

Slough Borough Council

Interim Auditor's Annual Report
Year ending 31 March 2025

September 2025



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

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01 Introduction and context

Introduction

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

Opinion on the financial statements

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

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

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

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

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

Value for money

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

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

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

Local government – national context

Local government has remained under significant pressure in 2024/25

National issues:

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

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



External Audit Backlog

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

Future



Funding Reform

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



Reorganisation and Devolution

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

Local context and background

Slough Borough Council (the Council) has been subject to a statutory Best Value intervention since December 2021, following serious concerns about the Council's financial management, governance failures, and poor service delivery. In response, the government appointed commissioners to oversee the Council's operations and ensure compliance with its Best Value Duty.

Throughout 2022 and 2023, the Commissioners worked to support the Council stabilise its finances and improve governance. Key developments included the adoption of a Corporate Plan in 2023 and changes in senior leadership aimed at driving cultural and operational reform.

In October 2024, the Department for Levelling Up, Housing and Communities extended the intervention until November 2026, citing ongoing concerns about the Council's capacity to deliver efficient and economical services. The Council's Chief Executive was appointed to a dual role of Managing Director Commissioner to accelerate the pace of change.

The latest Commissioners' report issued to the Council in July 2025 acknowledged improvements in governance and regional collaboration but highlighted persistent challenges, particularly in financial sustainability and service transformation. The Council's Improvement and Recovery Plan for 2025–2026 outlines targeted programmes addressing workforce culture, digital transformation, and financial resilience. It also incorporates responses to separate interventions by the Department for Education concerning children's services and SEND provision.

It is within this context that we set out our commentary on the Council's arrangements to deliver value for money in 2024/25. In doing so, we update on the progress made against previous Key and Statutory recommendations we have issued in recent years, and make new recommendations based on developments during the year.

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

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

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	R Significant weakness in arrangements identified and Key and Statutory recommendations raised.	Multiple risks of significant weakness identified in relation to the previous Key and Statutory recommendations raised.	R We conclude that three significant weaknesses identified in prior year reports remain of critical importance in 2024/25, relating to the Council's medium-term financial viability, levels of reserves and development of plans to reconfigure the Council to achieve financial sustainability. One Statutory and three Key recommendations retained.
Governance	R Significant weakness in arrangements identified and Key and Statutory recommendations raised.	Multiple risks of significant weakness identified in relation to the previous Key and Statutory recommendations raised.	R We conclude four overarching significant weaknesses in governance arrangements, including the Council's preparation of financial statements, governance of its subsidiaries, senior leadership capacity and internal audit. These weaknesses are addressed by two retained Statutory recommendations, three retained Key recommendations and one new Key recommendation. Four previous Statutory recommendations and one key recommendation are now closed.
Improving economy, efficiency and effectiveness	R Significant weakness in arrangements and Key recommendations raised.	Multiple risks of significant weakness identified in relation to the previous Key recommendations raised.	R We conclude four overarching significant weaknesses in arrangements to improve economy, efficiency and effectiveness, covering the Council's data quality and analysis, arrangements to evaluate and improve key services, arrangements to deliver its contribution to key partnerships, and its procurement, contract management and commissioning arrangements. These are addressed by five Key recommendations.

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

Summary of significant weaknesses

This section summarises the significant weaknesses identified in relation to the Council's arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. Further detail on recommendations raised in relation to these significant weaknesses are listed on pages 18-20

Financial Sustainability

Statutory/Key Recommendation ref.

1.	The Council is not financially sustainable, and its savings plans and asset disposal programme supporting its ongoing liquidity remains off track.	KR1, KR2
2.	The Council does not have an adequate level of reserves and requires continued central government support through capitalisation directions.	SR1
3.	The Council has not developed its long-term transformation plan and is unable to demonstrate that financial planning assumptions, both in 2024-25 and the medium-term, are consistent with other strategies and plans.	KR3

Governance

1.	The Council has yet to develop comprehensive plans for the preparation of accounts and significant weaknesses also remain in the adequacy of the Council books and records and internal control environment.	SR3
2.	The Council does not have effective financial governance and monitoring arrangements for its group relationships and subsidiary companies supporting service delivery.	SR4, KR5, KR6
3.	The Council did not have effective internal audit arrangements in place during all of 2024/25, undermining wider assurance and improvement activity.	KR8
4.	Inadequate arrangements are in place to maintain the permanence of the senior leadership team. This also includes the second tier of posts.	KR7

Summary of significant weaknesses (continued)

This section summarises the significant weaknesses identified in relation to the Council's arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. Further detail on recommendations raised in relation to these significant weaknesses are listed on pages 18-20

Improving economy, efficiency and effectiveness

Statutory/Key Recommendation ref.

1.	The Council has inadequate arrangements in place to foster a positive culture and capacity around data quality in order to support robust service planning and reporting, based on high-quality data, including benchmarking.	KR10
2.	The Council has inadequate arrangements in place to ensure effective service delivery to its citizens consistently across the Council.	KR11, KR12,
3.	The Council has inadequate arrangements to ensure it effectively delivers its role within significant partnerships.	KR13
4.	The Council needs to significantly improve its arrangements for overseeing its procurement and commissioning of services to ensure these deliver effective value for money.	KR14

Executive Summary

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

We have in recent years issued a number of Statutory and Key recommendations, reflecting significant weaknesses in the Council's arrangements for financial sustainability, governance, and improving economy, efficiency and effectiveness. In September 2024, we wrote an escalation letter to the Council, putting on record serious concerns, prior to issuing our interim 2023/24 AAR. Our concerns included both a lack of progress in addressing Statutory and Key recommendations set out in earlier years, and a number of significant, ongoing challenges present within the 2023/24 financial year.

In 2024/25, the Council has taken important, initial steps to establish some of the core arrangements it needs to better understand its risks and develop effective plans for improvement. Firstly, we wish to record that the Council's engagement with the audit process, including the review of VFM arrangements, has been substantially more positive, better-resourced and better-organised than in recent years. Further, the Council has begun to develop and embed some of the core arrangements we would typically expect to see. Key examples of this are improvements in Scrutiny and the Audit and Corporate Governance Committee (A&CGC), stronger decision-making processes and a more complete understanding of the remaining improvements required, supported by both finance and governance action plans. Inevitably, the Council's improved ability to 'shine light' on its operational and financial processes has led to it identifying further issues or reappraising existing risks. Some of these issues are reflected in a number of new significant weaknesses and Key recommendations raised in this report.

However, as the Council is well aware, very serious financial, governance and service performance issues remain. The Council's is fundamentally not financially sustainable at this time, with ongoing reliance on capitalisation directions and supported through the delivery of a substantial Asset Disposal Programme, which itself is not on track. The Council has a very significant challenge to finalise its target operating model, drive improvement at scale and pace, and improve its data quality, while getting a stronger grip on its costs and spending. It is concerning that a number of regulatory and inspectorate reports have this year identified further weaknesses in service quality which also need to be addressed.

The Council needs to progress work on its Target Operating Model urgently, to deliver the savings needed in the short to medium term. The Council needs to see improvement in the short term but will also require sustained focus for some years to come. The Council made progress in developing the stronger senior leadership it needs to increase the pace of improvement during 2024/25, but there remains work to develop capacity through the wider leadership tiers of the organisation to move plans forward.

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

The Council's overall financial position remains extremely challenging in both the short and medium term. In 2024/25, the Council overspent its £160.2 million service budget by £8.8 million, which was funded from reserves. The Council set a balanced budget for 2025/26 following extensive planning and scrutiny, but its Q1 report forecasts emerging pressures of £13.8 million. The Dedicated Schools Grant (DSG) budget also remains under pressure, with a net overspend of £0.081 million and a high-risk trajectory for High Needs spending. The Housing Revenue Account reported a £4.5 million surplus. The Council's refreshed Medium-Term Financial Strategy (MTFS) projects a cumulative funding gap of £105.3 million for 2026/27 to 2029/30 – an increase of £29.5 million since March 2025.

Asset disposals and capitalisation directions remain critical risks. Forecasted capital receipts from asset disposals for 2024/25–2026/27 were revised from £86.23 million to £39.0 million—a 54.8% drop. External debt pressures also persist, with the Council holding £458.5 million in loans as of 31 March 2025, exceeding its £445.7 million target, due to delayed asset disposals. Debt servicing costs are around 16% of the 2025/26 net revenue stream.

