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Date: 25 February 2026

Members of the Audit & Governance Committee
Tamworth Borough Council
Marmion House, Lichfield Street
Tamworth
B79 7BZ

Dear Sirs and Madams

Tamworth Borough Council – Auditor's Annual Report 2024/25

We are pleased to attach our Auditor's Annual Report for the financial year 2024/25. This report summarises our audit conclusions and highlights the key findings arising from our value for money work.

We have initially discussed the contents of our report with management and have incorporated their comments where relevant.

This report is intended to be solely for the information and use of management and those charged with governance of the Council and should not be shared with anyone beyond the Council without our prior approval.

We would like to take this opportunity to thank the Council's officers for the co-operation and assistance afforded to us during the course of the audit.

Yours faithfully

Bishop Fleming Audit Limited

Bishop Fleming Audit Limited

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1. Introduction

Our Auditor's Annual Report (AAR) summarises the work that we completed for Tamworth Borough Council (the Council) for the year ended 31 March 2025.

The Council is responsible for:

- keeping proper accounts and proper records in relation to the accounts and for maintaining an appropriate system of internal control;
- the preparation of annual accounts for each financial year. Such accounts must present a true and fair view and comply with the requirements of enactments that apply to them; and
- putting in place appropriate arrangements to secure the economy, efficiency and effectiveness in its use of resources and to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives whilst safeguarding and securing value for money from the public funds at its disposal.

The scope of our work is set in accordance with the National Audit Office's (NAO) Code of Audit Practice (the Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are responsible for and are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Council at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We are also required to report to the Council by exception the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Council under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

In addition, we are also responsible for reviewing the Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Code requires us to report on the Council's arrangements under three specified reporting criteria:

- Financial sustainability – how the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Council ensures it makes informed decisions and properly manages its risks; and
- 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 carried out our work in accordance with our Audit Plan which we issued to the Council in March 2025.

2. Executive summary

Results from the audit of the financial statements

We completed our audit of the financial statements and issued our unmodified audit opinion on 25 February 2026. See section 3 for more details.

We also completed component auditor procedures, in line with the NAO group auditor instructions. We had no matters to report from this work.

Results on our work on other matters

We completed our review of other matters in line with our issuing of the audit opinion on 25 February 2026. There were a small number of areas that required updating and amending in the financial statements, which have been completed by management.

Results from our work on VFM arrangements

Under the Code, we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

Our conclusions are summarised below. See sections 4-8 for more details.

Financial sustainability		No significant weaknesses in arrangements identified and no recommendations made.
Governance		No significant weaknesses in arrangements identified and no recommendations in respect of 2024/25. A prior year recommendation remains in progress.
Improving economy, efficiency and effectiveness		No significant weaknesses in arrangements identified and no recommendations made.

3. Audit of the financial statements

Audit opinion on the financial statements

The scope of our work is set in accordance with the Code and the International Standards on Auditing (ISAs) (UK). As stated in section 1 of this report, we are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Council at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We gave an unqualified opinion on the Council's financial statements on 25 February 2026.

Key issues arising from the accounts audit

Our testing and review of the financial statements have not identified any significant issues that need to be brought to the attention of the members.

Other matters

As stated in section 1 of this report, we are also required to report to the Council, by exception, the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Council under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We concluded that there were no matters to bring to the Council's attention in respect of these matters.

More detailed findings can be found in our Audit Completion Report which was reported to the Audit & Governance Committee on 25 February 2026.

4. Value for Money

Under the Code, we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

The Code requires us to report our commentary on the Council's arrangements under three specified reporting criteria:

- Financial sustainability – how the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Council ensures it makes informed decisions and properly manages its risks; and
- 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.

The NAO has issued guidance for auditors to report against each of the three specified reporting criteria. The guidance also includes a number of further areas for review within each criterion for the auditor to assess those arrangements.

Our initial risk assessment did not identify any potential risks of significant weakness.

