

Wealden District Council

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 Wealden 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 – context

Local government has remained under significant pressure in 2024/25

National	Past	Present	Future
	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.		
		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.	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.
		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.	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.

Wealden is a local government district in East Sussex. The Council is based in Hailsham, the district’s largest town. It is primarily a rural area, forming part of the South Downs National Park and has two sections of coastline. The area has a population of 160,100. In September 2025, in response to Local Government Reorganisation (LGR), the Council will submit its LGR proposal to central government, alongside all local district and borough councils and East Sussex County Council (ESCC). Elections for a shadow unitary council will be held in May 2027 with the start of the new council on 1 April 2028.

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

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

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

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	A - No significant weakness in arrangements identified. - One improvement recommendation.	No significant weakness in arrangements identified.	A - No significant weakness in arrangements identified. - One improvement recommendation raised as the capital programme still requires better alignment with delivery capacity and improved profiling to reflect timing and risk more accurately.
Governance	A - No significant weakness in arrangements identified. - Three improvement recommendations made.	No significant weakness in arrangements identified.	A - No significant weakness in arrangements identified. - One improvement recommendation made as financial statements were published on 5 August, five weeks after the statutory deadline of 30 June.
Improving economy, efficiency and effectiveness	A - No significant weakness in arrangements identified. - Three improvement recommendations made.	No significant weakness in arrangements identified.	G - No significant weakness in arrangements identified. - No improvement recommendations made

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

Executive Summary

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



Financial sustainability

The outturn position for the 2024/25 financial year was a surplus of £1.197 million. The Council has a structured approach to developing savings plans through its Medium-Term Financial Strategy (MTFS), which outlines future savings targets and integrates them into its broader financial planning. The Council uses internal challenge processes and collaborates with external partners to identify priorities and service delivery models.

The Council identifies and manages financial risks through its MTFS. Risks are assessed corporately and revisited regularly. Healthy reserves, both general and earmarked, provide resilience against emerging pressures. We raised an improvement recommendation on page 18 on improving reporting on delivery of the capital programme.



Governance

The Council's governance arrangements are effective. It has adequate arrangements in place for ensuring that it made informed decisions and managed its risks. The year end Head of Internal Audit Opinion for 2024/25 was "Adequate and effective". The July 2024 LGA Corporate Peer Challenge (CPC) reported that the Council were "strong on governance".

However, the Council did not publish its unaudited financial statements until 5 August 2025, five weeks after the Statutory deadline of 30 June 2025. The financial statements were delayed because the Council did not receive timely information from its asset valuer and its leases specialists. We raised an improvement recommendation on page 23.



Improving economy, efficiency and effectiveness

The Council's approach to performance evaluation and improvement is underpinned by external challenge and internal accountability, notably through the Local Government Association's CPC and the Council's self assessment against the Regulator of Social Housing (RSH) Consumer standards. The Council developed a detailed action plan addressing the ten CPC recommendations. On page 26, we discuss extending the range of corporate KPIs to pick up more internal issues.

Procurement at the Council is coordinated through the East Sussex Procurement Hub, fostering collaboration and consistency across partner councils. The Council's strategy prioritises outcome-focused contract management, proactive issue resolution, and strong supplier relationships.

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	Our audit of your draft financial statements published on 5 August 2025 is in progress. On conclusion, we will issue our audit opinion, following the approval of the accounts by the Audit and Governance Committee meeting. Refer to pages 11 to 12 for further details.
Use of auditor’s powers	We did not make any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014. We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014. We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014. We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.



03 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

Our audit of your draft financial statements published on 5 August 2025 is in progress. On conclusion, we will issue our audit opinion, following the approval of the accounts by the Audit and Governance Committee meeting. The full opinion will be included in the Council's Annual Findings Report for 2024/25, which can be obtained from the Council's website after the conclusion of the audit.

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

The Council provided draft accounts just over a month after the national deadline of 30 June 2025. The draft accounts was published on 5 August 2025. The financial statements were delayed because the Council did not receive timely information from its asset valuer and its leases specialists.