Liquidity levels are impacted significantly by these financial pressures and should be closely monitored and transparently reported to Members. The July 2025 Cashflow forecast provided by management shows a cash opening balance of £13.57 million on 1 April 2025 and closing balance of (£84.04) million at 31 March 2026 without further additional debt refinancing, which means that the Council will need to borrow further to fund day to day expenditure at an additional cost to the Council in order to maintain adequate liquidity.

Arrangements for the maintenance of an appropriate level of reserves is also a significant concern. The Council's reserves are very low in context of its financial challenges. Earmarked reserves reduced by £11 million (from £29.2m million to £18m million) to support the delivery of the 2024/25 budget, including meeting the cost of the Council's overspend in that year. For the 2025-26 budget, the Council has set out an intention to transfer £1 million to reserves to build financial sustainability. However, this depends on the Council's delivering a balanced budget in 2025-26, which it is not currently on track to do.

The Council must devise a transformation programme which is supported by adequate and defined funding which has the ultimate goal of the Council exiting intervention and securing its best value duty. Furthermore, it must demonstrate that financial planning assumptions in the in-year plan and the medium-term are consistent with other strategies and plans. There are several other strategies, which should also underpin the MTFS, which are currently in development including the Workforce Strategy, Estates Strategy, Local Plan, and Climate Change Strategy.

In summary, we identified that three significant weaknesses identified in prior year reports remain of critical importance in 2024/25, relating to the Council's medium-term financial viability, levels of reserves; and development of plans to reconfigure the Council to achieve financial sustainability. One Statutory and three Key recommendations retained as set out on page 18. Note that we have separately reported weaknesses relating to financial reporting, budget setting and monitoring under the governance reporting criterion.

Executive Summary

Continued.



Governance

Improvements in governance arrangements have supported the Council in gaining a clearer view of the challenges it faces. The Council now has adequate and improving strategic risk management and reporting, and has improved decision-making transparency, with detailed papers supporting key decisions and monthly briefings for Cabinet and Group Leaders to enable technical challenge. The new Corporate Improvement Scrutiny Committee (CISC) has a clear remit to support the Council's recovery and produced a strong annual report. Planned improvements in this area for 2025/26 include a report from Adult Services and an external review of scrutiny effectiveness. Importantly, the Council's 2024/25 Annual Governance Statement (AGS) reflects the output of a major review of governance arrangements, identifying 49 improvement actions across 11 leads. Key areas include financial governance, political leadership, internal controls, and resident engagement. The plan itself would benefit from clearer timelines and updates on prior actions.

Governance of arm's length entities remains a key risk and the Council did not have effective internal audit arrangements in place during all of 2024/25, undermining wider assurance and improvement activity. The Council has acknowledged that more progress is required, recognising this as a key corporate risk. The Council intended to consider an Options Appraisal on companies' governance at Cabinet in July 2025. However, this has been deferred to October 2025. Internal Audit faced major disruption in 2024/25. Following poor delivery of the programme up to November 2024, the Council appointed an interim, external Head of Internal Audit, whose arrival added impetus and clarity on the improvements and plans necessary within the IA service. This allowed a short-term plan to be delivered but led to a "No Assurance" annual opinion in 2024/25.

We are not yet able to conclude that the Council is able to produce high-quality financial reporting to support a timely audit of its financial statements. The Council supported us to conclude the audit of 2018/19 in November 2024 and has subsequently prepared, published and audited its 2019/20, 2020/21, 2021/22 and 2022/23 accounts. Considerable efforts have been made by the Council's finance team to clear this backlog over the last year and had a permanent finance team and finance leadership in place in 2024/25. Whilst a commendable effort, significant ongoing concerns remain around adequacy of the Council's books and records and poor audit trail due to legacy matters, which is causing some continued challenges for the Council in supporting the closure of the 2023/24 accounts. We will revisit our previous statutory recommendation further once the Council has published its 2023/24 and 2024/25 accounts and considered what audit work can be completed prior to the government statutory backstop deadline. Financial governance remains fragile while this is an issue.

In summary, we have identified four overarching significant weaknesses in governance arrangements, including the Council's preparation of financial statements, governance of its subsidiaries, senior leadership capacity and internal audit. These weaknesses are addressed by two remaining Statutory recommendations, three Key recommendations and one new Key recommendation (page 19).

Executive Summary

Continued.



Improving economy, efficiency and effectiveness

Despite improvements in corporate performance reporting, the Council continues to face significant challenges in data quality and analytical capacity, particularly at the service level. The Commissioners' July 2025 report highlighted the lack of reliable data and a data-driven culture as major barriers to progress. While improvement plans are in place, they are at an early stage and depend on cultural change, investment in IT infrastructure, and retaining skilled staff. The Council's AGS acknowledges these issues, noting gaps in member-level reporting and inconsistent access to accurate data. Although budget reporting at Directorate Leadership Teams has improved, further support—including tailored financial training—is needed. The AGS action plan commits to implementing a Data Strategy, which must address both technical and cultural weaknesses to drive meaningful change.

The Council's procurement, contract management and wider commissioning arrangements require improvement, with progress hindered by key personnel changes and overreliance on individuals. The absence of a procurement strategy or policy, stalled development of a commercial strategy and contract management toolkit, and inconsistent reporting—particularly on waivers—pose risks to compliance and readiness for the Procurement Act 2023. Internal Audit issued a “partial assurance” opinion, citing incomplete data capture, inconsistent performance reporting, and limited senior visibility. Ten improvement recommendations are due by November 2025, with Commissioners expecting sustained progress. A red-rated strategic risk has been added to the Council's Corporate Risk Register, reflecting concerns around skills gaps, lack of a strategy, and an incomplete contracts register. In response, the Council has established a Strategic Commissioning Group, a Contract Management Support Team, and a Central Contracts Register.

Service quality shows a mixed picture and, both the Regulator of Social Housing (RSH) and HM Inspectorate of Probation issued reports highlighting key concerns covering the 2024/25 year. The RSH found that the Council was non-compliant with regulatory standards for local authority landlords, issuing a C3 rating, which indicates serious failings against regulatory standards. We identify a further significant weakness following HM Inspectorate of Probation's “inadequate” rating of the Slough Youth Justice Service, in which the Council is a key statutory partner. The Council received a ‘good’ rating from its recent Ofsted inspection of Fostering Services. Similarly, CQC's review of social care provision received a ‘good rating’ however continued concerns in the Council's SEND provision remains. An Ofsted review was completed in July 2025 but this report was not published at the time of writing this interim AAR.

In summary, we identify four overarching significant weaknesses in arrangements to improve economy, efficiency and effectiveness, covering the Council's data quality and analysis, arrangements to evaluate and improve key services, arrangements to deliver its contribution to key partnerships, and its procurement, contract management and commissioning arrangements. These issues are addressed by five Key recommendation (page 20).

Executive Summary – our assessment of value for money arrangements

The table below shows the overall number of Statutory and Key outstanding against each of the reporting areas within our review of VFM arrangements, and key movements since our last Auditors Annual Report in February 2025.


	Statutory recommendations			Key recommendations		
	Closed	Retained	Added	Closed	Retained	Added
Financial sustainability	-	1	-	-	3	-
Governance	4**	2	-	1	3	1
Improving economy, efficiency and effectiveness	-	-	-	- *	1	4
Total	4	3	-	1	7	5

* A previous recommendation in this area has been superseded and we raise in its place two new Key recommendations specifically related to data quality and procurement, respectively, taking into account the scale of issues and risk in these areas.

** One prior year statutory recommendation closed in relation to the Statement of Accounts (SR2) was previously reported under the financial sustainability reporting area and has been recategorised under the governance reporting area in the table above.

Executive summary – auditor’s other responsibilities

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

Auditor’s responsibility	2024/25 outcome	
Opinion on the Financial Statements	At the time of writing, we await the publication of the Council’s draft 2023-24 and 2024-25 financial statements for audit. Pages 22-24 of this report will be updated for the final conclusions from our work at the end of the 2024-25 audit cycle later this year.	
Use of auditor’s powers	<p>We did not make any new written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014. Statutory recommendations issued in previous audits have been followed up as part of our 2024/25 audit and reported on page 15.</p> <p>We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014.</p> <p>We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.</p> <p>We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.</p>	

03 Statutory and Key recommendations - summary

Financial sustainability – recommendations

This page summarises any new Statutory and Key recommendations in relation to the Council’s arrangements for financial sustainability, and the status of recommendations raised in prior years. Further detail on each is set out on page 27.