We asked management to complete an evidenced self-assessment of the Council's arrangements. We then reviewed the evidence provided and carried out follow up work as appropriate to consider whether there were any significant weaknesses in the arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our commentary on the Council's arrangements in each of these three areas is set out in sections 5, 6 and 7 of this report. Our recommendations for improvement are included in section 8.

5. Financial sustainability

We considered how the Council plans and manages its resources to ensure it can continue to deliver its services, including how it:

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

Overview and 2024/25 outturn

The Council's proposed revenue budget for 2024/25 was initially established at £8.183m for the net cost of services (excluding the Housing Revenue Account (HRA)). This budget was approved by the Council on 27 February 2024. The actual outturn for 2024/25 reported to Cabinet on 26 June 2025 and summarised in the financial statements showed net expenditure of £0.7m against the approved budget of £1.135m, resulted in a surplus of £0.5m. This favourable variance was primarily driven by £2.14m in non-budgeted income, including £1.52m from higher investment income due to rising interest rates and £0.62m additional income from the Ankerside Shopping Centre (which the Council took control over in November 2024), alongside a £1.298m underspend on NDR levy payments payable to the Central Government. After accounting for a £0.736m overspend on interest payable to the HRA and reserves, as well as net other variances of £2.24m, the total favourable variance amounted to £0.5m.

The HRA for 2024/25 recorded a net surplus of £2.0 million, which is £1.0 million higher than the approved budget. This favourable variance was mainly due to increased investment income of £0.835m. However, this was partly offset by higher housing repair costs of £0.693m and an additional £0.11m in interest payments due to rising interest rates. Savings were achieved through reduced planned maintenance, a lower provision for bad debts, and the contingency budget not being utilised, totalling £0.827m. Overall, the HRA performance reflects strong financial management, with income growth and cost control contributing to the improved outturn position.

During the 2024/25 financial year, the Council's Net Assets grew from £294.315m to £298.473m. Key factors contributing toward this included property, plant and equipment which saw an increase of £15.286m which was offset by a decrease in long-term debtors of £12.53m. The movements in property, plant and equipment are expected due to increased housing requirements with more council housing being acquired and constructed.

The Council's usable reserves have been consistent - decreasing only slightly from £57.952m to £57.534m.

Financial planning and monitoring

The Council's annual budget is developed collaboratively by individual budget holders within the Finance Department. Each service area prepares detailed budget proposals based on operational requirements and strategic priorities. The draft budgets were presented to Cabinet on 20 February 2024 and subsequently approved by Council on 27 February 2024. The budget incorporates a range of key assumptions, including anticipated Council Tax increases, inflationary pressures, and other relevant internal and external factors.

Budget monitoring is undertaken on a monthly basis. Finance report a monthly financial health check to the Corporate Management Team and quarterly to Corporate Scrutiny and Cabinet. These reviews allow members to assess financial performance against the approved budget, identify variances, and request explanations for any material or unexplained differences between actual and budgeted figures. Where necessary, budgets are updated to reflect policy changes, emerging priorities, or other influencing factors.

The Council maintains a robust approach to managing liquidity through the preparation and daily updating of cash flow records. In addition to this, a 12-month rolling cash flow forecast is maintained to ensure ongoing financial sustainability. Forecasts for the current period indicate no anticipated liquidity concerns, and there have been no cash flow difficulties during the financial year that have affected the Council's ability to meet creditor obligations in a timely manner.

The Council prepares a balanced budget as part of its five-year Medium Term Financial Plan (MTFP). The Budget Strategy and MTFP were formally approved by Council on 27 February 2024, with input and approval from key stakeholders including the Chief Executive and Monitoring Officer. The MTFP underpins the Council's strategic approach to addressing priorities and challenges, ensuring resources are aligned to deliver high-quality services and drive continuous improvement. It provides a framework for sustainable financial management, enabling the Council to respond effectively to changing economic and policy conditions.