The audit was originally scheduled from July to mid-September but only began upon receipt of the draft accounts and supporting working papers in August. It was paused at the end of September and resumed in January 2026. Despite these delays, the quality of audit evidence has been strong, with no significant errors or amendments identified. We did not identify any adjustments to the statement of accounts that have resulted in adjustment to the Authority's Comprehensive Income and Expenditure Statement or the level of the usable reserves. Minor disclosure amendments were made as a result of our review and we raised three low priority recommendations which we have discussed and agreed with management.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report will be presented to the Council's Audit and Governance Committee January 2026 meeting. Requests for this Audit Findings Report should be directed to the Council

Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have no issue to report.

Our statement of accounts audit report opinion dated 29 January 2026 was unmodified.



04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

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

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

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



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 – 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	The 2024/25 Revenue Outturn was an underspend of £0.947 million compared to the budgeted surplus of £0.250 million, resulting in a total surplus of £1.197 million. This was achieved through higher-than-expected investment income of £2.438 million, which exceeded expectations due to elevated interest rates and a larger volume of cash invested. The HRA also reported a revenue underspend of £0.259 million and capital underspend of £1.962 million. The Council set balanced budget for 2025/26, with contributions from earmarked reserves of £795k. For the Capital Outturn 2024/25, there was an underspend of £20.797 million, compared to a budget of £41.393 million. We have raised an improvement recommendation, on page 18, on improving the reporting on the delivery of the Capital Programme. The Council's Medium Term Financial Strategy (MTFS) for 2025/26 to 2029/30 integrates both the General Fund and Housing Revenue Account (HRA), aligning financial planning with strategic priorities and known pressures. The Council has shown a solid understanding of the anticipated funding gaps over the medium term and is beginning to set out a series of savings and income targets. From 2027/28, it projects needing £500k, followed by £1.0 million in 2027/28 and £2.0 million in 2028/29, to sustain a stable financial position. The Council maintains strong reserves of £62.3 million in General Fund earmarked reserves and £7.3 million in unallocated balances as of March 2025. HRA reserves are forecast to grow from £1.064 million to £1.238 million. Liquidity is sound, with £21 million in cash available within three months, well above the £10 million minimum threshold.	A

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

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
plans to bridge its funding gaps and identify achievable savings	There is a structured approach to developing savings plans through its MTFS, which outlines future savings targets and integrates them into its broader financial planning. The 2025/26 and 2026/27 savings are already planned and allocated, while later years require further work to identify how these are to be delivered. It is starting to design a series of saving and income targets in the upcoming years, from 2027/28 when it estimates it requires £500k, £1.0 million in 27/28 and £2.0 million in 28/29, to maintain a healthy financial situation. The Council’s approach to achieving these targets includes reinvesting in digital services, adopting a more commercial mindset, careful use of reserves, planning ahead and securing income early. The MTFS acknowledges that some transformation projects are still in development and not yet fully costed, which introduces uncertainty in later years. Strategic direction is clear, some elements of the transformation programme are evolving. There is only two years left of Wealden before LGR and no savings are needed for 26/27 and £500k for 27/28 which can be covered from reserves.	G
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Council’s financial planning is underpinned by its MTFS that aligns budget decisions with its Council Strategy 2023–2027 priorities of Climate Change, Community Resilience, and the Local Economy. Revenue and capital investments are directed toward these strategic themes. The Council has considered the sustainability of discretionary spend through budget scrutiny. Heads of Service, Budget Holders, and Portfolio Holders collaboratively review service-level business plans, differentiating between statutory duties and discretionary offers, and exploring stop/start options in line with funding constraints. The Council applies an appraisal process to capital bids, ensuring proposals undergo staged reviews to confirm deliverability, affordability, and alignment with strategic outcomes. Only fully scoped projects with developed business cases are added to forecasts, reducing the risk of overextension.	G

