024/25 budget planning process. Since this time, Budget Week has been completed for 2025/26 budget setting and Budget Series for the 2026/27 budget setting, each building on the lessons learnt and feedback from the previous year.</p> |
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|  | <p>to contribute to reducing the overspend position in 2024/25 and a furthermore forensic review will be undertaken in quarter 1 of 2025/26. The MTFs assumes replenishing reserves over the medium term and an annual contribution of £3m has been assumed from 2026/27 onwards.</p> <p>An 'emergency response' has been put in place across the organisation in line with GOLD and Silver arrangements and overseeing the delivery of the Financial Recovery Plan developed by the Section 151 Officer. Progress is reported to internally and quarterly through the finance report to Cabinet and OSC. All non-essential spend must now be approved by the Spend Control Panel and the Recruitment Panel must approve all new recruitment. It is likely that tighter controls will be put in place from quarter 2 of 2025/26. The controls are also expected to improve purchasing compliance in line with the Council's policies and processes.</p> <p>A redesigned Corporate Project Management Office supports delivery of the Category A projects, and a recent review of the criteria has led to a new set of projects being supported and which are linked to the delivery of savings.</p> <p>During 2023/24 the financial position with regards the Local Authority Schools in the Borough has become an increased area of financial risk to the Council. Full details are published in the 2024/25 outturn report and the number of schools with a</p> | <p>During 2024/25 the financial position with regards the Local Authority Schools in the Borough has become an increased area of financial risk to the Council. Additional capacity has been agreed within the schools finance team to support those schools in deficit and close working with the Council and schools to develop and implement Deficit Recovery Plans. The Safety Valve Programme is performing well and working towards alleviating the deficit on the high needs block of the schools budget by 2028 but the number of children with EHCPs and cost of placements continues to increase, and the Council awaits the reforms to SEND to be published by the Government in 2026.</p> <p>As significant proportion of the audit plan for 2025/26 has been focused on this corporate risk area and outcomes will be shared with Audit Committee as part of the routine cycle of reporting.</p> <p>In January 2026 KPMG will present their Annual Report to the Audit Committee and Value for Money Report. This report contains recommendations relating to financial sustainability, procurement, commercial property and adult social care. These have been accepted by management and full responses are provided in the separate report on the agenda and will be tracked as part of the AGS.</p> |
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|                                                                                                                                                                                                             | <p>deficit has increased to 33. The Council continues to work with schools in deficit on the recovery plans, including staffing restructures.</p> <p>The financial partnership between the Council and the Health Sector is an area of focus in light of the changes to ICBs being implemented by Government. The exact impact is not yet known but does pose a financial risk in terms of joint funding arrangements through the BCF.</p> <p>THE 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when the full report is presented to Audit Committee later in the year.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>We need to continue to embed the planned improvements across strategic and operational Asset Management which include fully embedding robust management of our operational and Commercial Properties</p> | <p>The council's adopted Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 contains 10 Action plans, based on the SAMPIP objectives.</p> <p>Action plan progress and activity is monitored regularly at Capital Projects and Property (CPP) Heads of Service meetings and Senior Management Team meetings.</p> <p>Progress is then taken through our property governance process on a monthly basis.</p> <p>The Corporate Landlord Model was implemented from 1 April 2025, including the transfer of</p>                                                                                                                          | <p>The Council's disposal policy, taken to cabinet in June 2025 and associated list, identified sites that were surplus to the Council's requirements, following their assessment through the council property review process, which is contained within the SAMPIP. These robust processes highlight a continued improvement in the management of our strategic and operational properties.</p> <p>Progress against this disposal list is managed through the Council's Disposal Board, and we are on target to make £2m of capital receipts within the 2025/26 financial year. We have an agreed scope for an internal audit by Mazars on the disposal programme scheduled for quarter four.</p> |