The 2024/25 budget was developed based on key financial assumptions, including pay awards reflecting a 4% inflation rate and a 1% increase in national insurance contributions. The Council continues to face financial pressures resulting from tighter funding constraints, and it has recognised potential challenges in maintaining reserve levels and mitigating the risk of moving into a deficit position. To manage these risks, scenario planning has been undertaken, including the assessment of varying Council Tax rate increase scenarios to evaluate the impact on financial sustainability.

Overall, the Council's budget setting and financial planning framework demonstrate a structured and proactive approach to financial management. Effective monitoring, robust forecasting, and strategic planning through the MTFP collectively support the Council's ability to deliver services within available resources and maintain financial resilience.

Achieving efficiency savings

In recent years, the Council has operated with a limited level of available savings, resulting in a reduced need to identify significant efficiency savings. However, during the current financial year 2024/25, a Financial Resilience Plan was introduced. The purpose of this plan was to avoid the need for using reserves and balances to balance the budget. The final Financial Resilience plan was approved on 25 February by the Council as part of "Corporate Vision, Priorities Plan, Budget & Medium-Term Financial Strategy".

In the short term, there have been no unusual or unexpected changes in accounting policies or estimates within the 2024/25 and 2025/26 financial years. Additionally, there has been no significant reliance on capital resources, such as the sale of assets, to address short-term financial pressures.

A recommendation raised in the prior year related to the Council's reliance on reserves to balance the budget. In response, the Council has developed and implemented a Financial Resilience Plan (as referred to above) to strengthen its financial position. As a result, the Council has achieved greater control over its reserves, leading to improvements in capital reserve levels and reducing the risk of imposing excessive financial pressure on taxpayers.

Overall, the Council has demonstrated a proactive approach to enhancing financial resilience through improved reserve management and the ongoing development of sustainable financial planning strategies.

2025/26 financial planning

The Council's financial strategy for 2025/26 is focused on achieving its strategic goals and key priorities in support of the overarching vision of "Building a Better Tamworth." This strategy underpins the Council's commitment to delivering high-quality services while maintaining financial sustainability.

The net revenue budget for 2025/26 was approved by Council members on 25 February 2025, with a budgeted net cost of £8.647 million. Based on a 2.99% increase in Council Tax, the Council is forecasting a small budget surplus of £148,000 for the financial year.

For 2025/26, the HRA capital expenditure is forecast to total £11.1 million, while the General Fund capital programme is forecast at £2.5 million. These capital allocations support the Council's strategic investment priorities and long-term asset management objectives.

The key financial assumptions underpinning the 2025/26 budget include:

- Pay award increase of 2.5%
- National Insurance increase of 2.6% (in line with the Chancellor's budget)
- Pension cost increase of 0.5%
- General inflationary increase of 2.5%

The Council has undertaken comprehensive risk and sensitivity analyses as part of the budget-setting process to ensure that potential risks are understood and effectively managed. These analyses consider a range of internal and external factors that could impact financial performance, and the 2025/26 budget has been developed with appropriate assumptions and contingencies built in to support continued financial resilience.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Council's financial sustainability arrangements.

6. Governance

We considered how the Council ensures that it makes informed decisions and properly manages its risks, including how it:

- monitors and assesses risk and how it gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- approaches and carries out its annual budget setting process;
- 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;
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit & governance committee; and
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

Risk management

Overall, the Council's arrangements and procedures for managing risk are considered appropriate and effective.

Tamworth Borough Council uses a "Policy on a Page" approach to risk management, which sets out a clear and simple four-step process for identifying and managing both new and existing risks. The process begins with identifying what could go wrong, the potential causes, and the possible consequences. Once identified, each risk is assessed using a risk matrix within the *Pentana* system (the Council's Enterprise Risk Management software) which helps determine the severity and likelihood of the risk occurring. Based on this assessment, the Council decides how best to manage the risk by either taking action to reduce it, accepting it, transferring it (for example, through insurance), or stopping the activity that gives rise to it. All identified risks are then reviewed and monitored on a regular basis, at least once every quarter, to ensure they remain well controlled and that any new or emerging risks are identified in a timely manner.