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

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The Council’s financial plan is underpinned by coordinated planning across workforce, estates, and investment programmes, ensuring consistency with delivery goals. Workforce cost assumptions, such as projected pay awards, are built into the MTFS to support affordability and service continuity, also a standalone workforce strategy is in place. Investment planning is coordinated through the Capital Programme and ICT investment plan. The Council's Digital strategy emphasises pragmatic, business case–driven decision-making for digital initiatives, which implies consideration of value for money and financial sustainability. The Housing Revenue Account (HRA) strategy supports asset compliance, decarbonisation, and estate investment, demonstrating integration with housing and environmental policy. The Council’s Treasury Management Strategy supports the MTFS by aligning borrowing and investment decisions with capital delivery and affordability objectives over the medium term.	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	The MTFS identifies risks affecting both the General Fund and the Housing Revenue Account (HRA). These include funding uncertainty, rising inflation impacting pay, goods, and contract costs, as well as interest rate changes affecting borrowing costs, local government restructuring, risks to capital project delivery stemming from cost increases or shortfalls in funding and volatility in HRA rental income. Assumptions underpinning the MTFS, such as the Cost Price Index +1% rent increases and council tax growth are clearly articulated and stress-tested through tapered projections. General Fund reserves are forecast to remain above £4.964 million through to 2029/30, comfortably within the Council’s assessed prudent range of £3–5 million. HRA balances are expected to stay between £1.1 million and £1.2 million, aligning with their risk-based minimum threshold. Earmarked reserves are strategically used to manage financial volatility, particularly in supporting capital investment. The MTFS describes the reserves strategy as a 'safety net', emphasising their role in responding to unforeseen events without compromising essential services.	G

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

Financial Sustainability – Improvement recommendation

Area for Improvement: Reporting on the delivery of the Capital Programme

Key Finding: There was 50% slippage on the delivery of both the General Fund and the HRA Capital Programmes in 2024/25. Current reporting does not provide sufficient visibility to support timely intervention and delivery assurance.

Evidence: For the Capital Outturn 2024/25, there was a slippage of £20.797 million, compared to a budget of £41.393 million. There were project-specific delays such as:

- value engineering processes pushed back with Farningham Road - slippage of £3.084 million,
- reprofiling requires as the project is in the early RIBA Knights Fram West Employment Land - slippage of £6.753 million
- delivery phasing of Knights Farm Sports Hub - slippage of £4.641 million, and
- external dependencies of Hailsham Medical Centre – slippage of £3.515 million.

The scale of slippage underscores the need to strengthen project readiness and delivery capacity. The Council has taken steps to manage this performance risk, including aligning capital bids with strategic priorities and monitoring through quarterly reports to the Executive. However, current reporting does not provide a view of the delivery risks at a scheme level, specific reasons for in-year slippage, and forecasting accuracy across the life of the capital projects. Addressing this, would enhance transparency, support earlier intervention, and ensure that capital investment remains affordable, deliverable, and aligned with strategic priorities.

Impact: The under delivery of capital investment will affect the Council's ability to meet its strategic objectives.

Improvement Recommendation 1

IR1: The Council should:

- Enhance its reporting on the Capital Programme Performance to consolidate reporting on project status, spend, slippage, and risk
- Use the enhanced reporting to support earlier intervention, improve forecasting accuracy, and strengthen Member oversight of capital delivery

Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	The Council has established effective arrangements for risk management and internal control assurance. Its Risk Management Policy and Framework supports a Corporate Risk Register (CRR) aligned to strategic objectives, with consistent scoring and senior officer ownership. The register was reviewed biannually by Cabinet and the Audit, Finance and Governance Committee, ensuring accountability. Risk management training has been delivered, and key risks such as climate change and cyber security are regularly updated. However, we raised a GT Insight, on page 22, on more frequent reporting of the CRR and it containing more detail on mitigating actions and deadlines. Internal Audit provides independent assurance through a balanced, risk-based audit programme, with progress reported to the Committee and external assessment confirming high standards. The Corporate Governance Group oversees the implementation of audit recommendation, but it is not clear from the Internal audit progress reports on the numbers of high, medium or low risk outstanding recommendations and for how long. We have raised a GT Insight, on page 26, on expanding the range of corporate KPIs in the Performance Management Framework to include internal control measures such as the number of outstanding internal audit recommendations to better focus management’s attention on timely implementation. Fraud prevention and detection is managed by a dedicated Investigations Team who have commendably achieved over £1.2 million in savings in 2024/25. The updated Whistleblowing and Speaking Up Policy further reinforces transparency and protection for whistleblowers. These arrangements collectively demonstrate a mature and effective control environment.	G