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| <p>because audit work continues to conclude that systems and controls are inadequate.</p> <p>Corporate Director of Finance and Resources</p> <p>31/3/2026</p> | <p>budgets and staffing resources. However, it is likely to require the remainder of the year for this to be fully implemented. This is a key step in bringing hard and soft facilities management service back together and ensuring all operational, strategic and commercial property sits in one area.</p> <p>Cabinet in June 2025 agreed the Council's Disposals Policy and an internal Disposals Board, chaired by the Corporate Director of Finance and Resources is in place to oversee the implementation of the policy.</p> <p>Internal Audit resources are allocated to monitor and report independently on progress.</p> <p>An annual update of the progress against the SAMPIP action plans is taken to cabinet. The last update was in May 2025.</p> <p>As part of the above annual reporting, the SAMPIP is also reviewed at Directorate and corporate audit committees throughout the year.</p> <p>Good progress has been made on reviewing the Council's commercial property portfolio gaining a more holistic view of the properties and lease arrangements which has significantly improved performance, including increased income levels.</p> | <p>Good progress continues on the SAMPIP, as highlighted by four of the ten original objectives of the SAMPIP being closed out and delivered, and the remaining six being progressed against the action plan. Our next key milestone is June 2026 for the next annual report to Cabinet on the SAMPIP and operational asset reviews being completed.</p> <p>Income from the commercial portfolio is over £1m higher than the same period last year with full delivery of the improvement plan remaining a priority for the Directorate and will continue through 2026/27 in line with the SAMPIP framework and the Disposals Strategy that was agreed by Cabinet in June 2025.</p> |
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|                                                                                                                                                                                                                          | <p>The Council has begun to prepare the business case for the introduction of a digital solution to replace the current manual record keeping.</p> <p>In January 2026 KPMG will present their Annual Report for 2024/25 to the Audit Committee. This report contained two recommendations that have been accepted by management with regards this governance issue, specifically relating to Council Leases.</p> <p>The recommendations relate to:</p> <ul style="list-style-type: none"> <li>• Reviewing all Leases.</li> <li>• Implementing technology to enable effective monitoring.</li> </ul> <p>These actions are accepted and management responses are provided within the report will be tracked as part of the AGS.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>Following our self-referral to regulator we continue with our Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in</p> | <p>The issue was identified in 2022/23, with the Housing Improvement Programme (HIP) continuing from this time. The Housing Improvement Programme was classified as a Category 'AA' project, so monitoring and reporting went to Corporate Leadership Team via the Corporate Project Office in addition to local oversight within Housing Services. Of the 213 actions included within this programme, 81% are complete with progress ongoing.</p> <p>A mock inspection of the housing service was carried out by HQN in September/October 2024 against the new Consumer Standards set by the Regulator of Social Housing, which included the</p>                                                                                 | <p>There has been good progress against the action plan developed in response to the mock inspection with monitoring by the Housing Improvement Board continuing to date to ensure oversight.</p> <p>HQN have since been commissioned to carry out an assessment of the actions within the plan against their recommendations from the mock inspection and the evidence against completed actions to provide assurance. Their findings following their assessment in October 2025 have indicated that we have a robust framework in place to identify, implement and monitor actions to meet the HQN recommendations and that significant, positive progress has been made in</p> |

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| <p>our management systems, including Health and Safety risks in Council owned residential properties that deliver improvements to housing for tenants and meets the requirements of the Social Housing Regulator including safe housing.</p> <p>Corporate Director of Adults, Housing and Health</p> <p>31/3/2026</p> | <p>Safety and Quality Standard. An action plan was developed in response to identified areas of improvement which is reported to the Member Housing Improvement Board six weekly, with the action plan having been overseen by this Board since March 2025. We continue to closely monitor and scrutinise performance and progress through our internal governance arrangements, and through six weekly performance reporting to the Member-led Housing Improvement Board.</p> <p>The Building Safety Strategy for 2024-28 was approved by Cabinet in July 2024. This strategy details how the Council ensures that buildings within the scope of the Building Safety Act 2022 were effectively managed and safe. The Building Safety Strategy was part of the Housing Improvement Plan, tackling repairs, fireproofing, insulation, security and other renovations and went beyond what is required by the government. The Building Safety Strategy was created with residents and residents' involvement in future decisions remains a core objective.</p> <p>The Council's Housing Annual Compliance Statement was presented to Cabinet on 17 September 2024 which included a summary of the results of the Council's auditors Mazars' audit of the service's reporting against the 'big six' compliance indicators - gas, electric, fire safety, asbestos, legionella and lifts – carried out in May 2024, together with an update on implementation</p> | <p>delivering the improvements identified by HQN. Since June 2025, 83% of the 213 actions included within the Housing Improvement Programme are now complete showing steady progress.</p> <p>Our improvement progress and performance across Housing Services continues to be regularly overseen by a variety of boards and panels, such as the Housing, Planning and Development Scrutiny Panel, the Housing Improvement Board, internal Housing governance boards, and our Resident Voice Board.