The most recent review and approval of the Council's risk management policy took place on 20 January 2025 and was approved by both the Corporate Management Team and Elected Members.

Risks are reported to the Council through quarterly meetings, where the Corporate Risk Register is presented. This register outlines each key risk, its current status, the results of the risk assessment, and the member of the Executive Leadership Team responsible for managing it. It also details the controls already in place, the actions required to reduce or eliminate the risk and includes a Red-Amber-Green (RAG) rating to show its severity. Each risk is linked to the Council's corporate priorities and assigned to a senior officer to ensure accountability and effective management.

In summary, the Council has a clear and structured process for identifying, assessing, and managing risks, helping to ensure that potential issues are recognised early and managed effectively

Internal control

A key part of the Council's internal control framework is the role of Internal Audit, which provides independent assurance on the effectiveness of governance, risk management, and internal controls.

Over recent years, the number of outstanding audit recommendations has reduced significantly, particularly those classified as high priority. For example, in Quarter 3 of 2021/22, there were 25 high priority recommendations, compared to only 6 in Quarter 3 of 2024/25, demonstrating continued improvement in addressing identified issues.

The findings of the internal audit work are presented through a Quarterly Progress Report. The report and its findings were shared with the Cabinet, where key issues and actions were reviewed and discussed to ensure accountability and progress on recommendations.

The Internal Audit Annual Report for 2024/25 was presented to the Audit and Governance Committee in June 2025. In this report, the Internal Auditor provided a “reasonable assurance” opinion on the adequacy and effectiveness of the Council’s governance, risk management, and internal control framework.

Overall, the Internal Audit function continues to play a vital role in supporting good governance and continuous improvement across the Council, with clear evidence of progress in implementing recommendations and strengthening internal controls

Budget setting and budgetary control

When setting the budget, the Council considers a range of factors to make sure financial plans are realistic and sustainable. One of the main considerations is the level of Council Tax increases being proposed. In addition, if significant capital investments are planned, these are also factored into the annual budget-setting process. Different forecasts are prepared based on various assumptions, such as different levels of Council Tax increases or potential changes to government grants. The budget-setting process is closely linked to the MTFP, which is updated when necessary to reflect new information or changes in circumstances.

The Council’s financial plans include several capital schemes, each with its own budget holder or project manager. These individuals meet monthly with their assigned accountant to update financial monitoring information and provide a short commentary on the progress of their projects. Updates are reported monthly to the Corporate Management Team and quarterly to the Cabinet and Corporate Scrutiny. If there is a need to adjust or reprofile capital spending, this must be approved by the Cabinet following the quarterly review meetings.

According to the latest financial guidance issued in March 2025, all budgets must show any differences between planned and actual spending during the year. Budget holders are responsible for managing their own budgets, while Chief Officers and Heads of Service are required to monitor their areas regularly. When variances arise, they must decide how best to manage them—for example, by freezing discretionary spending on items such as furniture or equipment, or by offsetting an overspend in one area with savings from another. In some cases, it may be appropriate to take no action if the variance is expected to balance out, such as through an unexpected increase in income.

Capital budgets are used to track spending in key service areas, such as Assistant Director Growth and Regeneration and Assistant Director Assets. Where actual spending differs from the budget, explanations are provided to clarify the reasons for the variance. In 2024/25, capital spending was below budget, meaning there was no negative impact on performance. Reports also include information on grant conditions, showing how much of a grant must be spent by certain deadlines to ensure compliance.

The Council operates with a small finance team, where staff have a range of responsibilities across different areas. The AD Finance role has been vacant since September 2024 pending finalisation of the Corporate Management Team restructure and is currently out to advert. The Council did have the temporary cover in the interim period. While the size of the finance team means there is some reliance on individual members, the team continues to manage its responsibilities effectively and maintain sound financial oversight across the Council.