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

Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
approaches and carries out its annual budget setting process	There were no material changes to the 2024/25 budget. The Council’s 2025/26 budget setting process reflects structured governance and sound financial planning. Draft budgets for the General Fund and Housing Revenue Account, along with a Medium-Term Financial Strategy to 2029/30, were approved by Cabinet in December 2024 for consultation, following national budget announcements and acknowledging key uncertainties. The process included rigorous internal challenge through a Star Chamber exercise and was reviewed by the Audit and Governance Committee before final adoption by Full Council in February 2025. Stakeholder consultation was well embedded into the 2025/26 budget setting process with 128 responses to the GF and 34 responses to the HRA consultations.	G
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	There are comprehensive quarterly budget monitoring reports that compare original budgets, and forecasts by service area, with clear narratives explaining material variances and their impacts. Financial oversight is reinforced through adherence to Financial Procedure Rules and statutory Treasury Management practices, with scrutiny from the Audit and Governance Committee, Cabinet, and Full Council. Cabinet discussions, evidenced via webcast, show timely engagement with emerging financial issues, including digital overspends and inflationary pressures. Risks related to Sussex Weald Homes are better monitored and reported as part of the quarterly finance reports. However, the Council did not publish its unaudited financial statements on its website until 5 August 25, five weeks after the Statutory deadline of 30 June 2025. The financial statements were delayed because the Council did not receive timely information from its new asset valuer and its leases specialists. As a result, we have issued an improvement recommendation, on page 23, relating to better planning of receipt of expert information so their information is timely and does not delay the production of the accounts next year.	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
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	The Council demonstrates strong governance and informed decision-making through detailed Cabinet documentation, such as the December 2024 Climate Emergency Action Plan, which included quantitative data, systemic analysis, and community input. Governance protocols are defined by the Council’s Constitution, recently amended in May 2025, replacing the Overview and Scrutiny Committee with a Scrutiny and Performance Committee and a strengthened Audit and Governance Committee. Throughout 2024/25, scrutiny arrangements remained effective, with structured tracking of inquiries and proactive engagement from committees. Webcast Cabinet meetings showed evidence of open dialogue and challenge, despite the absence of published minutes. The Audit and Governance Committee also demonstrated maturity in oversight, addressing where delays in programme delivery have occurred and the impact of LGR on staff. As recommended last year, the Council plans to conduct a CIPFA self-assessment of the Audit and Governance Committee in September 2025.	G
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	The Council maintains effective compliance and ethical governance through structured oversight mechanisms. Legislative and regulatory adherence is ensured via the Code of Practice on Local Authority Accounting, with annual policy reviews led by the Audit and Governance Committee and oversight from the Chief Financial Officer. Ethical standards are upheld by the Standards Committee, which manages declarations of interest, complaints, and training, supported by updated Codes of Conduct reflecting best practice and core values. Procurement compliance is reinforced through revised Contract Procedure Rules, legal guidance, and transparent exemption reporting. Collaborative governance through shared services like the East Sussex Procurement Hub further strengthens oversight. These arrangements reflect a culture of accountability, ethical leadership, and continuous improvement.	G

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

Grant Thornton insights – learning from others

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

What the Council is already doing

- Risk management update to the Audit, Finance and Governance Committee on a six-monthly basis to report on the Corporate Risk Register.
- Increased the risk ratings for “Risk 9 – Legal” and “Risk 7 – People” in view of the impact of proposals associated with Local Government Reorganisation (LGR).

What others do well

- Quarterly review of risk by their audit committee and a monthly review by the senior leadership team.
- Monthly review of service risk and performance by the relevant Head of Service with detailed actions to manage both.
- Target dates for mitigating actions to be completed rather than “ongoing / as soon as possible” so that members may hold officers accountable.

