# Auditor's Annual Report for Telford & Wrekin Council

DRAFT

**Year-ended 31 March 2026**

—

November 2026

# Contents

## Key Contacts


**Richard Walton**
Director
Richard.Walton@KPMG.co.uk

**Liz Gardiner**
Senior Manager
Liz.Gardiner@KPMG.co.uk

**Arpit Sarraf**
Senior Manager
Arpit.Sarraf@KPMG.co.uk

**Aakash Gupta**
Assistant Manager
Aakash.gupta2@kpmg.co.uk

**Avika Dhingra**
Assistant Manager
Avika.Dhingra@kpmg.co.uk



| | | Page |
|---|---|---|
| 01 | **Executive Summary** | 3 |
| 02 | **Audit of the Financial Statements** | 6 |
| 03 | **Value for Money** | 9 |
| | a) Financial Sustainability | |
| | b) Governance | |
| | c) Improving economy, efficiency and effectiveness | |


Our audit reports will be made solely to the members of Telford & Wrekin Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Council, as a body, those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the members of Council, as a body, for our audit work, for our auditor's reports, for this Auditor's Annual Report, or for the opinions we have formed.

External auditors do not act as a substitute for the Council's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

DRAFT

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

# 01

# Executive Summary

DRAFT

# Executive Summary

## Purpose of the Auditor's Annual Report

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2025-26 audit of Telford & Wrekin Council. This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the 'Code of Audit Practice') and is required to be published by the Council alongside the annual report and accounts.

## Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014 (the Act). Our responsibilities under the Act, the Code of Audit Practice and International Standards on Auditing (UK) ('ISAs (UK)') include the following:



**Financial Statements** - To provide an opinion as to whether the financial statements give a true and fair view of the financial position of the Council and of its income and expenditure during the year and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2025/26 ('the CIPFA Code').



**Other information (such as the narrative report) -** To consider, whether based on our audit work, the other information in the Statement of Accounts is materially misstated or inconsistent with the financial statements or our audit knowledge of the Council



**Value for money** - To report if we have identified any significant weaknesses in the arrangements that have been made by the Council to secure economy, efficiency and effectiveness in its use of resources. We are also required to provide a summary of our findings in the commentary in this report.



**Other powers** - We may exercise other powers we have under the Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to any valid objections received from electors.

## Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

| | |
|---|---|
| **Financial statements** | We issued an unmodified opinion on the Telford & Wrekin Council's financial statements on 20/11/2026. This means that we believe the financial statements give a true and fair view of the financial performance and position of the Council.<br><br>We have provided further details of the key risks we identified and our response on page 8. |
| **Other information** | We did not identify any material inconsistencies between the content of the other information, the financial statements and our knowledge of the Council to date. |
| **Value for money** | We identified no significant weaknesses in respect of the arrangements the Council has put in place to secure economy, efficiency, and effectiveness in the use of its resources. Further details are set out on page 10-15. |
| **Whole of Government Accounts** | We are required to perform procedures and report to the National Audit Office in respect of the Council's consolidation return to HM Treasury in order to prepare the Whole of Government Accounts.<br><br>As the National Audit Office has not yet concluded its audit of the Whole of Government Accounts for the 31 March 2026 financial year, we are unable to confirm that we have concluded our work in this area. |
| **Other powers** | See overleaf. |

DRAFT

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

# Executive Summary

**There are several actions we can take as part of our wider powers under the Act:**

## Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Council is required to consider it and to bring it to the attention of the public.

**We have not issued a Public Interest Report this year.**

## Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Council is taking. We may also apply to the courts for a declaration that an item of expenditure the Council has incurred is unlawful.

**We have not applied to the courts this year.**

## Recommendations

We can make recommendations to the Council. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Act. If we do this, the Council must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Council does not need to take any action, however, should the Council provide us with a response, we will include it within this report.

**We made no recommendations under Schedule 7 of the Act this year.**

## Advisory notice

We may issue an advisory notice if we believe that the Council has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Council is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

**We have not issued an advisory notice this year.**

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Council. Where we raise observations we report these to management and the Audit Committee. The Council is not required to take any action to these, however it is good practice to do so and we have included any responses that the Council has given us.