</p> <p>The Council has continued to provide externally assured updates on compliance, where the Council's latest Housing Annual Compliance Statement was presented to Cabinet on 11 November 2025 which included a summary of the results of the Council's auditors Mazars' audit of the service's reporting against the 'big six' compliance indicators - gas, electric, fire safety, asbestos, legionella and lifts for March 2025 data. This continues to provide Cabinet and council tenants and leaseholders with the assurance and confidence that the Housing Service's arrangements for monitoring the 'big six' compliance areas are robust and are subject to ongoing review and improvement. The data continues to show consistently good performance against the 'big six' health and safety indicators.</p> <p>Work to deliver the Building Safety Strategy 2024-28 continues and a review of the Strategy is to</p> |
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|  | <p>of the new compliance data system which will result in a complete move away from spreadsheet management of these compliance areas, by the end of 2024. The purpose of the report was to provide Cabinet and council tenants and leaseholders with the assurance and confidence that the Housing Service's arrangements for monitoring the 'big six' compliance areas are robust and are subject to ongoing review and improvement.</p> <p>As of June 2025, all of the 'big six' modules are now set up on the new compliance system, with full inspection programme information uploaded. All FRA actions have been integrated into the system, removing the use of spreadsheet to manage actions, and we will also look to implement additional modules for other compliance areas.</p> <p>The data shows consistently good performance against the 'big six' health and safety indicators for each of the last three months and we anticipate that we will continue to maintain and build on this position assisted by the embedding of the new compliance data system across all compliance areas.</p> <p>The service has exceeded the target of 700 homes to be made decent by 31 March 2025 with the Regulator, where 791 homes have been made decent for 2024/25. This has meant the</p> | <p>commence in 2026 in line with our strategy review commitments. Our Building Safety Managers are allocated specific buildings for them to ensure safe standards are maintained and we are also continuing to collate and submit safety cases for each high-rise building upon request by the Building Safety Regulator. In addition, the Building Safety Managers are a key point of contact for our residents, and they work to ensure our residents understand how they can be involved in decision making about the safety of their homes. This is a vital part of how we engage with our residents as set out in our Building Specific Resident Engagement Strategies. To enhance resident information regarding safety and in line with Regulatory requirements we are installing Building Safety Specific notice boards in high-rise buildings which will provide key information, updates, and advice for residents. We are also developing a permit to work system for the buildings to ensure that on-going repairs and maintenance activities do not undermine or deteriorate the fire and structural safety systems within the buildings.</p> <p>The procurement of four new Partnering Contracts to deliver £560m work over 10.5 years has been completed, with the revised Contract Award report approved in October 2025, subject to Section 20 consultation, which was completed in December 2025 with final approval in January 2026. This is following original approval by Cabinet in June 2025. Following</p> |
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|                                | <p>percentage of homes meeting the decent homes standard has increased to 80.7% from 78.4% in 2023/24. To achieve this target, mitigating actions included planned internal, Fire Door Replacement and Electrical Works, and a programme of validation surveys. We completed our 3-year stock condition survey in May 2024 with 75% of the stock surveyed.</p> <p>The procurement of four new Partnering Contracts to deliver £560m work over 10.5 years has been completed, with the Contract Award report being approved by Cabinet on 17 June 2025. This is a key factor to support the achievement of 100% decency by 2028 in line the asset management strategy agreed by Cabinet in 2023.</p> <p>Our performance across Housing Services and specific service areas and improvements are also overseen by the Housing, Planning and Development Scrutiny Panel.</p> <p>Audit Committee periodically request updates and assurances from the Director of Housing Services, relating to risk and control due to historic limited assurance audit reports. Internal Audit resources have been allocated in 2025/26 to provide independent assurance to Senior Leaders and Members as part of the 2025/26 Audit Plan.</p> | <p>mobilisation, go live is expected in April 2026. This is a key factor to support the achievement of 100% decency by 2028 in line the asset management strategy agreed by Cabinet in 2023.</p> <p>Following our self-referral to the Regulator and delivering against the Housing Improvement Programme and the Housing Inspection Action Plan, Housing Services is in a much-improved position and is able to provide assurance to Council tenants and leaseholders. Due to the sustained improvement, the Council recently requested the removal of the Regulatory Notice. The Regulator of Social Housing has since confirmed they have lifted the Regulatory Notice as of 17 December 2025 recognising the improvements that have been delivered and the requirements that have been met. On this basis there is no longer a significant governance issue and performance, and compliance will continue to be monitored through the corporate risk register and existing governance structures as outlined in this update.</p> |