Statutory recommendations (summarised)		Status
SR1	The Council should take urgent action to address its low levels of unearmarked and earmarked revenue reserves.	Retained

Key recommendations (summarised)		
KR1	Officers and members should continue to work together to deliver financial sustainability in the medium term.	Retained
KR2	The Council must review the basis of the Asset Disposal Programme to ensure that is based on robust, appropriate and reasonable assumptions. The Council should ensure transparency in its reporting around the impact of underperformance in asset disposals, budget delivery and savings targets on its day-to-day liquidity position.	Retained – and updated
KR3	The Council must devise a transformation programme which is supported by adequate and defined funding which has the ultimate goal of the Council exiting intervention and securing its best value duty.	Retained

Governance – recommendations

This page summarises the Statutory and Key recommendations in relation to the Council’s arrangements for governance, including the status of recommendations raised in prior years and new recommendations. Further detail is set out on page 36.

Statutory recommendations (summarised)

		Status
SR2	The Council should put in place robust arrangements for the production of the 2019/20 and 2020/21 financial statements.	Closed
SR3	The Council should develop a comprehensive project plan for the preparation of [its] accounts.	Retained
SR4	The Council should review and implement effective financial governance and monitoring arrangements for its group relationships.	Retained
SR5	The Council should put in place arrangements to address the issues raised by the S151 officer as set out in his section 114 report.	Closed
SR6	The Council should develop a comprehensive project plan for the [required] improvement in governance arrangements.	Closed
SR7	Ensure that for important (in financial or strategic terms) decisions, sufficient and adequate information is made available to members within the formal governance processes to support the decisions made, including a comprehensive business case.	Closed

Key recommendations (summarised)

KR4	The Council should improve its governance arrangements for key decisions.	Closed
KR5	The Council should ensure it effectively manages Slough Children First Ltd (SCF).	Retained
KR6	The Council should ensure it effectively manages all its subsidiaries and winds up those subsidiaries which are not delivering value.	Retained
KR7	The Council and Commissioners should aim to maintain the permanence of the senior leadership team.	Retained
KR8	The Council should ensure it has a fully-resourced Internal Audit function.	Added - new

Improving economy, efficiency and effectiveness – recommendations

This page summarises our Key recommendations in relation to the council’s arrangements for improving economy, efficiency and effectiveness, including the status of recommendations raised in prior years, and any new recommendations. Further detail is set out on page 54.

Key recommendations (summarised)

		Status
KR9	The Council should develop its corporate oversight to ensure it delivers improvements in economy, efficiency and effectiveness	Superseded
KR10	The Council needs to improve data quality and foster a positive culture and capacity around data quality to support robust service planning and reporting, based on high-quality data, including benchmarking.	Added - new
KR11	The Council should develop a plan to strengthen the performance of its housing service, to meet the requirements of the Regulator of Social Housing’s (RSH’s) Standards.	Added - new
KR12	The Council should develop a plan to strengthen its leadership, oversight and contribution through partnership working in relation to the Slough Youth Justice Service, to drive the significant improvement in quality expected by HM Inspectorate of Probation and ensure the improvement required by the Council is reflected in its AGS.	Added - new
KR13	The Council should make all the necessary steps to continue to work with the Department for Education to improve performance in children’s services and SEND.	Retained
KR14	The Council should significantly strengthen its arrangements to oversee procurement and deliver value for money from when it procures and commissions services.	Added - new

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

Opinion on the financial statements

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

Audit opinion on the financial statements

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

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

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

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

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

Findings from the audit of the financial statements

At the time of writing, the Council has not yet prepared and published its draft 2024/25 financial statements. We will report our findings at the conclusion of our audit, prior to the 27 February 2026 backstop date.

Audit Findings Report

We will report the detailed findings from our audit in our Audit Findings Report at the conclusion of our work once draft financial statements have been prepared and audited.

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(AGS) addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We will confirm our conclusion on this work once the draft financial statements and AGS have been published by the Council.



Use of auditor's powers

We bring the following matters to your attention:

Statutory recommendations

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

We have previously issued statutory recommendations to the Council in May 2021, July 2021 and February 2023. We have assessed progress against these recommendations within this report and the current position is set out on pages 15 and 18-20.

From work completed in 2024-25 to date, we have not issued any further statutory recommendations to the Council.

Public Interest Report

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

From work completed in 2024-25 to date, we have not issued a report in the Public Interest with regard to arrangements at the Council.

Our final position will be revisited following publication of the draft financial statements for public inspection and following conclusion of the 2024-25 audit.

05 Commentary on Value for Money arrangements

Value for Money – commentary on arrangements

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

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

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



Financial sustainability

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



Governance

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



Improving economy, efficiency and effectiveness

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



Financial Sustainability

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	<p>In 2024/25, the Council overspent its £160.2 million service budget by £8.8 million, funded through reserves. Despite setting a balanced 2025/26 budget, the Q1 forecast shows emerging pressures of £13.8 million. The Dedicated Schools Grant remains under pressure, with a £0.081 million net overspend and a high-risk trajectory for High Needs spending. The July 2025 Medium-Term Financial Strategy (MTFS) projects a cumulative funding gap of £105.3 million for 2026/27 to 2029/30—an increase of £29.5 million since March. The 2026/27 gap alone is estimated at £20.5 million. The Council’s asset disposal programme remains a key risk. It is heavily reliant on capitalisation directions and asset sales to finance these. For 2025/26, the Government has approved a further capitalisation direction of a total not exceeding £15.709 million. The Council relies on asset sales to raise the money to finance this. Forecasted capital receipts for 2024/25 and 2025/26 were £86.23 million, later revised down to £39.0 million for 2024/25 to 2026/27— a £47.23 million (54.8%) reduction, spread over a longer period.</p> <p>External debt also continues to pressure budgets. As of 31 March 2025, the Council held £458.48 million in external loans — £12.78 million above the £445.70 million target set in the 2024/25 Revised Treasury Management Strategy, partly due to delayed asset sales. Debt financing costs are around 16% of the Council’s net revenue stream in 2025/26. As of 31 March 2025 26.84%, of borrowing will mature within 24 months. A revised debt repayment strategy will need to be established in 2025/26 to ensure the Council's financial stability and prudence and will be fundamental in delivering the Council’s future priorities in an affordable framework. The July 2025 Cashflow forecast provided by management shows a cash opening balance of £13.57 million on 1 April 2025 and closing balance of (£84.04) million at 31 March 2026 without further additional debt refinancing, which means that the Council will need to borrow to fund day to day expenditure at an additional cost to the Council to maintain adequate liquidity. Maintaining adequate reserves is a significant concern. Earmarked reserves fell by £11 million (from £29.2 million to £18 million) to support the 2024/25 budget, including covering the overspend. For 2025/26, the Council plans to transfer £1 million to reserves to build financial sustainability, but this depends on delivering a balanced budget, which is currently off track.</p>	R
G	No significant weaknesses or improvement recommendations.	
A	No significant weaknesses, improvement recommendations made.	
R	Significant weaknesses in arrangements identified and key recommendation(s) made.	

Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
plans to bridge its funding gaps and identify achievable savings	<p>The Council has developed a savings programme for 2024/25 and 2025/26, using a ‘design authority’ approach to risk-assess each savings. £7.487m of savings were delivered for 2024/25 out of a target of £11.183m, representing 66.95% delivered with some further mitigating savings achieved of £0.614m. £3.696m of undelivered savings and associated additional savings for 2025-26 were reversed out of the MTFS.</p> <p>The Council is currently developing a target operating model for the longer-term, supported by external consultants and progressing this is a major challenge over the next 12 months. For the medium term, the Improvement and Recovery Action Plan refresh includes the Council’s Transformation Programme priorities. To support this, £4 million of transformation funding (£2m 2025/26 and £2m 2026/27) has been agreed.</p> <p>An in-house transformation team led by a Transformation Director has been established. The team has estimated that the further investment required on future projects could potentially exceed £10 million. This was not incorporated within the council’s estimated budget gap in its July 2025 Medium Term Financial Strategy.</p>	R
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>The Council’s Corporate Plan 2023/27, "A Fresh Start for Slough," outlines its key priorities include and five guiding principles of being resident-focused, providing financial sustainability, enabling residents and communities, strengthening partnerships, and building trust.</p> <p>Fundamentally, at the current time, the Council remains in statutory intervention and currently does not have a sustainable medium-term position. Whilst the 2025/26 budget presents a balanced position, the future Medium Term Financial Strategy identifies a number of funding gaps to address.</p>	R

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendations made.