DRAFT

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

02

# Audit of the financial statements

DRAFT

# Audit of the financial statements

## KPMG provides an independent opinion on whether the Telford & Wrekin Council's financial statements:

- Give a true and fair view of the financial position of the Telford & Wrekin Council as at 31 March 2026 and of it's income and expenditure for the year then ended; and
- Have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

We conduct our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. We also fulfil our ethical responsibilities under, and ensure we are independent of the Telford & Wrekin Council in accordance with, UK ethical requirements including the FRC Ethical Standard. We are required to ensure that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Our audit opinion on the financial statements

We have issued an unqualified opinion on the Telford & Wrekin Council financial statements on 20/11/2026.

The full audit report included in the Telford & Wrekin Council's Annual Report and Accounts for 2025/26 which can be obtained from the Telford & Wrekin Council 's website.

Further information on our audit of the financial statements is set out overleaf.

DRAFT

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

# Audit of the financial statements

**The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.**

## Valuation of Investment Property

Investment properties are required to be held at fair value. There is a risk that changes in market conditions or inappropriate valuation assumptions could result in the value of investment property being materially misstated.

### Our procedures

We assessed the independence, objectivity and expertise of the Council's internal valuers and reviewed the instructions issued to them to confirm they were appropriate and consistent with the requirements of the CIPFA Code.

We compared the data provided to the valuers to underlying information and evaluated the design and implementation of the Council's controls for reviewing the valuation and the appropriateness of the assumptions used.

We challenged the appropriateness of the valuations, including material movements from the previous valuations and key assumptions involving judgement such as Market Capitalisation rate (yield), estimated rental income, estimated operating costs. We also agreed the calculation of movements, assessed whether these were accounted for in accordance with the CIPFA Code, and considered the adequacy of the disclosures relating to the key judgements and estimation uncertainty.

### Our findings

We completed our procedures and concluded that the valuation of investment property was materially correct. Overall, we found the valuations to be appropriate and the assumptions applied to be balanced. No significant issues were identified.

## Management Override of Controls

Professional standards require us to communicate the fraud risk from management override of controls as significant. Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We have not identified any specific additional risks of management override relating to this audit.

### Our procedures

We assessed accounting estimates for potential management bias and evaluated the selection and application of accounting policies.

We evaluated controls over journal entries and post-closing adjustments and tested journal entries identified as potentially inappropriate or unauthorised using KPMG Clara Journal Entry Analysis (data analytics).

We also considered the business rationale and accounting treatment of significant or unusual transactions.

### Our findings

We completed the procedures described and identified five journal entries and other adjustments meeting our high-risk criteria. For Journals approvals we have raised a control deficiency relating to approval evidence not consistently retained in Agresso. Our testing did not identify any unauthorised, unsupported or inappropriate entries. We also identified no indicators of management bias or any significant unusual transactions. No other significant observations were noted.

## Valuation of Pension Liability

The valuation of post retirement benefit obligations requires judgement in selecting key actuarial assumptions, including the discount rate, inflation and mortality rates. Small changes in these assumptions could have a significant impact on the Council's pension liability, resulting in a high degree of estimation uncertainty.

### Our procedures

We assessed the Council's process for determining the valuation assumptions and evaluated the competency and objectivity of the actuaries.

With support from our actuarial specialists, we challenged the key assumptions, including the discount rate, inflation rate and mortality/life expectancy, against externally derived data.

We also agreed the data used in the valuation, assessed the accounting treatment against IFRS and the CIPFA Code, and considered the adequacy of the related disclosures, including the level of surplus recognised and the impact of special events.

### Our findings

We confirmed that the appointed actuaries were suitably qualified, agreed the data used in the IAS 19 calculation with no issues noted, and found the methodology and assumptions to be appropriate. Management's review control was not sufficiently precise or documented to be considered an effective control, although no recommendation was raised. We also reviewed the historic 35.58% liability allocation and identified no specific concerns. No other significant observations were noted.