| Due to the high levels of FOI, | Following the ICO Audit in June 2024, the Information Governance team have been working                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Performance continues to be discussed and monitored at the Cross Council Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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| <p>SARs that are not completed in time and feedback from Ombudsman we need to continue to strengthen our information governance arrangements.</p> <p>Corporate Director Culture Strategy Communities</p> <p>31/3/2026</p> | <p>on delivery of the detailed Action Plan to address the ICO's recommendations.</p> <p>Most actions have been completed; a small number are still in progress. The ICO will be doing a desktop review of progress in July 2025 but will not do a full re-audit.</p> <p>Development work will continue after the Action Plan is completed, as we also use the ICO's accountability tracker which goes beyond the focus of the 2024 audit.</p> <p>Specifically in relation to information rights requests (which were not covered in the Audit), a new system was introduced in April 2025. When this has been fully implemented, it should give us greater visibility of cases, more granular reporting and improved case management. Alongside the new system, we are reviewing the way that cases are assigned and the support and guidance we provide to colleagues.</p> | <p>Governance Board the role of which was strengthened in 2025/26.</p> <p>Performance reports are presented to the Corporate Leadership Team quarterly. Any feedback from the Ombudsman is also discussed with Senior Management and actions tracked.</p> <p>The ICO did a return visit in June to review action plan implementation and they were satisfied with progress and have closed the audit.</p> <p>Phase 2 implementation of the new system (Infreemation) for managing information rights requests went live on 1 December 2025 and services now have direct access to case manage their assigned requests. The feedback from the services has been generally very positive. The focus for Q4 will be on improving reporting from the system.</p> |
| <p>The range of skills and experience required to fulfil our duties has become increasingly challenging over</p>                                                                                                          | <p>We have a workforce strategy which principally was created to deal with this risk. The main action in the current municipal year is for Directors and Corporate Directors to complete workforce action plans for their areas which outline their workforce needs across the spectrum in terms of, for example, recruitment, retention and learning and development. These needs need to be framed in</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Workforce Strategy Action Plan is in delivery. A small number of Directorate Workforce Action Plans have been completed. Work on this has now been paused to allow Directors to focus on the immediate financial crisis. Human Resources are delivering sessions to Heads of Service on people management, restructures and making financial savings in order to support the immediate drive to reduce spending.</p>                                                                                                                                                                                                                                                                                                                                      |

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| <p>time, particularly within some professions. The Council needs to have a high-performing workforce that delivers great services by attracting, developing, and retaining talent that delivers quality public services whilst making the best possible use of public money.</p> <p>Corporate Director Culture Strategy Communities</p> <p>31/3/2026</p> | <p>the context of future service delivery and the finances available. A corporate template has been developed and tested, and resources made available to support all Directors and Corporate Directors with this important task. On a more day to day level, we have core HR policies available to support managers and leaders in managing their existing workforce and recruiting new employees, including flexibility on recruitment of current agency workers into directly employed posts and arrangements to pay market supplements where it can be objectively justified.</p> | <p>Focussed work is taking place with Directorate Management Teams on key HR areas such as managing and reducing the cost of sickness, performance management and accuracy of establishment data.</p> <p>Mandatory and Leadership training has now been insourced and feedback is positive.</p> <p>Agency spend has decreased substantially and there has been an increase in the permanent workforce. Regular updates are presented to the General Purposes Committee. There has been considerable focus on reducing agency spend.</p> <p>There is a process for Statutory Officers to consider approving market supplements in areas where this is necessary, affordable and appropriate in the context of the wider workforce.</p> |