R

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

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	Linked to the issues set out above, the Council cannot currently demonstrate that financial planning assumptions in the in-year plan and the medium-term are consistent with other strategies and plans. The Council has several strategies that underpinned the setting of the 2025/26 budget such as the Corporate Plan, the Medium-Term Financial Strategy (MTFS), the Capital Strategy, the Treasury Management Strategy and various specific strategies within directorates. However, there are several strategies, which should also underpin the financial plan, which are currently in development including the Workforce Strategy, Estates Strategy, Local Plan, and Climate Change Strategy. The Council's Target Operating Model (TOM), once designed, will set out a new direction of travel to establish an operating approach for the Council, which it will use to address its funding gap and deliver long term sustainability. As a condition of Exceptional Financial Support, MHCLG requires by the end of 2025/26: a refreshed rolling MTFS, Capital Strategy, and Treasury Management Strategy aligned with the new Target Operating Model and transformation plans; a reserves policy outlining the forward strategy; and a Debt Repayment Strategy with a medium-to-long-term plan to reduce external debt and capital financing charges.	R
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	Whilst mitigations were used in the 2024/25 period and growth set aside for 2025/26 to manage fluctuations in demand, there were still some £33.8 million of financial risks associated with setting the 2025/26 budget. The Q1 2025/26 Financial Forecasts report emerging pressures of approximately £13.8 million, with a budget risk of some £29.606 million. This risk if crystallised would significantly extinguish the Council's limited reserves available. The Council's Improvement and Recovery Plan recognised that detailed scenario planning is vital for a realistic understanding of the financial challenges ahead and this was used as part of the July 25 Cabinet MTFS refresh. The 2026/27 to 2029/30 MTFS shows an increased cumulative funding gap of £28 million to 31 March 2030, however the worst-case scenario is some £53.8 million.	R
G	No significant weaknesses or improvement recommendations.	
A	No significant weaknesses, improvement recommendations made.	
R	Significant weaknesses in arrangements identified and key recommendation(s) made.	

Financial sustainability – recommendations

This page summarises any new Statutory and Key recommendations in relation to the council’s arrangements for financial sustainability, and the status of recommendations raised in prior years. Further detail on each is set out on the following pages.

Statutory recommendations (summarised)		Status
SR1	The Council should take urgent action to address its low levels of unearmarked and earmarked revenue reserves.	Retained

Key recommendations (summarised)		
KR1	Officers and members should continue to work together to deliver financial sustainability in the medium term.	Retained
KR2	The Council must review the basis of the Asset Disposal Programme to ensure that is based on robust, appropriate and reasonable assumptions. The Council should ensure transparency in its reporting around the impact of underperformance in asset disposals, budget delivery and savings targets on its day-to-day liquidity position.	Retained – and updated
KR3	The Council must devise a transformation programme which is supported by adequate and defined funding which has the ultimate goal of the Council exiting intervention and securing its best value duty.	Retained

Statutory recommendations

This section summarises progress made in relation to all Statutory recommendations relating to Financial Sustainability arrangements, which were in place following our last report in February 2025. No new statutory recommendations have been added in this report.

Type	Date Raised	Criteria impacted	Status
Statutory	May 2021	Financial Sustainability	Retained
Recommendation (SR1)			
The Council should take urgent action to address its low levels of unearmarked and earmarked revenue reserves through:			
<ul style="list-style-type: none">Developing a clear, sustainable medium term financial plan to significantly replenish reserves to a level that enable it to respond to any significant unexpected events or manage its position effectively where its savings programmes are not fully achieved.Reviewing its medium-term savings plans to ensure that clear proposals are developed to achieve savings requirements in line with the revised MTFP and reserves strategyEnsuring agreed savings are owned across the Council by officers and lead members to ensure clear ownership and accountability for deliveryEnsuring it puts in place a clear and transparent savings monitoring and reporting process, in order to ensure that council departments are held to account for delivery of required savings			
Developments in 2024/25			
Arrangements for the maintenance of an appropriate level of reserves remains a significant concern, and the Council’s financial challenges remain acute. The Council's reserves are very low in context of the Council's financial challenges.			
Management response 2024/25			
TBC			

Key recommendations

This section summarises progress made in relation to all Key recommendations relating to Financial Sustainability arrangements, which were in place following our last report in February 2025. No new Key recommendations have been added in this report but one has been updated.

Type	Date Raised	Criteria impacted	Status
Key	May 2024	Financial Sustainability	Retained

Recommendation (KR1)

Officers and members should continue to work together to deliver financial sustainability in the medium term. This will be achieved by:

- increasing its level of reserves (earmarked and general reserves)
- progressing the sale of assets under the capital direction
- delivering recurrent savings
- continuing to work with the Schools Forum and partners to ensure full delivery of the agreed Dedicated Schools Grant (DSG) management plan in order to stop the increase in the DSG deficit.

Developments in 2024/25

The Council continues to face a number of very significant financial challenges in the short and medium term including in relation to service pressures, a continued reliance on capitalisation directions, progress with the asset disposal programme and delivery of planned savings.

Management response 2024/25

TBC

Key recommendations

Continued.

Type	Date Raised	Criteria impacted	Status
Key	October 2024	Financial Sustainability	Retained - and updated.
Recommendation (KR2)			
<p>The Council must review the basis of the Asset Disposal Programme to ensure that is based on robust, appropriate and reasonable assumptions. This review must include collaborative working between the finance function and the asset disposals/property expertise to ensure that financial implications are considered in the final programme.</p> <p>Furthermore, the Council should ensure transparency in its reporting around the impact of underperformance in asset disposals, budget delivery and savings targets on its day-to-day liquidity position.</p>			
Developments in 2024/25			
<p>The Asset Disposal Programme is the means by which the Council will finance the capitalisation direction by capital receipts. A detailed asset disposal review has identified that previous assumptions were not realistic within the assumed timetable, both for financial and operational reasons. During Q4 2024/25 the pace of disposals was behind programme delivery dates and a refresh of the programme is expected to be considered by Cabinet later in the Autumn.</p> <p>The July 2025 Cashflow forecast provided by management shows a cash opening balance of £13.57 million at 1 April 2025 and closing balance of (£84.04) million at 31 March 2026 without further additional debt refinancing, which means that the Council will need to borrow to fund day to day expenditure at an additional cost to the revenue account to maintain adequate liquidity. The Council does not routinely report its working cashflow forecasts to Members and should include this in future finance reports to highlight the impact of service overspending, undelivered savings and delayed asset disposals on cash flow and consequent new borrowing requirements.</p>			
Management response 2024/25			
TBC			

Key recommendations

Continued.