Decision making

When major decisions need to be made, they are included and discussed as part of the Cabinet’s Forward Plan. This plan lists key decisions that are scheduled to be considered, helping ensure transparency and effective planning. Where major decisions involve consultation with Council officers, these discussions are generally open to the public, except in cases where confidential or sensitive matters are being discussed. Depending on the nature of the decision, items from the Forward Plan are presented to the relevant committees for review and approval.

The Council’s organisational structure, which is publicly available on its website, shows that the Executive Director Finance and Section 151 Officer is a member of the Executive Leadership Team (CLT) and reports directly to the Chief Executive. This structure supports clear accountability and ensures that financial management is represented at the highest level of decision-making.

According to the Code of Corporate Governance, the Council is committed to acting with integrity, demonstrating strong ethical values, and respecting the rule of law. The Code also promotes openness and comprehensive stakeholder engagement. Many Council meetings are open to the public, who are encouraged to observe proceedings and ask questions on a range of local issues, supporting transparency and public involvement in decision-making.

The Annual Governance Statement also includes details of the partnership work undertaken by the Council. It highlights collaborations such as the Tamworth Vulnerability Partnership and the Staffordshire & Stoke-on-Trent Adult Safeguarding

Partnership, among others. These partnerships demonstrate the Council's commitment to working jointly with other organisations to support residents and address community priorities.

Committee meetings provide several opportunities for members to challenge and scrutinise decisions being made by officers and Cabinet members. This process ensures there is effective oversight and accountability within the Council's governance framework

Ensuring appropriate standards

From our review, we did not find any instances of non-compliance with the Council's Constitution, legislation, or professional standards. Compliance with the law and ethical standards is embedded in the Council's code of ethics, and both members and other stakeholders are made aware of their responsibilities. No compliance issues or serious breaches were identified during the year.

The Council maintains a clear code of conduct on its website for both employees and members. This code sets out the expectations for behaviour, helping staff understand what is required of them and reducing the risk of breaking regulations or legislation.

Staff are regularly reminded to complete any required training and to keep their declared conflicts of interest up to date. This ensures everyone remains aware of their responsibilities and stays current with training requirements.

Policies on gifts and hospitality are included in the employee code of conduct. The rules are clearly explained, and staff are guided on how to handle different scenarios. Any gift received must be declared using a form submitted to Human Resources so that records are up to date. No issues were identified in internal audit reports in this area.

Arrangements for members to declare their interests are also in place. If a member has a conflict of interest, whether financial or non-financial, they are required to leave the room during related discussions.

Local Government Reorganisation

The Local Government Reorganisation (LGR) proposals will see Tamworth Borough Council abolished by April 2028, with its services likely to be merged into a new southern Staffordshire unitary authority under the Government's 2024 White Paper reforms. Tamworth, together with neighbouring councils such as Lichfield and South Staffordshire, is advocating for the creation of three balanced unitary authorities across Staffordshire to preserve local identity while improving efficiency.

The reform aims to deliver long-term financial savings, reduce duplication, and create more streamlined public services. However, the transition also brings challenges — particularly around maintaining strong local representation, protecting community-focused decision-making, and managing the integration of staff, systems, and service delivery arrangements.

Interim proposals were submitted to the (then) Department for Levelling Up, Housing and Communities (DLUHC) in March 2025, with full business cases expected to follow in late 2025. The Council will be submitting its business case in November following Cabinet and Council approval. In the meantime, the Council continues to engage with partners, residents, and employees to ensure that the reorganisation delivers meaningful benefits while minimising disruption during the transition period.

Prior year recommendation - Local Government Association report

In the prior year Auditor's Annual Report (AAR) a number of recommendations were raised. We note that the majority of them were actioned during 2024/25, however, one recommendation in relation to the Council's consideration of the Local Government Association report 'Local government finance workforce action plan for England' remain in progress. Refer to section 8 for the recommendation made at the time and progress during 2024/25.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Council's governance arrangements. One improvement recommendation made in 2023/24 remains outstanding.