| <p>The Council has recognised weaknesses with regards procurement and contract</p>                                                                                                                                                                                                                                                                       | <p>The Council has reviewed its procurement operating model, and the new staffing structure is in place to facilitate all contract re-tenders above £25k to be managed by the Strategic Procurement Team. This new operating model and new processes will continue to be embedded</p>                                                                                                                                                                                                                                                                                                 | <p>The Council has strengthened its procurement and commissioning framework to ensure compliance, mitigate fraud risk, and deliver value for money. A revised operating model and staffing structure now require all contract re-tenders above £25k to be managed by the Strategic Procurement Team.</p>                                                                                                                                                                                                                                                                                                                                                                                                                              |

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| <p>management arrangements.</p> <p>Corporate Director of Finance and Resources</p> <p>31/3/2026</p> | <p>during 2025 and is anticipated to mitigate potential non-compliance and fraud.</p> <p>The revised CSO's are now in place and were agreed by full Council.</p> <p>Savings of £9m are expected on contracts over the next three years and a new Procurement and Commissioning Programme is now in place which has four workstreams:</p> <ul style="list-style-type: none"> <li>• Review of large value contracts</li> <li>• Review of all contracts due for re-tender</li> <li>• Review of off contract spend.</li> <li>• Establishing category management for contracts</li> </ul> <p>The programme will cover the full commissioning, procurement and contract management cycle, recognising that improvements are required in all areas. Delivery is being managed through a separate governance board, with progress being reported through to Procurement Board.</p> <p>Procurement Board are also responsible for overseeing all new re-tenders and improving procurement and contract compliance.</p> <p>The Council is compliant with the requirements of the new Procurement Act, but some processes are currently manual, and an e-procurement system is not yet in place – options are being considered.</p> | <p><b>Compliance and Governance</b></p> <ul style="list-style-type: none"> <li>• <b>Contract Standing Orders</b> have been updated to align with the Procurement Act 2023 and enhance oversight of procurement and contract management. Full Council approved these changes.</li> <li>• Governance improvements include: <ul style="list-style-type: none"> <li>➤ <b>Spend Control Panel</b> for all expenditure above £1,000.</li> <li>➤ Transition from the Procurement Board to a <b>Commissioning Board</b>, responsible for: <ul style="list-style-type: none"> <li>▪ Monitoring commissioning modernisation programme implementation.</li> <li>▪ Reviewing procurements over £500k.</li> <li>▪ Escalating issues from commissioning panel and procurement.</li> <li>▪ Ensuring compliance across commissioning, procurement, and contract management.</li> </ul> </li> <li>➤ Introduction of a Commissioning Panel to review procurements above £160k (to be extended to £25k+), ensuring alignment with commissioning and procurement strategies and essential needs.</li> </ul> </li> </ul> <p><b>Commissioning Modernisation Programme</b></p> |
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|  | <p>Regular updates are provided to Audit Committee relating to risk and control due to historic limited assurance audit reports and this will continue during 2025/26.</p> <p>Work has begun on implementing new category strategies to deliver better value for money.</p> <p>Revised procedures, training and communication is ongoing.</p> <p>Delays in the implementation of the e-procurement solution will have an impact on the implementation of some controls until such time as the technology is fully in place.</p> <p>The 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when the full report is presented to Audit Committee later in the year.</p> | <p>Endorsed by the Corporate Leadership Team, the programme comprises two workstreams:</p> <ul style="list-style-type: none"> <li>➤ <b>Contract Reviews</b> – Led by the Chief Procurement Officer, focusing on targeted reviews and refreshed category strategies to deliver £9m savings over three years.</li> <li>➤ <b>Commissioning &amp; Practice</b> – Led by the AD Commissioning &amp; Programmes, embedding best practice through five sub-workstreams: <ul style="list-style-type: none"> <li>▪ Digital and data analytics.</li> <li>▪ Commissioning framework, policies, and tools.</li> <li>▪ Procurement pipeline review.</li> <li>▪ Contract management and quality assurance toolkit.</li> <li>▪ Service redesign based on needs analysis.</li> </ul> </li> </ul> <p>A comprehensive training programme supports these initiatives.</p> <p><b>Technology and Risk</b></p> <p>The Council remains compliant with the Procurement Act 2023. However, notification processes remain manual pending implementation of a new e-procurement solution via the ERP programme. Delays in technology rollout may temporarily impact some controls.</p> <p>Regular updates on procurement risk and control are provided to Audit Committee, reflecting historic limited</p> |
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|  |  | <p>assurance findings. Work continues on new category strategies, revised procurement procedures, and an updated contract management toolkit aligned with government best practice.</p> <p><b>Internal Audit</b><br/> Audit work re contracts and procurement has been included in the 2025/26 audit plan and outcomes will be reported to members via the routine reporting cycle.</p> <p><b>External Assurance</b><br/> The 2025/26 Value for Money (VFM) risk assessment by KPMG is published separately. The Council will respond to recommendations when presented to Audit Committee later in the year.</p> |
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