Type	Date Raised	Criteria impacted	Status
Key	October 2024	Financial sustainability	Retained
Recommendation (KR3)			
The Council must devise a transformation programme which is supported by adequate and defined funding which has the ultimate goal of the Council exiting intervention and securing its best value duty. The programme must include how the Council is addressing the recommendations raised from previous reviews or these must be tracked centrally to ensure resolution.			
Developments in 2024/25			
The Council has a savings programme for 2024/25 and 2025/26 to address the funding gaps identified in the short term. The Council has begun the process of developing its transformation approach but this is at an early stage. A transformation team has been established, but investment for transformation remains a key risk.			
Management response 2024/25			
TBC			



Governance

Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	<p>The Council has adequate strategic risk management, with quarterly reporting to A&CGC since September 2024 and a new monthly Risk Management Board embedding departmental ownership. Corporate risk levels remain high, and a revised Risk Management Policy and Strategy is in development.</p> <p>The 2024/25 AGS reflects the output of a major review of governance arrangements, identifying 49 improvement actions across 11 leads. Key areas include financial governance, political leadership, internal controls, and resident engagement. The plan would benefit from clearer timelines and updates on prior actions.</p> <p>Internal Audit (IA) faced major disruption in 2024/25. The Council’s previous Head of Internal Audit (HoIA) left in November 2024, with much of the programme for the year undelivered at this stage. Following this, the Council appointed an interim, external HoIA, whose arrival added impetus and clarity on the improvements and plans necessary within the IA service. This allowed a short-term plan to be delivered in Q4. As a result of the earlier lack of delivery and a number of limited assurance reports arising from the short term plan for the remainder of the year, the new HoIA’s Annual Opinion for 2024/25 was “No Assurance”. The 2024/25 Annual Governance Statement (AGS) outlines a number of actions to stabilise the team. We raise a linked Key recommendation.</p> <p>Overdue audit actions fell from 23.3% to 13.1% (March 2024–2025), supported by a new KPI in the Council’s performance framework. The A&GC committee has strengthened its arrangements in holding management to account on progress with outstanding recommendations and management are now routinely requested to provide service specific updates to A&GC on progress with implementing improvements in the Council’s control environment.</p>	R

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

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
approaches and carries out its annual budget setting process	<p>The Council’s budget-setting process improved significantly, starting earlier and involving detailed consideration of £21.603 million in proposals by Cabinet in July 2024. The Budget included growth for adult social care and temporary accommodation, £11.806 million in savings proposals, with RAG-rated deliverability and a risk budget to manage growth fluctuations. The development process included member-officer workshops and scrutiny by the Corporate Improvement Scrutiny Committee.</p> <p>The 2025/26 budget report outlined risks and next steps to maintain balance in-year, highlighting the transformation programme and reduced reliance on exceptional financial support. The Section 151 Officer’s Section 25 Statement stressed the need to align budgets with priorities using data and confirmed the robustness of estimates and reserves for the 2025-26 year (though we note elsewhere the pressure on reserves in the medium term). It identified £33.8 million in financial risks, with £19.49 million rated high risk—mainly linked to Council companies, demand, inflation, and savings. A base budget review will support the 2026/27 MTFS refresh. A contingency fund remains essential, and a budget reset may be needed in 2025/26 due to prior year adjustments identified as part of officer’s ongoing work on the 2023-24 statement of accounts, where inconsistencies were identified between the final 2023-24 reported outturn and the draft statutory accounts.</p>	A

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

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>Following publication of the (disclaimed) final Statement of Accounts for 2022/23 in February 2025, the Council has conducted a more detailed review of historic balance sheet items following identification of legacy accounting issues during preparation of the 2023/24 accounts. The 2023/24 provisional accounts were presented to the Audit and Governance Committee on 23 July, but this identified some ongoing areas of work required. We will assess the remaining statutory recommendation in this area (relating to the Council’s accounts preparation and audit readiness once) we the Council has published its draft for public inspection, and we have had subsequent opportunity to consider these and progress the audit of the Council’s 2023/24 and 2024/25 accounts.</p> <p>The restated provisional accounts reflect a net adverse position on the Comprehensive Income and Expenditure Accounts of £14.750m. Further assurance work is being commissioned with external specialists prior to the publication of the draft 2023/24 accounts and the completion of the 2024/25 accounts. It should be noted that the 2024/25 accounts will be the first since 2018/19 to be subject to a full external audit.</p> <p>The Council has produced a Finance Improvement Plan (FIP) as the output of a detailed review of its financial position. The FIP has 37 workstreams, scheduled for implementation over the next 18 months. The Council has completed the ‘discovery’ phase of setting its legacy issues including external reviews of its Balance Sheet review in 2024 and cash position. The FIP is a key step in bringing together a full and complete picture of the work is required to support their financial management arrangements going forward. The Council also now has mechanisms and monitoring arrangements in place to report progress regularly to Cabinet and Full Council, and has improved engagement with Council members in relation to financial monitoring. Given the remaining statutory recommendations and scale of budgetary over-run in 2024/25, a significant weakness remains in this area.</p>	<p>R</p>
<p>G</p>	<p>No significant weaknesses or improvement recommendations.</p>	
<p>A</p>	<p>No significant weaknesses, improvement recommendations made.</p>	
<p>R</p>	<p>Significant weaknesses in arrangements identified and key recommendation(s) made.</p>	

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	<p>In 2024/25, the Council improved decision-making transparency, with detailed papers supporting key decisions and monthly briefings for Cabinet and Group Leaders to enable technical challenge. As part of the Statutory Best Value Intervention, strategic financial, operational, and governance reports are cleared by Best Value Commissioners. Other reports are managed by the Managing Director Commissioner and Corporate Leadership Team.</p> <p>The Corporate Improvement Scrutiny Committee (CISC) has a clear remit to support the Council’s recovery and produced a strong annual report. Planned improvements in this area for 2025/26 include a report from Adult Services and an external review of scrutiny effectiveness.</p> <p>From an Audit and Corporate Governance Committee perspective, the 2024/25 annual report and self-assessment showed marked improvement and the Committee demonstrates the ability to hold officers to account appropriately.</p> <p>As noted above, we raise a specific Key recommendation on internal audit capacity, and below we raise a further Key recommendation about improving the underlying data and analysis to support robust decision-making, including business case development. For this reason, we show this overall area as showing scope for improvements. However, we consider that at this point the previous recommendations related specifically to decision-making structure and processes closed.</p>	A

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

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	<p>The Council recognises that further progress is needed to strengthen governance and financial oversight of its subsidiaries.</p> <p>Slough Children First, wholly owned since April 2021, has shown strong performance in 2024/25 in respect of many of its areas of responsibility –exceeding savings targets and repaying its loan facility. Governance has improved, with scrutiny and oversight receiving positive feedback from Commissioners. A governance review was completed in 2022, with updates reported to the Audit and Corporate Governance Committee until March 2024, when oversight transitioned to contract monitoring. We do not close our statutory recommendation related to the Council’s management of SCF at this stage given the HM Inspectorate of Probations findings in relation to the Youth Justice Service (see the Improving Economy, Efficiency and Effectiveness sections of this report).</p> <p>Beyond Slough Children First, the Council has two active companies—JEH and GRE5—and is a key stakeholder in other entities, including: Development Initiative for Slough Housing Ltd (leased housing); and Slough Urban Renewal LLP (regeneration projects).</p> <p>As set out above, JEH’s performance remains a key challenge and source of financial exposure for the Council. The Council’s oversight has not led to a point where JEH files accounts in a timely manner, creating a risk of the company being struck off Companies House. Clarity on JEH’s future role is currently unclear pending a broader review of the Council’s housing strategy and a full governance review of subsidiaries, which is planned under the FIP but remains outstanding. A new corporate risk—“Failure of Council Subsidiary Companies”—was added in Q4 2024/25 with a high-risk rating of 25 (out of 25), reflecting the urgency and potential impact should risk crystallise.</p>	R

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

Governance – recommendations

This page summarises the Statutory and Key recommendations in relation to the council’s arrangements for governance, including the status of recommendations raised in prior years and new recommendations. Further detail is set out on the following pages.

Statutory recommendations (summarised)

		Status
SR2	The Council should put in place robust arrangements for the production of the 2019/20 and 2020/21 financial statements.	Closed
SR3	The Council should develop a comprehensive project plan for the preparation of [its] accounts.	Retained
SR4	The Council should review and implement effective financial governance and monitoring arrangements for its group relationships.	Retained
SR5	The Council should put in place arrangements to address the issues raised by the S151 officer as set out in his section 114 report.	Closed
SR6	The Council should develop a comprehensive project plan for the [required] improvement in governance arrangements.	Closed
SR7	Ensure that for important (in financial or strategic terms) decisions, sufficient and adequate information is made available to members within the formal governance processes to support the decisions made, including a comprehensive business case.	Closed

Key recommendations (summarised)

KR4	The Council should improve its governance arrangements for key decisions.	Closed
KR5	The Council should ensure it effectively manages Slough Children First Ltd (SCF).	Retained
KR6	The Council should ensure it effectively manages all its subsidiaries and winds up those subsidiaries which are not delivering value.	Retained
KR7	The Council and Commissioners should aim to maintain the permanence of the senior leadership team.	Retained
KR8	The Council should ensure it has a fully-resourced Internal Audit function.	Added - new

Statutory recommendations

This section summarises progress made in relation to all Statutory recommendations relating to Governance arrangements, which were in place following our last report in February 2025. No new statutory recommendations have been added in this report.

