

Uttlesford District Council

Value for money risk assessment

Our approach

Year ended 31 March 2025

September 2025

Value for money

Our value for money reporting requirements have been designed to follow the guidance in the Audit Code of Practice.

Our responsibility is to conclude on significant weaknesses in value for money arrangements.

The main output is a narrative on each of the three domains, summarising the work performed, any significant weaknesses and any recommendations for improvement.

We have set out the key methodology and reporting requirements on this slide and provided an overview of the process and reporting on the following page.

Risk assessment processes

Our responsibility is to assess whether there are any significant weaknesses in the Council's arrangements to secure value for money. Our risk assessment will consider whether there are any significant risks that the Council's does not have appropriate arrangements in place.

In undertaking our risk assessment, we will be required to obtain an understanding of the key processes the Council has in place to ensure this, including financial management, risk management and partnership working arrangements. We will complete this through review of the Council's documentation in these areas and performing inquiries of management as well as reviewing reports, such as internal audit assessments.

Reporting

Our approach to value for money reporting aligns to the NAO guidance and includes:

- A summary of our commentary on the arrangements in place against each of the three value for money criteria, setting out our view of the arrangements in place compared to industry standards;
- A summary of any further work undertaken against identified significant risks and the findings from this work; and
- Recommendations raised as a result of any significant weaknesses identified and follow up of previous recommendations.

The Council will be required to publish the commentary on its website at the same time as publishing its annual report online.

Financial sustainability

How the body manages its resources to ensure it can continue to deliver its services.

Governance

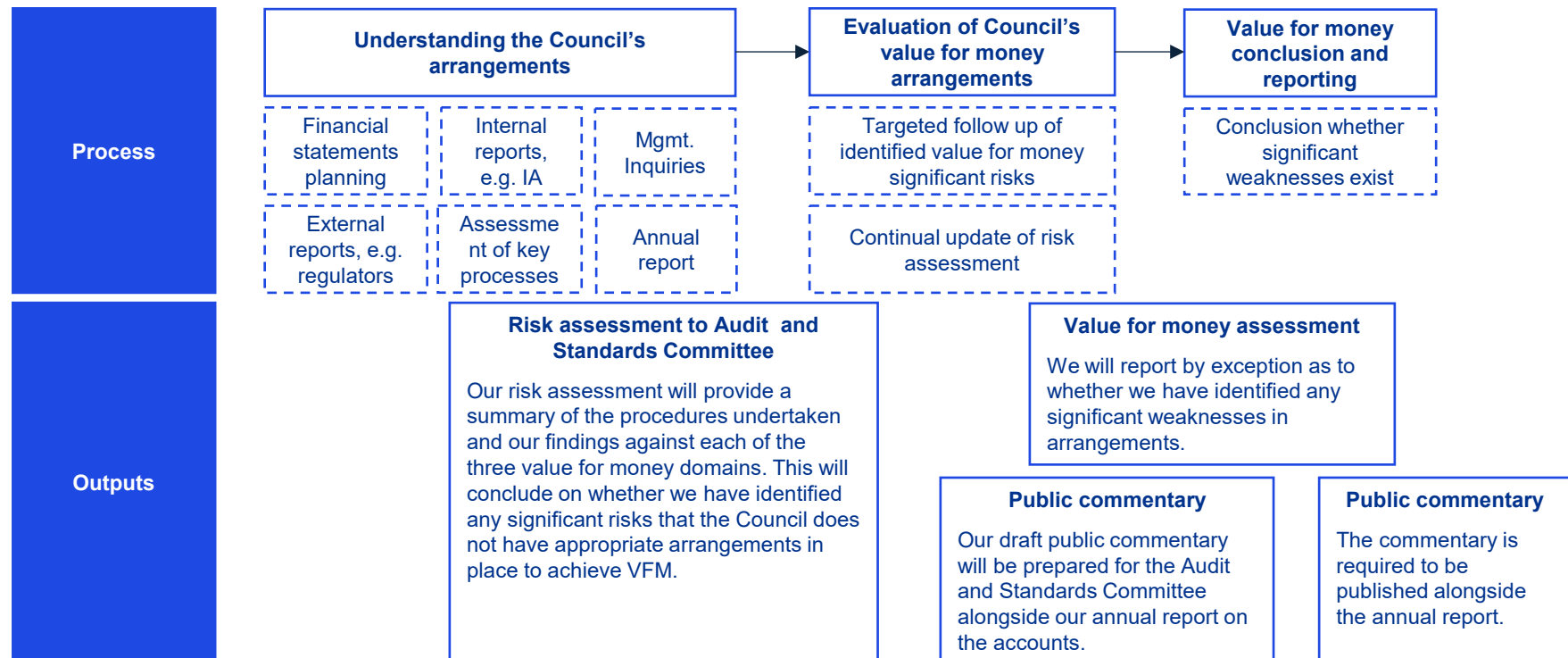
How the body ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