DRAFT

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

# 03

# Value for Money

DRAFT

# Value for Money

## Introduction

We are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or 'value for money'. We consider whether there are sufficient arrangements in place for the Council for the following criteria, as defined by the Code of Audit Practice:

- **Financial sustainability**: How the Council plans and manages its resources to ensure it can continue to deliver its services.
- **Governance:** How the Council ensures that it makes informed decisions and properly manages its risks.
- **Improving economy, efficiency and effectiveness:** How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We do not act as a substitute for the Council's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We are also not required to consider whether all aspects of the Council's arrangements are operating effectively, or whether the Council has achieved value for money during the year.

## Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor's Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council.

## Summary of findings

Our work in relation to value for money is complete.

| | Financial sustainability | Governance | Improving economy, efficiency and effectiveness |
|---|---|---|---|
| **Commentary page reference** | 12 | 14 | 15 |
| **Identified risks of significant weakness?** | ✕ No | ✕ No | ✕ No |
| **Actual significant weakness identified?** | ✕ No | ✕ No | ✕ No |
| **2025-26 Findings** | No significant risk identified | No significant risk identified | No significant risk identified |
| **Direction of travel** | ←→ | ←→ | ←→ |

DRAFT

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

# Value for Money

## National context

We use issues affecting Councils nationally to set the scene for our work. We assess if the issues below apply to this Council.

### Local Government Reorganisation

The Government continued to progress local government reorganisation through the English Devolution and Community Empowerment Act. The reforms are intended to establish larger unitary authorities and expand devolution arrangements through County Combined Authorities (CCAs).

On 7 September 2026, the Government announced a review of the local government reorganisation programme following updated legal advice and to consider how the proposals align with wider plans for devolution and public sector reform. Decisions relating to some areas were withdrawn and proposals affecting other areas have been paused pending the outcome of the review. As a result, the timetable and scope of local government reorganisation remain subject to further Government decisions. As a Unitary Council much of this reform does not have an impact on Telford, however the devolution agenda is one that is likely to have an impact in the medium term.

### Financial performance

Over recent years, Councils have been expected to do more with less. Central government grants have been reduced, and the nature of central government support has become more uncertain in timing and amount. This has caused Councils to cut services and change the way that services are delivered in order to remain financially viable.

Whilst the Government has indicated an intention to restore multi-year funding settlements, giving Councils greater certainty and ability to make longer-term investment decisions, the Government has also proposed linking grant funding to deprivation. For some authorities this presents a significant funding opportunity, whereas for others this reinforces existing financial sustainability concerns and creates new financial planning uncertainties.

### Education

Many schools are now the responsibility of academy trusts, however some schools are still controlled and overseen by the local Council. Dedicated funding is provided by central government to run schools, however due to cost pressures many Councils have overspent against their central government allocation, particularly in relation to “high needs” expenditure (i.e. to support students with special educational needs and disability (SEND)). The Council submitted a SEND reform plans which has since been approved. The Council has recognised a post-balance sheet event in relation to its Dedicated Schools Grant position, with the associated cash expected to be released in November 2026. This represents a significant development in addressing the historic funding pressures associated with SEND and the Dedicated Schools Grant deficit. However, underlying pressures from increasing demand and the cost of SEND provision continue to require ongoing management and monitoring.

An accounting override exists meaning Councils do not need to recognise schools deficits as part of their reserves which, for some, avoids Councils becoming insolvent. While the approved SEND reform plan and associated funding provide a route to address accumulated deficits, the longer-term financial sustainability of SEND provision remains dependent on the successful implementation of the reforms and management of ongoing demand and cost pressures.

### Local context

- The Council has a strong track record of delivering savings, with £195.3m of savings delivered since 2009/10 by the end of 2025/26.
- For 2025/26, net expenditure was £167.694m against a final budget of £167.640m, with an overall £0.133m underspend after funding.
- Council Tax increased by 4.99%, including the 2% Adult Social Care precept.
- Capital expenditure was £113.252m against an approved budget of £124.320m, with expenditure rephased into 2026/27 following changes to construction programmes.
- The 2025/26 financial strategy included £13.1m of savings and £7.7m of net investment in Adult Social Care, with financial performance regularly monitored and reported to senior management and Cabinet.
- The Council maintains arrangements to prevent and detect fraud, supported by its Anti-Fraud and Corruption Policy and Whistleblowing (Speak Up) Policy.
- The Council continues to deliver its long-term Vision 2032, which sets out its ambition to build a more inclusive borough across four strategic objectives.