The Council could consider

- Better analysing all the risks in the Corporate Risk Register into specific individual risks, scoring them and detailing the mitigating actions to manage each risk individually. For example, the People, Financial and Planning risks each have 4, 6 and 5 sub risks respectively which require separate risk descriptions, scores, actions and timescales for risk mitigation;
- Detailing the specific actions being put in place for the 4 housing sub risks of the demand for emergency accommodation, HRA cost pressures, Social Housing regulation and compliance and affordable housing delivery. For example, instead of “active monitoring” for the new mitigations, one action could be a self-assessment against the Social Housing regulations and compliance.

Governance – Improvement recommendation

Area for improvement: Timeliness of the production of the Financial Statements

Key Finding:

The Council's 2024/25 financial statements were not published on its website by the statutory deadline of 30 June 2025, in line with the Account and Audit Regulations 2015. Instead, they were published five weeks later on 5 August 2025.

Evidence:

The financial statements were delayed because the Council did not receive timely information from both its asset valuer and its leases specialist. Late information from two experts indicate that earlier engagement with specialists would have been beneficial. The Council's 2025/26 accounts closedown timetable should include early engagement of the detailed steps required with both the valuation expert and leases specialists.

Impact:

The Council is not compliant with the Accounts and Audit Regulations 2015. Stakeholders do not have access to timely information on the Council's financial position compared to others.

Improvement Recommendation 2:

IR2: The Council should plan for the early receipt of information from its property valuer and its leases specialist, in its financial statements' closedown procedures, so the expert information is timely and does not delay the production of the accounts next year.



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	The Council’s performance management framework is based on quarterly Corporate Performance Reports to Cabinet, aligned with its strategic objectives. Most KPIs show positive trends, housing delivery remains a challenge. The number of new homes delivered has increased since last year from 988 to 1,094. Although this falls slightly short of the national target set of 1,186. Oversight is supported by service teams and standardised by the Policy, Insight and Communication Team and financial data is tracked separately. Data governance has been strengthened through the establishment of a Data Group and an Information Management Panel, alongside refreshed core policies. Benchmarking is used by some services, notably as part of the staff survey but not extensively across the Council. We have raised a GT Insight on page 26 on expanding the range of KPIs and the use of benchmarking.	G
evaluates the services it provides to assess performance and identify areas for improvement	The Council’s approach to performance evaluation and improvement is underpinned by external challenge and internal accountability, through the Local Government Association’s Corporate Peer Challenge (CPC) and the Council’s self assessment against the Regulator of Social Housing (RSH) Consumer standards which is notable practice. Following the February 2024 CPC, the Council developed a detailed action plan addressing the ten recommendations, with clear responsibilities, timelines, and progress updates. 20% of the actions are still in progress, with various timescales in 2025, relate to refining Communications and Engagement Strategy, launching a new Digital Strategy, assess inclusive language tools, embedding consistent project management, and aligning the Local Plan with a long-term district vision. Oversight was provided by Cabinet and the Overview and Scrutiny Committee in October 2024. These practices reflect a culture of continuous improvement and provide sufficient assurance that robust performance and regulatory alignment mechanisms are in place.	G

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

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

We considered how the Council:	Commentary on arrangements	Rating
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The Council engages in a variety of strategic partnerships that support climate action, community wellbeing, and the local economy, with governance tailored to each arrangement. Key examples include the Joint Waste Partnership, with East Sussex County Council, Hastings Borough Council and Rother District Council, which benefits from strong oversight through regular performance and financial reporting, and nature-based initiatives such as the Wilder Ouse Nature Based Solutions Partnership, reported to Cabinet. While these partnerships align with strategic goals, formal performance assessment mechanisms are not consistently in place. Following our 2023/24 audit, the Council maintains a Partnership Register which is subject to regular review by CMT. Plans to enhance oversight in 2025/26 through a Governance Hub, particularly from Outside Bodies, are still evolving.	G
commissions or procures services, assessing whether it is realising the expected benefits	Procurement at the Council is coordinated through the East Sussex Procurement Hub, hosted by Wealden, which enables shared tendering, streamlined contract management, and collaborative supplier engagement across Hastings, and Rother Councils. The Council’s Procurement Strategy prioritises outcome-focused contract management, proactive issue resolution, and strong supplier relationships. Forward planning is supported by an annually approved procurement programme, with annual reporting in September covering savings, waivers, and contributions to climate and economic objectives. Operational performance is tracked via contract-specific KPIs and regular reporting, such as through the Joint Waste & Recycling Committee. While no major alternative delivery models are currently in place, structured governance is evident in the management of key contracts.	G