Value for money

Approach we take to completing our work to form and report our conclusion:





Summary of risk assessment

Summary of risk assessment

As set out in our methodology we have evaluated the design of controls in place for a number of the Council's systems, reviewed reports from external organisations and internal audit and performed inquiries of management. These procedures are consistent with prior year.

Based on these procedures the table below summarises our assessment of whether there is a significant risk that appropriate arrangements are not in place to achieve value for money at the Council for each of the relevant domains:

Domain	Significant risk identified?
Financial sustainability	No significant risks identified
Governance	No significant risks identified
Improving economy, efficiency and effectiveness	No significant risks identified

We have not identified any significant risks that there are not appropriate arrangements in place as part of the procedures we have undertaken. We have provided a summary of the procedures performed and our key findings from these on pages 5 to 7.

We have not raised any recommendations as a result of our work.

We have not raised any performance improvement observations as a result of our work.

We have included a follow up on prior year recommendations at page 9.

Value for money arrangements

Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2024/25 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2024/25 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Financial Planning

- The Council approved a medium-term financial strategy for the period 2025 to 2030 in February 2024. This was developed to align its resources to the priorities within the 5-year corporate plan.
- The Council has developed a transformation programme, Blueprint Uttlesford, which sets out the need for transformation that is required in order to achieve financial balance over the life of the corporate strategy. This identified that the Council needed to identify recurrent efficiencies of approximately £7m target to be achieved by 2028 in order for the general fund balances to be sustainable. In the current year, the Blueprint Uttlesford plan was updated to £8.5m by 2029 because of new identified saving plans, changes to key assumptions (such as the inflation assumptions and service investments) and other external economic factors.
- The Council established the Uttlesford Blueprint platform to help directors identify opportunities for improvement, cost savings, and income generation. The Corporate Management Team (CMT) leads the development and monitoring of efficiency plans, based on savings identified by directorates and tracked against medium-term financial targets. Off-track projects are reported to the Blueprint Board, which may adjust, reschedule, or discontinue savings as needed. Efficiency progress is formally reviewed quarterly by Cabinet and Audit and Standards Committee, with operational teams conducting informal monthly monitoring to inform these updates. Targets are set according to past experience and approved by CMT.
- The Council's projections currently show a balanced financial position for 2025/26..Due to uncertainty around government funding, the Council have identified a budget gap of £6.5 million per year from 2026/27 due to loss of external funding. However, the Council holds sufficient reserves to cover these over the whole five year MTFS period. This is an important indicator of the Council's medium term financial sustainability.
- To date the Council has identified £2.5m of the £8.5m of annual efficiencies that are required in order to achieve financial balance over the life of the five year strategy.
- The Council have numerous risks relating to financial sustainability and performance within its Corporate Risk Register. These include the risk of delivery of the Council's Medium Term Financial Plan and the Housing Revenue Account (HRA) Medium Term Financial Plan. The Corporate Risk Register is monitored by Audit and Standards Committee and our review of the Risk Register confirmed that sufficient information was included to enable informed decision making

Value for money arrangements

Financial sustainability, cont'd

Financial Outturn

- The Council reported favourable financial results at year end, as reflected in usable reserves, HRA surplus, and cash position. The General Fund recorded an underspend of £630k, the Housing Revenue Account showed an underspend of £200k, and there was a net underspend of £3m in Capital expenditure during 2024/25
- We have reviewed the CIPFA Financial Resilience Index for the performance of the Council against indicators of financial stress. We noted that the Council is in a lower risk position regarding Corporate Core Indicators such as Cost of living crisis, Health and Safety and Finance and Income. The Council's performance was benchmarked against other Councils within the Benchmark group of similar size. The Council have performed above average in majority of Corporate Core Indicators in comparison to its peer group.