DRAFT

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

# Financial Sustainability

## How the Council plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that 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; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

The Section 151 Officer leads on budget setting through the Medium Term Financial Strategy (MTFS), supported by the Council's Service and Financial Planning Group, Senior Management Team and budget holders. The MTFS includes a detailed assessment of key budget assumptions, including investment in Adult Social Care and Children's Safeguarding, pay and contract inflation, government grant funding, Council Tax, Business Rates and capital financing costs.

A corporate budget model is maintained for budget projections. The 2025/26 MTFS set out the Council's approach to financial planning, including the revenue budget, savings proposals, reserves strategy and medium-term capital programme. The budget was subject to scrutiny through the Business and Finance Scrutiny Committee before approval by Full Council.

The Council approved a 4.99% Council Tax increase for 2025/26, including the Government's 2% Adult Social Care precept. The MTFS states that all funding generated from the Council Tax increase would be invested in social care services and included £7.7m of additional net investment in Adult Social Care.

The Council continues to operate in a challenging financial environment, with significant pressures arising from inflation, high demand for services and uncertainty over the future local government funding system. The Council's financial sustainability arrangements include processes for assessing and managing financial risks and monitoring performance against the financial plan.

The Council delivered a balanced revenue outturn in 2025/26, reporting a £0.133m underspend against a net revenue budget of £167.6m. This was achieved despite significant service pressures, including overspends of £6.8m in Adult Social Care, £2.8m in Children's Safeguarding and Family Support and £1.6m in Education and Skills, which were offset by budgeted contingencies and other Council-wide resources.

The Council did not require any unplanned use of the Budget Strategy Reserve during 2025/26, which remained at £21.7m at year end. General and Special Fund balances increased from £4.444m at 1 April 2025 to £4.577m at 31 March 2026. Earmarked reserves reduced by £11.1m to £56.3m, with total usable reserves of £110.3m.

The VFM assessment also considered the Council's reserve position against comparable authorities. Reserves represented 43% of net revenue expenditure, while the reduction in reserves over the previous three years was broadly in line with neighbouring authorities. The CIPFA Resilience Index Financial Stress Trend indicator showed the Council had consistently remained at lower risk over the previous eight years.

DRAFT

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

# Financial Sustainability

## How the Council plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that 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; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

For 2025/26, Financial Monitoring Reports were received by Cabinet during the year to monitor performance against the financial plan. The Council's VFM assessment considered performance against the financial plan, the development and monitoring of the efficiency plan, consistency between financial, workforce and operational plans, and the processes for identifying and managing financial sustainability risks.

The Dedicated Schools Grant High Needs Block remains a significant financial pressure, with the deficit increasing from £4.66m at 31 March 2025 to £9.21m at 31 March 2026 due to increasing demand and the costs associated with SEND provision. The Council continues to work with schools, the Schools Forum and government programmes to manage these pressures. Since the initial risk assessment was prepared, the SEND reform plan has been approved, with 90% of the associated funding expected to be released during 2026/27. The Council has also recognised a PBSE in relation to this matter. These developments provide additional financial support and mitigation against the growing deficit. While the DSG position remains an area to keep under review, it was not assessed as representing a significant risk to the Council's arrangements, given the mitigating actions in place and its overall financial resilience.

For 2026/27 onwards to 2028/29, the updated MTFS outlines proposed budgeted savings of £19.1m, including £12.0m from service review/redesign and £5.6m from income generation from NuPlace and other trading operations. The 2026/27 MTFS also incorporated the three-year funding settlement agreed in December 2025, which increased spending power by 8.8% for 2026/27, including £6m of additional Revenue Support Grant.

| Key financial and performance metrics: | 2025-26 | 2024-25 |
|---|---|---|
| Actual (surplus)/deficit | (£0.133m) | (£0.091m) |
| Useable Reserves | £110m | £107m |
| Year-end Borrowings | £493m | £435m |
| Year-end Cash Position | £24m | £22m |

### Conclusion

Based on the risk assessment procedures performed, **we have not identified a significant risk associated with financial sustainability**.