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

Grant Thornton insights – learning from others

The Council has effective performance management arrangements, but could challenge itself to go further, based on the best arrangements we see across the sector.

What the Council is already doing:



- Addressing performance management issues with quarterly balanced scorecard discussed at Corporate Management Team and Cabinet.
- Using KPIs to measure the Council's performance against the key objectives of the Council Strategy 2023–2027 priorities, namely Climate Change, Community Resilience, and the Local Economy.

What others do well:



- Incorporating both financial and non-financial information as part of performance reporting, including data from council owned companies and key partnerships, with effective risk rating and mitigating actions.
- Use of benchmarking data that shows outcomes for similar councils for KPIs to drive data-driven decision making

The Council could consider:



- Including KPIs at CMT and DMT level that both address internal and financial control issues, such as the implementation rate of Internal Audit recommendations, collection rates for council tax and business rates; and more service specific KPIs that require a council holistic approach such as average re-let times for voids, prevention of homelessness cases, and tracking procurement contract exemptions.
- Applying cross-organisational benchmarking practices to improve performance and utilise comparable financial and outcomes data with similar Councils to enable data-driven decision making.

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

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR1	The Council should: - Enhance its reporting on the Capital Programme Performance to consolidate reporting on project status, spend, slippage, and risk - Use the enhanced reporting to support earlier intervention, improve forecasting accuracy, and strengthen Member oversight of capital delivery	Financial sustainability (page 18)	Actions: The Council will review the current reporting format with a view to improving the information provided. Finance now have weekly meetings with the Project Team, so have early sight of any issues and the profiles of the major projects will be fully reviewed as part of the 2026/27 budget setting process. Responsible Officer: Financial Services Manager Due Date: 30 December 2025
IR2	The Council should plan for the early receipt of information from its property valuer and its leases specialist, in its financial statements' closedown procedures, so the expert information is timely and does not delay the production of the accounts next year.	Governance (page 23)	Actions: There were a number of factors that led to the delay in publishing draft 2024/25 accounts. The council has already engaged with the valuers regarding the completion of the 25/26 accounts work, which should ensure early receipt of information required to complete the accounts. This was timetabled early for 2024/25 but various factors meant the timetable slipped. Responsible Officer: Financial Services Manager Due Date: 30 June 2026

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

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	The Audit, Finance and Governance Committee should receive quarterly transparent financial and non-financial reporting on the achievements of its housing subsidiary, Sussex Weald Homes Ltd, against the company's annual financial and non-financial plans so that it has proper oversight and governance over the financial sustainability of its trading company. The SWH 2024 – 2027 Business Plan needs to show how the Company plans to: • improve its financial performance so that SWH becomes a profit- making organisation, and • repay the £12.5 million due to the Council by the end of the 2024/25 financial year.	2023/24	Sussex Weald Homes (SWH) Business Plan 2025 – 2030 was approved at Audit, Finance and Governance Committee on 28 April 2025. Reporting arrangements are in place for quarterly reporting to the Corporate Management Team. In terms of reporting to Members, the new Constitution provides for a range of opportunities for oversight, including: • Regular reporting to Audit and Governance Committee in relation to the annual accounts and audit reports of SWH. • Cabinet exercising responsibility for the Council's functions as shareholder of SWH in relation to: Approval of the Business Plan (adoption / amendments); Engaging in any business other than as contemplated by the Business Plan (or outside of Wealden); Formation of a subsidy (outside the business as usual) or amalgamate or merge with any other company or business undertaking; Listing or trading of shares; Winding up or administration; Variation of the rights attached to shares. • Scrutiny and Performance Committee function includes review of the performance of SWH against its business objectives and business plan. SWH repaid £10m of their loan on the due date with the other £2.5m being extended for a further 6 months.	Implemented	None