Type	Date Raised	Criteria impacted	Status
Statutory	May 2021	Financial Sustainability & Governance	Closed
Recommendation (SR2)			
The Council should put in place robust arrangements for the production of the 2019-20 and 2020-21 financial statements and going forward, which meet statutory requirements and international financial reporting standards. In order to achieve this the Council should:			
<ul style="list-style-type: none">• Ensure sufficient resources and specialist skills are available to support the accounts production;• Ensure the finance team has the skills and capacity to enable effective financial management arrangements and support the production of technically sound financial statements,• Ensure finance officers are provided with additional training, to ensure all staff involved in the accounts production process have the necessary technical knowledge of the CIPFA Code.			
Introduce appropriate project management skills to oversee the timely production of the financial statements and supporting working papers.			
Developments in 2024/25			
The Council has now prepared, published and audited its 2019/20, 2020/21 , 2021/22 and 2022/23 accounts and had a permanent finance team and finance leadership in place in 2024/25 and consider there sufficient progress with this specific recommendation to propose closure. The key root cause contributing to ongoing challenges affecting the Council’s finalisation and publication of the 2023/24 and the 2024/25 accounts, more specifically relate to ongoing concerns around the adequacy of the Council’s books and records and poor audit trail due to legacy matters covered under Statutory Recommendation SR3 (see next page).			
Management response 2024/25			
Not required – recommendation closed.			

Statutory recommendations

Type	Date Raised	Criteria impacted	Status
Statutory	May 2021	Financial Sustainability & Governance	Retained
Recommendation (SR3)			
The Council should develop a comprehensive project plan for the preparation of the accounts which ensures that:			
<ul style="list-style-type: none">• the entries in the accounts are supported by good quality working papers which are available at the start of the audit• the financial statements and working papers have been subject to robust quality assurance prior to approval by the S151 officer there is clear ownership and accountability for tasks across service areas to support the timely production of the financial statements.			
Developments in 2024/25			
Following publication of the (disclaimed) final Statement of Accounts for 2022/23 in February 2025, the Council has conducted a more detailed review of historic balance sheet items following identification of legacy accounting issues during preparation of the 2023/24 accounts. The 2023/24 provisional accounts were presented to the Audit and Governance Committee on 23 July. The restated provisional accounts reflect a net adverse position on the Comprehensive Income and Expenditure Accounts of £14.750m. Further external assurance work is being commissioned prior to the publication of the draft 2023/24 accounts and the production of the 2024/25 accounts. It should be noted that the 2024/25 accounts will be the first since 2018/19 to be subject to a full external audit.			
We will revisit progress with this recommendation once we have both received and audited the 2023/24 and 2024/25 accounts.			
Management response 2024/25			
TBC			

Statutory recommendations

Type	Date Raised	Criteria impacted	Status
Statutory	May 2021	Governance	Retained
Recommendation (SR4)			
<p>The Council should review and implement effective financial governance and monitoring arrangements for its group relationships to mitigate exposure to additional financial risk.</p> <p>As a commercial entity subject to separate legal, tax and accounting considerations, there should be clear separation financial transactions of Slough Council and James Elliman Homes, in a separate financial ledger, with clear and distinct financial controls and monitoring in place for both the Council and the company.</p> <p>The Council should review its overall approach to using council officers on the boards of its group companies and other similar organisations. This should be informed by a full understanding of the role of and legal requirements for company board members.</p> <p>When allocating roles on Council-owned organisations to individual officers, the Council should ensure that the scope for conflicts of interest is minimised, with a clear divide between those in such roles and those responsible for holding them to account or overseeing them.</p> <p>The Council should ensure it is actively and routinely monitoring the financial performance of its group entities to consider and protect any unintended financial exposure on the Council’s financial position</p>			
Developments in 2024/25			
<p>The Council has acknowledged that much more progress is required in to improve the governance arrangements for subsidiaries, recognising this as a key corporate risk. The Council’s oversight has not led to a point where JEH files accounts in a timely manner, creating a risk of the company being struck off Companies House. An Options Appraisal has been deferred to October 2025.</p>			
Management response 2024/25			
TBC			

Statutory recommendations

Type	Date Raised	Criteria impacted	Status
Statutory	July 2021	Governance	Closed
Recommendation (SR5)			
The Council should put in place arrangements to address the issues raised by the S151 officer as set out in his section 114 report. In our view the Council should:			
<ul style="list-style-type: none">• Report progress against the action plan to full Council at every meeting• Support the S151 officer's root and branch review of all aspects of the Council's finances• Invest significant extra resource in finance capacity, internal audit and risk management to ensure robust processes are brought into place across all of the Council's financial and budget management arrangements to meet statutory financial obligations.			
Developments in 2024/25			
The Council has produced a Finance Improvement Plan (FIP) as the output of a detailed review of its financial position. The Council also now has mechanisms and monitoring arrangements in place to report progress regularly to Cabinet and Full Council. Note that while this recommendation is now closed, we have raised a new Key recommendation in relation to Internal Audit (KR8) and retain a previous Key recommendation related to senior management capacity,			
Management response 2024/25			
Not required – recommendation closed.			

Statutory recommendations

Type	Date Raised	Criteria impacted	Status
Statutory	July 2021	Governance	Closed
Recommendation (SR6)			
The Council should develop a comprehensive project plan for the improvement in governance arrangements:			
<ul style="list-style-type: none">• Commission/learn from any external governance review undertaken with regular reporting through the Audit Committee• Strengthen Scrutiny and Audit Committee arrangements with external support to members• Establish a separate Finance Committee to monitor financial performance on a monthly basis.			
Developments in 2024/25			
While there are significant improvements to be made to governance arrangements, the Council has developed a clear plan for improvement. The Council has undertaken a comprehensive review of its governance arrangements. The 2024/25 Annual Governance Statement identifies areas for improvement and any significant breaches of internal control as we would expect and sets an action plan. This is supported by a more effective Audit and Corporate Governance Committee and the CISC.			
Management response 2024/25			
Not required – recommendation closed.			

Statutory recommendations

Type	Date Raised	Criteria impacted	Status
Statutory	February 2023	Governance	Closed
Recommendation (SR7)			
Ensure that for important (in financial or strategic terms) decisions, sufficient and adequate information is made available to members within the formal governance processes to support the decisions made, including a comprehensive business case.			
Developments in 2024/25			
Based on our review in 2024/25, the Council can now demonstrate that key decisions are supported by detailed papers to ensure that sufficient challenge and debate. There is still an ongoing challenge for the Council to ensure that decisions are based on accurate and complete data, reflected in a new Key recommendation within the Improving Economy, Efficiency and Effectiveness section of this report.			
Management response 2024/25			
Not required – recommendation closed.			

Key recommendations

This section summarises progress made in relation to all Key recommendations which were in place following our last report in February 2025 or that have been added in this report.

Type	Date Raised	Criteria impacted	Status
Key	May 2024	Governance	Closed

Recommendation (KR4)

The Council should improve its governance arrangements for key decisions, made by members or made under the Council’s scheme of delegation, to ensure that decisions:

- follow the Council’s decision making procedures
- are made either by a formally constituted committee, or a Director who has delegated authority
- are supported by adequate information, which includes the full cost and risks in relation to the decision, such as a comprehensive business case
- are formally recorded and publicly available to promote openness and transparency.

For investment decisions the Council should assess that those making a decision have appropriate information to make the decision but also have the capacity and skills to make the decision.

Developments in 2024/25

Similarly to SR7, above, we note that based on our review in 2024/25, the Council can now demonstrate that key decisions are supported by detailed papers to ensure that sufficient challenge and debate. **There is still an ongoing challenge for the Council to ensure that decisions are based on accurate and complete data, reflected in a new Key recommendation (KR10) within the Improving Economy, Efficiency and Effectiveness section of this report.**

Management response 2024/25

Not required – recommendation closed.