DRAFT

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

# Governance

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

We have considered the following in our work:

- how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

The Council has an established governance framework, supported by its Constitution, committee structure, statutory officer roles and financial procedures. The Constitution sets out decision-making responsibilities, delegations, committee terms of reference and financial approval thresholds, with governance arrangements including Full Council, Cabinet, Audit Committee, scrutiny committees and regulatory committees.

The Council maintains a Strategic Risk Register to identify risks that could impact the delivery of Council priorities and its financial position. The register is reviewed by Senior Management Team and Audit Committee and contains the ten highest risks, assessed based on likelihood and impact before controls. The highest scoring risks relate to staff retention and climate risk, with named senior officers responsible for managing each risk.

The Council's financial governance arrangements include a risk-based financial monitoring regime, proactive management by budget holders and regular financial reporting to Senior Management Team and Cabinet. Financial and legal comments are also required in reports considered by Senior Management Team and Cabinet.

The 2025/26 MTFS was subject to public consultation and scrutiny by the Business and Finance Scrutiny Committee. This included consideration of the Council Tax increase, social care investment, savings requirements, government funding uncertainty, borrowing costs, Business Rates, contractual inflation and income-generating schemes, providing scrutiny and challenge before approval.

The Council has measures in place to prevent and detect fraud, including its Anti-Fraud & Corruption Policy and Whistleblowing (Speak Up) Policy. Internal Audit and the Investigations Team undertake proactive fraud work, with further anti-fraud activities undertaken by Trading Standards. An annual report on anti-fraud and corruption activity is presented to Audit Committee.

The Council's Code of Conduct sets out expected staff behaviours and is supported by policies and guidance covering gifts and hospitality, disciplinary matters, whistleblowing and conflicts of interest.

Our risk assessment procedures confirmed that the Council has appropriate arrangements to support scrutiny, challenge and transparency in decision-making. Key decisions are scrutinised through executive management and relevant committees before formal approval by Cabinet and Council, with key decision records available on the Council's website.

### Conclusion

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

DRAFT

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

# Improving economy, efficiency and effectiveness

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

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council 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; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

The Council has established arrangements to support efficient and effective service delivery through its Council Plan, MTFS, Efficiency Strategy, Capital Programme and service strategies, which align budgets and activities with corporate priorities.

In October 2025, the Council underwent an LGA Corporate Peer Challenge, which concluded that the Council is a high-performing authority with a strong track record of delivery, innovation and continuous improvement, supported by a strong performance culture.

The 2025/26 MTFS included £13m of savings, including £11.8m of ongoing savings. Savings proposals are developed through engagement with communities, partners and service users, with cost improvement plans in place for Adult Social Care and Children's Safeguarding and monitored regularly by senior managers and members.

The Council has a strong culture of evidence-based decision-making. Non-financial performance is monitored monthly by the Senior Management Team through the Managing the Business Dashboard, alongside detailed operational reporting to support performance monitoring and improvement.

The Council Plan for 2024/25 to 2026/27 recognises that delivery of priorities depends on working with communities, partners, businesses and other stakeholders. The Council also monitors wider developments, including devolution and local government reorganisation, and their potential impact on service delivery.

The Council continues to use capital investment and commercial activity to support its wider priorities. At 31 March 2026, NuPlace had 675 homes, generated £6.3m of rental income and provided a £2.0m net financial benefit to the Council. The Council's investment in NuPlace was £97.7m, with company assets valued at £135.4m.

The LGA Peer Challenge also recognised the Council's success in attracting investment, delivering regeneration and using commercial activity to support wider place-shaping objectives. While opportunities were identified to strengthen governance and scrutiny of capital and commercial investment, the Council was considered to have strong foundations for continued economic growth and service improvement.

**Conclusion**

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

DRAFT

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

kpmg.com/uk

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

**Document Classification: KPMG Public**

DRAFT