Investment Strategy

- The Council has made significant investments in commercial properties across England, with a commercial strategy to utilise the income that is generated by them to support the underlying cost base. The Council's investment property portfolio consists of seven properties, including an investment in Chesterford Park research park, which is managed through a joint venture vehicle held within the Council's Aspire CRP subsidiary.
- At 31 March 2025, the Council had a capital financing requirement of £357m (see note 38 to the financial statements), reflecting the scale of investments that have been made. This is partly funded through £198m of long-term borrowings and £117m of short-term borrowings held at 31 March 2025. The Council is currently exploring options for the use of capital receipts to reduce its borrowing over the short to medium term.

Risk Assessment Conclusion

We have not identified any significant weaknesses in the Council's arrangements for achieving financial sustainability.

Value for money arrangements

Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2024/25 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.

Risk Management

- The Council assessed and managed risks through its Risk Management Framework and the Corporate Risk Register during the financial period. In 2024/25, the Council reviewed its risk management and governance processes, and a new risk management policy was approved by the Cabinet in October 2024. The Corporate Risk Register is regularly reviewed and updated as part of this process. Additionally, a service-level risk register is maintained to identify and monitor risks at the departmental level, with relevant risks escalated to the Corporate Risk Register as needed.
- The Audit and Standards Committee provides scrutiny and oversight through regular review of the Corporate Risk Register.

Governance Structure and Decision Making

- The Council has an established governance structure, with a set of committees and sub-committees that is in line with our expectation for an organisation of its size and complexity.
- The Council has established required standards in the Cabinets report, outlining criteria that all key decisions must meet. A standard template is used to ensure information supporting major decisions addresses a range of impacts and suitability, not limited to financial considerations. Relevant committees provide levels of scrutiny for key decisions, helping maintain transparency throughout the process. We reviewed the key decision report for the Council's decision to dissolve the outsourced service contractor, Uttlesford Norse Service Limited (UNSL), and found that there was evidence of appropriate scrutiny by the Scrutiny Committee prior to recommendations being made to Cabinet for approval. This decision was approved at the Council's Cabinet meeting in November 2024.

Value for money arrangements

Governance

Policies and standards

- There are clear policies in place regarding expected behaviours for staff and members, including the Code of Conduct, Disciplinary Procedures, Fraud Corruption and Dishonesty, Procurement, Whistleblowing, and guidance on gifts and hospitality.
- The Council also has anti-fraud and anti-money laundering policies. The Head of Internal Audit reviews fraud risk during all audits and has a clear reporting line to the Audit and Standards Committee and the S151 officer. The council is currently developing a fraud register and updating its anti-fraud controls assessment.
- To oversee compliance with laws and regulations, the Council has designated a Monitoring Officer. Additionally, the Head of Internal Audit contributes to monitoring adherence to these legal requirements.

Financial Reporting

- The Cabinet approved the 2024/25 financial plan in February 2024. This plan outlines how the Council will manage its finances over the next five years, aligning resources with the priorities in the Corporate Plan. Additional details regarding the Council's budget setting process can be found on page 5.
- In the prior period, the Council commissioned a review of its financial management function undertaken by CIPFA. This highlighted that there were capacity constraints within the finance function and a number of single points of failure, which risked causing weaknesses in financial control. The draft 2023/24 accounts were published for inspection on 15 January 2025, several months after the statutory deadline of 31 May 2024.
- Since that time, there have been notable improvements and increased capacity within the finance team. This year has seen changes in the structure and composition of the team, with the recruitment of new qualified accountants from outside the organisation as well as the promotion of internal employees who have recently attained their accounting qualifications. As a result, we note that the Council has published its draft accounts for 2024-25 ahead of the statutory deadline.

Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with governance.

Value for money arrangements

Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Performance monitoring

- Performance is reviewed in regular monthly Service level meetings, and Performance Indicators are tracked through the CMT, which records actions taken by the Council and assigns risk ratings. This report is submitted to the Scrutiny Committee for review, where service performance is monitored and assessed.
- The Council engages with stakeholders and obtains performance feedback in a variety of ways, including utilisation of feedback forms within some of the Services. We have noted that there is a publicly available complaints process published on the Council website, which is clear and accessible - this ensures that any key matters will be monitored and communicated to the appropriate personnel in management.
- The Council employs benchmarking, in accordance with statutory requirements, to evaluate collection rates. Government tools are used to compare Council fees and charges against both national benchmarks and those of peer organisations. Analysis of the Benchmarking report for the Council that was grouped by council size, shows that Council rates align with the median rates. Additionally, benchmarking tools are being applied within the transformation programme to assess performance relative to comparable councils. This reflects an effective and strategic use of data and assessment tools.