Key recommendations

Type	Date Raised	Criteria impacted	Status
Key	May 2024	Governance	Retained
Recommendation (KR5)			
The Council should ensure it effectively manages Slough Children First Ltd (SCF), the wholly owned company which from April 2021 delivers its children’s social care services, so that the Council is able to demonstrate that the services provide both quality and value for money services to families and children in Slough.			
Developments in 2024/25			
The Company delivered well on many of its performance expectations during 2024/25 and delivered ahead of its savings proposals for the year, including repayment of its loan facility back to the Council. There are some governance matters to continue to develop, scrutiny reporting and oversight is showing progress and received positive acknowledgement from Commissioners. However, as set out above, the Council’s children’s social care statutory functions, including youth justice, have been delegated to Slough Children First (SCF) and the company’s Chief Executive chairs the YJS management board. In January 2025, Slough YJS partnership, received an “inadequate” rating from His Majesty’s Inspectorate of Probation in - only the third rating of ‘Inadequate’ given to a YJS since 2020. We therefore retain this recommendation pending development of an action plan in response to this aspect of the company’s role.			
Management response 2024/25			
TBC			

Key recommendations

Type	Date Raised	Criteria impacted	Status
Key	May 2024	Governance	Retained
Recommendation (KR6)			
The Council should ensure it effectively manages all its subsidiaries and winds up those subsidiaries which are not delivering value to the Council.			
Developments in 2024/25			
The Council has acknowledged that much more progress is required to improve the governance arrangements for subsidiaries, recognising this as a key corporate risk. The Finance Improvement Plan sets out the Council’s intent to fully review governance of subsidiaries but this has not yet been completed.			
Management response 2024/25			
TBC			

Key recommendations

Type	Date Raised	Criteria impacted	Status
Key	October 2024	Governance	Retained
Recommendation (KR7)			
The Council and Commissioners should aim to maintain the permanence of the senior leadership team so far as is reasonably practicable. This should also include the second tier of posts.			
Developments in 2024/25			
The Council has made progress in developing the stronger senior leadership it needs to increase the pace of improvement during 2024/25 but needs to ensure this is sustained. There remains work to develop capacity through the wider leadership tiers of the organisation to move plans forward.			
Management response 2024/25			
TBC			

Key recommendations

Type	Date Raised	Criteria impacted	Status
Key	September 2025	Governance	Added – new
Recommendation (KR8)			
The Council should ensure it has a fully-resourced Internal Audit function, capable of proving essential assurance challenge to the Council and of delivering a full and robust annual internal audit programme each year.			
Developments in 2024/25			
Internal Audit (IA) faced major disruption in 2024/25. The Council’s previous Head of Internal Audit (HoIA) left in November 2024, with much of the programme for the year undelivered at this stage. Following this, the Council appointed an interim, external HoIA, whose arrival added impetus and clarity on the improvements and plans necessary within the IA service. This allowed a short-term plan to be delivered in Q4. As a result of the earlier lack of delivery and a number of limited assurance reports arising from the short-term plan for the remainder of the year, the new HoIA’s Annual Opinion for 2024/25 was “No Assurance”. The 2024/25 Annual Governance Statement (AGS) outlines a number of actions to stabilise the team. The absence of a fully-functioning internal audit team and insufficient coverage and delivery of assurance work in 2024/25 represents a significant weakness in arrangements during the year.			
Management response 2024/25			
TBC			



Improving Economy, Efficiency and Effectiveness

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	<p>In previous AARs we have noted improvements in the Council’s corporate performance reporting. However, underlying data quality and analytical capacity remain significant risks, particularly at the service level.</p> <p>The Commissioners’ July 2025 report identified data quality as a “significant challenge,” stating that “the patchy availability of good data and the absence of a culture that promotes gathering and using it undermines the Council’s ability to fulfil its ambitions.” While the Council has developed improvement plans, they are at an early stage. Progress depends on cultural change, investment in IT infrastructure, and the development of skilled staff to collect, clean, and analyse data effectively.</p> <p>The Council’s 2024/25 Annual Governance Statement (AGS) acknowledges ongoing issues with data collection and analysis in some directorates. Member-level reports often lack detailed options appraisals, benchmarking, and management information needed for robust decision-making. Although budget reporting at Directorate Leadership Teams (DLTs) has improved, access to accurate data remains inconsistent. Some directorates have also highlighted the need for tailored financial management training.</p> <p>The AGS action plan includes a commitment to adopt and implement a Data Strategy—approved at member level—to ensure data is used appropriately, consistently, and legally. It is essential that this strategy addresses the cultural challenges identified by Commissioners. We identify a new significant weakness in this area and raise a Key Recommendation.</p>	R

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

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	<p>Children’s social care in Slough continues to be delivered by Slough Children First (SCF), which remains under statutory direction from Government—as it has for over a decade. Ofsted’s latest inspection rated services as “Requires Improvement.” However, there are signs of improvement. The Department for Education-appointed Commissioner, who chairs the Improvement Board, noted in a March 2025 report that “the pathway to Good is much clearer,” with leadership and management improvements key to further progress. The Commissioner deemed governance was now “satisfactory for continued improvement” in relation children’s social care.</p> <p>The Council received a ‘good’ rating from its recent Ofsted inspection of Fostering Services. However, the inspection also set out two Requirements that must be fully complied with and one Recommendation which is an area of practice that need to be improved. The Council confirmed in its report to June 2025 Cabinet that both requirements from the report have been completed within the required timescale of 30th April. The Council received a ‘good’ rating from its recent Ofsted inspection of Fostering Services. Similarly, the Care Quality Commission’s (CQC) review of Social Care provision received a ‘good’ rating however continued concerns in the Council’s SEND services have been subject to ongoing statutory intervention during the period of review. An Ofsted review was completed in July 2025 for this service but this report was not published at the time of writing this interim AAR.</p> <p>In April 2025, the Regulator of Social Housing (RSH) inspected the Council’s compliance with consumer standards for local authority landlords. The resulting “C3” rating indicates serious failings and a need for significant improvement to comply with regulatory standards. Weaknesses were identified in the Transparency, Influence and Accountability Standard, Tenancy Standard, and aspects of the Safety and Quality and Neighbourhood and Community Standards. The Council is working with the regulator on an improvement plan. The C3 rating reflects a significant weakness in 2024/25 and we raise a new Key recommendation. As set out on the next page, the Slough youth justice service (YJS) partnership, received an “inadequate” rating from His Majesty’s inspectorate of probation in January 2025.</p>	R
G	No significant weaknesses or improvement recommendations.	
A	No significant weaknesses, improvement recommendations made.	
R	Significant weaknesses in arrangements identified and key recommendation(s) made.	

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

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives</p>	<p>The Crime and Disorder Act 1998 requires certain statutory partners to cooperate to form a Youth Justice Service (YJS) within each local authority area. Local authorities are statutory partners alongside the police, the probation service and health services. The local authority chief executive has a specific statutory responsibility for the establishment of YJSs and should be routinely engaged in overview of the service. The service itself is a multi-agency team including police, social care, probation, education and health staff. As set out above, the Council’s children’s social care statutory functions, including youth justice, have been delegated to Slough Children First (SCF) and the company’s Chief Executive chairs the YJS management board.</p> <p>In January 2025, Slough YJS partnership, received an “inadequate” rating from His Majesty’s Inspectorate of Probation in - only the third rating of ‘Inadequate’ given to a YJS since 2020. The report notes that, since arriving, the current Chair has been proactive in reviewing the role and effectiveness of the board and has set clear and high expectations about the contributions expected from members. Until last year, however, the work and responsibilities of the YJS had not been prioritised across the partnership and there has been significant staff turnover. There remained a “fragile and limited understanding of youth justice services in Slough” and weaknesses in a number of inspected areas.</p> <p>The Council and SCF are not solely responsible for YJS performance; however, the Council is a leading statutory partner. We cannot conclude that the Council has adequate arrangements in place to ensure it delivers its role in significant partnerships, or that this partnership is achieving its objectives. We identify a significant weakness in arrangements and raise a Key recommendation.</p>	<p>R</p>

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

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

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

We considered how the Council:	Commentary on arrangements	Rating
commissions or procures services, assessing whether it is realising the expected benefits	<p>The Council's procurement, contract management and service commissioning functions face significant challenges, with improvement progress slowing due to key personnel changes and an overreliance on key individuals. The Council’s planned development of a commercial strategy and a corporate contract management toolkit has stalled, the Council does not have a procurement strategy or policy, and reporting on procurement activity (including waiver reporting) has been inconsistent. These issues risk undermining the Council’s readiness for the Procurement Act 2023 and its ability to ensure compliance and accountability.</p> <p>Internal Audit returned a “partial assurance” opinion on the Council’s arrangements during the year. Key weaknesses highlighted in Internal Audit’s report included incomplete data capture, inconsistent performance reporting, and limited visibility for senior leadership. Ten recommendations were accepted by management, with implementation planned by November 2025. Commissioners have indicated that they expect to see sustained improvement and a clear trajectory of progress. We raise a Key recommendation in this area.</p> <p>The Council has to date added a red-rated strategic risk has been added to the Corporate Risk Register, highlighting concerns around the absence of a procurement strategy, skills gaps, and incomplete contracts register. A strategic commissioning group, Contract Management Support Team and a Central Contract Register have been established.</p>	R

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

Improving economy, efficiency and effectiveness – recommendations

This page summarises our Key recommendations in relation to the council’s arrangements for improving economy, efficiency and effectiveness, including the status of recommendations raised in prior years, and any new recommendations. Further detail is set out on the following pages.