7. Improving economy, efficiency and effectiveness

We considered how the Council uses information about its costs and performance to improve the way it manages and delivers its services, including:

- 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.

Assessing performance and evaluating service delivery

The Council publishes a performance report every quarter, which tracks key indicators they aim to achieve.

For example, in the Quarter 4 report, each indicator shows its current status and a progress percentage, giving an idea of how close it is to completion. Each indicator is assigned to an individual, who also provides the latest update in written or verbal form, rather than just a number.

The Council also participates in the Local Government Association peer review process. This involved senior councillors from other local authorities carrying out a detailed review of Tamworth's financial performance, governance, and overall operations. The Council received positive feedback through this process, both for its own performance and as a benchmark compared to other councils. Strengths included strong financial management with minimal pressures and a positive organisational culture. The Council's key performance indicators (KPIs) are divided across departments, such as legal, technical, and others. This allows it to identify which areas may need more focus.

Partnership working

The Council works with a variety of partners, including community safety and voluntary sector organisations.

For each partnership, the Council has created partnership plans that clearly set out responsibilities and objectives. This helps all parties understand their role and what is expected of them.

The Council has also introduced a Strategic Partnership Framework, which has strengthened and developed these relationships. Partnerships are reviewed in the Council's annual governance statements, and any partnerships that are ending would be noted, though none were mentioned this year.

We have also reviewed the corporate peer challenge report from October 2024. The report included several key recommendations for the Council:

- Develop a clear plan to tackle financial challenges, with tangible, costed, and achievable savings.
- Align financial plans with the Corporate Plan.
- Meet obligations, manage risks, and maintain control over assets and investments.
- Ensure the new Equality, Diversity, and Inclusion Strategy is fully embedded across the Council.
- Create a plan to achieve digital transformation.

Commissioning and procuring services

The Council's arrangements for commissioning and procuring services are appropriate.

From our audit work and review of committee activities, we found no evidence that the Council has failed to carry out a fair procurement process.

The Council's procurement strategy sets out rules depending on the value of the purchase:

- Purchases between £0 and £4,999 do not require a written contract.
- Purchases over £20,000 require a full contract, which must be signed by the relevant Assistant Director or Executive Director if the Assistant Director is unavailable.

The Council is currently using external consultants for a major housing repair contract. As this contract was only tendered in Quarter 4, work has not yet started. In addition during the year, the Council has used consultants to support with its Social Housing Regulatory Programme, its regeneration strategy and Future High Street Fund schemes.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Council's arrangements for improving economy, efficiency and effectiveness.

8. Recommendations

KEY:



Recommendations that refer to issues that have resulted in a significant weakness in the Council's arrangements.



Recommendations that should improve the arrangements in place at the Council but are not as a result of identifying a significant weakness.

Prior Year Issues – Unresolved

Governance	
<p>Consideration of the Local Government Association report 'Local government finance workforce action plan for England'</p>	
<p>The predecessor auditor recommended that the Council considers the recommendations and proposed action table as set out in the Local Government Association report "Local government finance workforce action plan for England".</p>	<p><u>Recommendation</u></p> <p>We recommend the Council considers the recommendations and proposed action table as set out in the Local Government Association Report Local government finance workforce action plan for England.</p> <p><u>Management comment</u></p> <p>Consideration will be given to this report and the recommendations applicable to Tamworth as a district council. The LGA CFO Mentoring programme which is encouraged in the report is currently in train for the Interim ED Finance.</p> <p><u>2024/25 update</u></p> <p>Progress has been made in addressing this recommendation; however implementation remains ongoing.</p> <p><u>Management comment</u></p> <p>Progress is being made in respect of restructure of senior management and around Assistant Director and Executive Director levels. The next level of head of services is currently going through this process. Once this is finalised then the recommendation can be processed.</p>