Identification of efficiencies

- Through the Local Strategic Partnership / Responsible Authorities Group, the Council works with strategic partners to address governance, efficiency, and service effectiveness. The Council consulted Essex councils for benchmarking, based on their close connections and potential for shared services. The Council recently undertook a triage process regarding the upcoming local government reorganisation (LGR).

Value for money arrangements

Improving economy, efficiency and effectiveness

- As noted on page 5, the Council has identified the need to achieve £8.5m of recurrent annual savings by 2028. The Council have achieved £2.5m savings as at end of the current year financial period. There is regular monitoring by the Cabinet of financial performance, including the progress made in identifying and implementing efficiencies.
- A detailed schedule is maintained of the efficiencies that have been identified. There remains a significant challenge for the Council to identify the remaining gap in savings required, with a projected £6.5m deficit from 2026/27 due to factors mentioned on page 5.

Outsourced services - Management of housing stock

- Until 31 March 2025, the Council managed its housing stock through a joint venture the Norse Group, known as Uttlesford Norse Services Limited (UNSL). UNSL was responsible for the provision of repairs and maintenance and improvement work across the housing stock. During the service contract period, several non-performance issues were identified. This resulted in a self-referral to the regulator of social housing in 2021, which was subsequently closed in 2023 following the implementation of additional oversight and monitoring. In 2024, a follow up internal audit was undertaken which resulted in a limited assurance rating.
- As a result, the Council reached a mutual agreement to terminate its contract with Norse effective 31 March 2025. Prior to the commencement of the financial period, a comprehensive review of the capital programme for the current year was approved. The Council engaged a third-party service provider, Savil, to conduct housing stock condition surveys. Additionally, Axis Europe has been appointed as the new contractor to deliver similar services starting from the 2025/26 financial year.

Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with Improving economy, efficiency and effectiveness.

Performance improvement observations – follow up from prior year

The following observations were raised in the prior year:

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Update as of September 2025
1	1	<p>The Corporate Risk Register was not reviewed and updated in financial year 2023/24</p> <p>The Council should focus on embedding its risk management process and ensure Cabinet regularly reviews the Corporate Risk Register. There is need for the Council's subcommittee to have oversight on the Council's risk management process by ensuring risks are adequately captured through the risk management processes, identifying new risks or escalating risk grades as appropriate.</p>	<p>The Council will continue to develop its Risk Register through review by Cabinet and all appropriate sub committees, embedding the process into routine and regular review.</p> <p>Adrian Webb (implementation from 01-04-2025 for 2025/26 financial year).</p>	<p>Implemented</p> <p>The Council reviewed its approach to risk management and governance in 2024/25. A new risk management policy was approved by the Cabinet in October 2024. As part of this process the Corporate Risk Register was reviewed and updated. In addition, a lower-level risk register is also maintained that captures risks at service level. These are reviewed and, where necessary, escalated to the Corporate Risk Register. Audit and Standards Committee ensured that there was appropriate scrutiny and challenge through regular review of the Corporate Risk Register.</p>
2	1	<p>Late publication of statement of accounts and non-compliance with statutory dates</p> <p>We recommend the Council to comply with the statutory reporting deadlines by publishing the accounts before the date as determined by Secretary of State. We also noted that , for Council to improve the efficiency and capacity of its Finance division, the Council should aim to address the challenges raised in the CIPFA financial management report. The Council should ensure that the Finance management team is well-resourced and have the capacity to execute the finance functions as illustrated in the CIPFA Code Financial Management report</p>	<p>The Council has implemented a detailed timetable for 2024/25 financial year closedown, aimed at publishing full “true and fair” accounts by 31/05/2025 as per statutory requirement. The Council will also reved the CiPFA report and look to implement all recommendations as quickly as possible. Resourcing the finance team is an ongoing priority, the Council will control recruitment and where staff leave, competent replacements be sought.</p> <p>Adrian Webb (implementation occurring already)</p>	<p>We note that the Council has published its draft accounts for 2024-25 ahead of the statutory deadline. Additionally, there have been notable improvements and increased capacity within the finance team. This year has seen changes in the structure and composition of the team, with the recruitment of new qualified accountants from outside the organisation as well as the promotion of internal employees who have recently attained their accounting qualifications.</p>