Key recommendations (summarised)

		Status
KR9	The Council should develop its corporate oversight to ensure it delivers improvements in economy, efficiency and effectiveness	Superseded
KR10	The Council needs to improve data quality and foster a positive culture and capacity around data quality to support robust service planning and reporting, based on high-quality data, including benchmarking.	Added - new
KR11	The Council should develop a plan to strengthen the performance of its housing service, to meet the requirements of the Regulator of Social Housing’s (RSH’s) Standards.	Added - new
KR12	The Council should develop a plan to strengthen its leadership, oversight and contribution through partnership working in relation to the Slough Youth Justice Service, to drive the significant improvement in quality expected by HM Inspectorate of Probation and ensure the improvement required by the Council is reflected in its AGS.	Added - new
KR13	The Council should make all the necessary steps to continue to work with the Department for Education to improve performance in children’s services and SEND.	Retained
KR14	The Council should significantly strengthen its arrangements to oversee procurement and deliver value for money from when it procures and commissions services.	Added - new

Key recommendations

This section summarises progress made in relation to all Key recommendations related to arrangements for Improving Economy, Efficiency and Effectiveness, which were in place following our last report in February 2025 or have been added in this report.

Type	Date Raised	Criteria impacted	Status
Key	May 2024	Improving economy, efficiency and effectiveness	Superseded

Recommendation (KR9)

The Council should develop its corporate oversight to ensure it delivers improvements in economy, efficiency and effectiveness and address the following weaknesses:

- Lack of understanding and cost comparisons with other similar local authorities
- Inadequate arrangements to ensure the Council effectively delivers its role within significant partnerships
- Inadequate procurement arrangements.

Developments in 2024/25

We have updated this recommendation to reflect the Council’s current progress and challenges, based on our review in 2024/25.

There an ongoing challenge for the Council to ensure that decisions are based on accurate and complete data, and robust service plans including benchmarking where appropriate (see new KR10).

Furthermore, we raise a specific Key recommendations in relation to the Council’s work to oversee it contribution to key partnerships (new KR12) and its procurement arrangements (new KR14).

Management response 2024/25

Not required – recommendation superceded.

Key recommendations

Type	Date Raised	Criteria impacted	Status
Key	September 2025	Improving economy, efficiency and effectiveness	Added - new
Recommendation (KR10)			
The Council needs to improve data quality and foster a positive culture and capacity around data quality to support robust service planning and reporting, based on high-quality data, including benchmarking.			
Developments in 2024/25			
In previous AARs we have noted improvements in the Council’s corporate performance reporting. However, underlying data quality and analytical capacity remain significant risks, particularly at the service level and Commissioners have expressed concern that a lack of good quality data and analytical capacity could undermine service planned or key information for decision-making, such as business cases.			
Management response 2024/25			
TBC			

Key recommendations

Type	Date Raised	Criteria impacted	Status
Key	September 2025	Improving economy, efficiency and effectiveness	Added - new
Recommendation (KR11)			
The Council should develop a plan to strengthen the performance of its housing service, to meet the requirements of the Regulator of Social Housing’s (RSH’s) Standards. The current non-compliance with the Standards should be reflected in the Council’s Annual Governance statement.			
Developments in 2024/25			
Following its inspection, the RSH applied a “C3” rating, which indicates “serious failings in the landlord delivering the outcomes of the consumer standards and significant improvement is needed.” The current non-compliance with regulatory standards was not noted in the Council’s Annual Governance Statement for 2024/25 but we consider it is relevant to the assessment of arrangements in that year.			
Management response 2024/25			
TBC			

Key recommendations

Type	Date Raised	Criteria impacted	Status
Key	September 2025	Improving economy, efficiency and effectiveness	Added - new
Recommendation (KR12)			
The Council should develop a plan to strengthen its leadership, oversight and contribution through partnership working in relation to the Slough Youth Justice Service, to drive the significant improvement in quality expected by HM Inspectorate of Probation and ensure the improvement required by the Council is reflected in its AGS.			
Developments in 2024/25			
Following its inspection of the Slough Youth Justice Service, in which the Council is a key statutory partner, the HMIP applied an inadequate rating – only the third such rating by the inspectorate since 2020.			
Management response 2024/25			
TBC			

Key recommendations

Type	Date Raised	Criteria impacted	Status
Key	October 2024	Improving economy, efficiency and effectiveness	Retained

Recommendation (KR13)

The Council should make all the necessary steps to continue to work with the Department for Education to improve performance in children’s services and SEND.

Developments in 2024/25

Children’s Social Care in Slough is still managed by Slough Children First (SCF) and remains under Government statutory direction, ongoing for over a decade. Ofsted’s latest inspection rated the service as “Requires Improvement”, but there are positive signs of progress and the DfE-appointed Commissioner reported in March 2025 that the pathway to a “Good” rating is clearer. The Council received a ‘good’ rating from its recent Ofsted inspection of Fostering Services.

SEND services have remained under statutory intervention during the period of review. An Ofsted inspection took place in July 2025, and the final report is awaiting publication.

Management response 2024/25

TBC

Key recommendations

Type	Date Raised	Criteria impacted	Status
Key	September 2025	Improving economy, efficiency and effectiveness	Added - new
Recommendation (KR14)			
The Council should significantly strengthen its arrangements to oversee procurement and deliver value for money from when it procures and commissions its services.			
Developments in 2024/25			
The Council's procurement, contract management and commissioning functions face significant challenges, with improvement progress slowing due to key personnel changes and an overreliance on key individuals. The Council does not have a procurement strategy or policy. Internal Audit returned a “partial assurance” opinion on the Council’s arrangements during the year. Commissioners have indicated that they expect to see sustained improvement and a clear trajectory of progress.			
Management response 2024/25			
TBC			

06 Appendices

Appendix A: Responsibilities of the Council

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

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

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

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

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

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



Appendix B: Value for Money Auditor responsibilities

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

Phase 1 – Planning and initial risk assessment


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

Phase 2 – Additional risk-based procedures and evaluation

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

Phase 3 – Reporting our commentary and recommendations

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

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

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

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

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

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Council
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2023/24 improvement recommendations

This page summarises the improvement recommendations previously raised in relation to the Council’s arrangements in 2023/24 and provides a management update on implementation.

Improvement recommendations

Criteria impacted		Recommendation
IR1	Governance	The Council should include the follow up of internal audit actions and recommendations at every directorate leadership team meeting (DLT) as well as Corporate Leadership Team (CLT).
IR2	Governance	<div>The Council should:<ul style="list-style-type: none">ensure the Audit and Corporate Governance Committee considers how it has complied with the mission statement and improves the level of reporting in the annual self-assessment of its effectiveness using the CIPFA (2022) guidance on audit committees;develop an appropriate training programme for audit committee members to be delivered in a timely and meaningful manner;ensure that the audit committee remains apolitical and does not overlap with the roles of other committees e.g. scrutiny.</div>
IR3	Improving economy, efficiency and effectiveness	The Council should create a Procurement Strategy to set the strategic direction of the procurement function in relation to its organisational support role.
<div>Management update on progress: TBC</div>		



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