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR2	We recognise that the Council is in the process of improving its risk management arrangements and recommend the: (a) integration of performance management and risk management through the mapping of strategic risks to the achievement of corporate objectives and associated Key Performance Indicators (KPIs); (b) the frequency of reporting of the Council's risks is aligned to the Council's quarterly reporting on performance management so members will be informed where good performance may equate to lower risk and room for more opportunity and innovation; (c) aligning Scrutiny and Overview work plan to the high risk issues identified by the Council's Risk Register and Performance Management systems; so they can perform a "deep dive" on higher risk services.	2023/24	a) Changes to the Corporate Risk Register (CRR) now provide for a clearer alignment with the priorities set out in the Risk Management Strategy, which was reaffirmed by Cabinet on 7 May 2025. b) Whilst formal risk management reports are submitted in accordance with the timescales set out in the approved Risk Policy & Framework (on a 6-monthly basis to Audit and Governance Committee and to Cabinet), the CRR is also reported on a quarterly basis to CMT and to be reported to the lead member on a quarterly basis. c) The new Scrutiny and Performance Committee (formed following the recent comprehensive Constitutional Review) allows the committee to develop its own work programme which involves close liaison between the respective chairs of the Scrutiny and Audit Committees in terms of work programming. A new scrutiny referral mechanism enables the public, officers and members to propose topics for review by the Committee. All Members receive the CRR and can propose that any of the identified risks should be the subject of deeper scrutiny.	Implemented	None

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR3	The Council should revise its reporting on the financial performance of the HRA Account so that it is clear that the Council drew down different levels of HRA reserves in 2023/24 and 2024/25 than planned, rather than reporting the variance against a “budgeted HRA deficit”.	2023/24	The reporting has been revised to reflect the recommendation.	Implemented	None
IR4	We recommend that the Audit, Finance and Governance (AFG) Committee carry out a self-assessment, using the CIPFA Checklist for Audit Committees, of its effectiveness each year and report on the outcome at the end of the financial year.	2023/24	No formal self-assessment occurred in 2024–25, the Council plans to conduct a CIPFA self-assessment of the Audit and Governance Committee in September 2025, which will become a standing work programme item.	Not implemented	Follow up for 2025/26

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR5	We recommend that the Council sets stretch targets for Key Performance Indicators for each service area to reflect the good governance ethos of “continuous improvement” and a more ambitious improvement in service performance.	2023/24	Service Planning is conducted annually. There is monthly reporting to CMT and quarterly performance reporting to Cabinet. Introduction of a new performance monitoring approach enabled more immediate review of performance by Corporate Management and Senior Leadership Teams.	Implemented	None
IR6	The Council should develop a data quality strategy articulating how it will obtain assurance over the quality and integrity of the data used for the KPI’s in its corporate performance framework, with a view to including an assessment of specific data sets within non-financial performance reports.	2023/24	The Council operates a Performance Management Framework. The Council has an internal data group which has a role in reviewing the integrity of council data across the organisation. The Council is implementing an Information Governance Framework which includes a new Information Management Panel which is leading on the implementation of the Information Management Framework which includes an audit of information assets and up to date Record of Processing Activities.	Implemented	None

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR7	The Council should produce a Partnership Register to show what types of partnership the Council has and how they contribute to the delivery of the outcomes in the Council’s Strategy 2023 - 2027. Details of how the value of partnerships is measured should be included in the Register the performance and information of how partnerships contribute to corporate objectives and how performance is monitored should be included.	2023/24	The Partnership Register is in place. It is intended to be uploaded to a new Governance Hub and adapted to incorporate how the partnerships contribute to the Council Strategy priorities. This is to be the subject of regular review by CMT. There is scope for the feedback from Members in relation to Outside Bodies to be used in a similar manner which will be explored.	Implemented	None



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