Prior Year Issues – Resolved

<p>Continue to develop and monitor progress against their Financial Stability Plan</p>	
<p>The Financial Stability plan should be continued to develop and monitored due to the reserves forecasted to be depleted by 2027/28.</p>	<p><u>Recommendation</u> It is recommended that the Council, as a priority, continue to develop and monitor progress against their Financial Stability Plan to address the reliance on reserves to balance the budget. Given these reserves will be depleted by 2027/28 based on current assumptions, the Council should focus on developing sustainable solutions to address gaps in their funding or reduce their planned deficit by determining realistic saving plans. These should be specific, realistic, time-based and closely monitored.</p> <p><u>Management comment</u> Agreed, a Financial Resilience Plan is currently being developed, with a number of key workstreams to deliver savings/additional income to ensure longer term stability of the Council's finances, also in line with the recommendations made in the Corporate Peer Challenge report.</p> <p><u>2024/25 Update</u> Recommendation addressed - A Financial Resilience Plan has been in development and started to be used by the Council.</p>

<p>Actions out of the Corporate Peer challenge</p>	
<p>Following the Corporate Peer challenge, there were actions coming out of the review which should be actioned and monitored.</p>	<p><u>Recommendation</u> It is recommended that the Council ensure that the final report from the Corporate Peer Challenge review and actions coming out of this are addressed and monitored as part of their future.</p> <p><u>Management comment</u> Agreed, as recommended in the Peer challenge report, the Financial Resilience Plan will include tangible, costed and deliverable savings, monitored as part of the corporate programme board and by Cabinet/Corporate Scrutiny in terms of MTFs monitoring, and will include as a key workstream our plans around asset management and investment.</p> <p><u>2024/25 Update</u> Recommendation addressed - The action plan is being used and is tracked to ensure that progress is being made in those areas.</p>

<p>Chief Executive to regularly attend Audit and Governance Committee</p>	
<p>The Chief Executive should look to be a regular attendee of the Audit & Governance Committee meetings to be in line with the CIPFA guidance.</p>	<p><u>Recommendation</u></p> <p>We recommend that consideration is made to the CIPFA guidance setting out the Chief Executive as being one of the regular attendees at the Audit and Governance Committee.</p> <p><u>Management comment</u></p> <p>The Chief Executive will attend Audit & Governance Committee meetings going forward.</p> <p><u>2024/25 Update</u></p> <p>Recommendation addressed - From observing the Audit & Governance Committee Meetings, the Chief Executive has been present for these meetings.</p>

<p>Regularly monitor progress against High Street Funding.</p>	
<p>Regular monitoring against the High Street Funding should be taking place to ensure that on track to deliver required spend by March 2025.</p>	<p><u>Recommendation</u></p> <p>It is recommended that the Council, as a priority, continue to regularly monitor the progress against the Future High Street Fund to ensure that they are on track to deliver the required spend by March 2025. Where this is not the case, they should seek formal approval from MHCLG of the extension required and produce and share a detailed plan for a realistic time frame for completion of the project.</p> <p><u>Management comment</u></p> <p>Spend against the FHSF scheme is regularly monitored at Programme Board and as part of monthly reporting to CMT and quarterly to Cabinet and Corporate Scrutiny. The latest projections are that all but £186k of FHSF grant will be spent by end March, and this has been reported to MHCLG who are satisfied with progress.</p> <p><u>2024/25 Update</u></p> <p>Recommendation addressed - Evidence has been seen that regular monitoring of the Future High Street Spending is in place.</p>

<p>Capital project funding decision making.</p>	
<p>There should be clear evidence of decision-making being made in regard to capital project funding</p>	<p><u>Recommendation</u></p> <p>Pressure to spend capital project funding by a specific deadline has a risk of not ensuring funds are achieving value for money. The Council should ensure that they are able to provide clear and concise audit trails of where funds have been spent in line with appropriate policies.</p> <p><u>Management comment</u></p> <p>There are clear and concise audit trails in terms of decision making at Programme Board level and with regular reporting to Members including full Council where required.</p> <p><u>2024/25 Update</u></p> <p>Recommendation addressed - It is evident that there is a clear and concise audit trail of decision making.</p>



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