Interim Auditor's Annual Report for the London Borough of Waltham Forest

Year-ended 31 March 2025

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28 November 2025

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Our audit report is made solely to the members of London Borough of Waltham Forest (the 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 the Council, as a body, for our audit work, for our auditor's report, 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.

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01

Executive Summary

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 2024-25 audit of London Borough of Waltham Forest(the 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 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 2024/25 ('the CIPFA Code')

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	The Code of Audit Practice requires us to issue the Auditor's Annual Report no later than 30 November of each year. In order for us to comply with this requirement, we have issued this Auditor's Annual Report prior to the completion of our work in relation to the financial statements and other information. Consequently, we have not reached our conclusions in respect of these areas.
Value for money	We have not identified to date any 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, though note that our work is ongoing. Further details are set out on page 7.
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. As the National Audit Office has not yet concluded its audit of the Whole of Government Accounts for the 31 March 2025 financial year, we are unable to confirm that we have concluded our work in this area.
Other powers	See overleaf.

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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.

As at the date of this report, 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.

As at the date of this report, we have not applied to the courts.

Recommendations

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

1.We can make a statutory recommendation under Schedule 7of 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.

As at the date of this report, we made no recommendations under Schedule 7 of the Act.

As at the date of this report, we have not raised any other recommendations.

Advisory notice

We may issue an advisory notice if we believe that 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.

As at the date of this report, 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 and Governance 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.

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03

Value for Money

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 not complete. Matters set out here may change upon the completion of our work.

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	9 – 10	11 – 12	13
Identified risks of significant weakness?	✓ Yes	x No	x No
Actual significant weakness identified?	TBC	x No	x No
2023-24 Findings	No significant risks identified.	No significant risks identified	No significant risks identified
Direction of travel Upwards: Increase in risks or weaknesses	↗	↔	↔

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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.

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. Analysis by London Councils argues that London Boroughs will see the largest funding losses whilst also experiencing significant financial pressure. The Institute of Fiscal Studies has found that inner London boroughs are, in particular, set to lose substantial sums.

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). Government guidance is awaited on children's services reform and SEND, and some authorities are delaying transformation programmes until there is clarity on how services should evolve.

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. This override was extended to March 2028. However, some have raised concerns that this extension only defers the problem, and the underlying unsustainability of education expenditure has not been resolved.

Housing

Landlords, including Councils, are required to take action to ensure homes are compliant with fire safety legislation and new regulations to improve building safety. These regulations have increased the costs faced by landlords, caused loss of income where properties were void for repairs, and increased the risk of regulatory action should improvements not be made. The Regulator of Social Housing has also raised frequent concerns regarding the ability of Councils to comply with their consumer standards, in particular around treating tenants fairly and ensuring homes are safe. This has increased the cost of compliance, whilst housing budgets remain under significant financial strain. At the same time, Councils are also experiencing significant financial pressure in temporary accommodation budgets, due to high demands on services and difficulty in obtaining suitable accommodation.

Local context

Waltham Forest is a diverse and growing borough in northeast London, with a mix of urban and green spaces, a thriving cultural sector, and strong community services.

The Council managed to achieve a net nil outturn for 2024/25 after a £2.656m drawdown from the Budget Strategy Reserve (BSR). However, there was a significant overspend of £24.458m across service directorates, mainly due to pressures in Adults and Children’s Social Care and temporary accommodation costs. As a result of the growing demands on services and consequential increase of costs, there is significant pressure on the Council’s earmarked and usable reserves as noted by declining total usable reserves which fell from £100m to £70m at the end of the financial period.

The Council performed positively on its Housing revenue account as depicted by the HRA surplus of £1.4m, increasing the HRA working balance to £6.9m. However, the HRA reserves remain low compared to other London authorities and are expected to fall further due to planned usage on capital programme delivery and borrowing costs.

The DSG deficit increased by £4.454m in-year, mainly due to high needs block pressures, bringing the total deficit to £5.379m at year-end. The Council is in the process of creating transformational plans to reduce the costs and identification of saving plans to curb further increase in level of deficit.

The Council approved capital budget for 2024/25 of £151million and reported a slippage of £19.2m (13% of the budget).

The Council had Ofsted inspection in July 2024 that rated services overall as ‘Good’, with ‘Outstanding’ for children in care and Regulator of Social Housing (RSH) inspection resulted in a C2 grading (second highest) against consumer standards.

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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 Council approved its MTFS for 2024/25 to 2026/27 and the detailed budget for 2024/25 at Budget Council on 29 February 2024. The final outturn for 2024/25 reflects significant pressures, particularly in Adults and Children's Social Care and temporary accommodation, with a combined overspend of £15.182 million in these areas. The total unfunded budget pressure across service directorates was £24.458 million, an increase from the previous year, mainly due to increased demand and inflationary pressures. In addressing the overspends and deficits, the Council set aside funds for earmarked purposes, meaning use of reserves is expected when appropriate spend is identified. The cost pressures in social care and temporary accommodation are common in the sector.

The overspend was offset by corporate underspends and additional income, including a £14.560 million underspend in corporate budgets and £7.242 million in grants and taxation income. The final position was brought to a net nil variance after a £2.656 million drawdown from the Budget Strategy Reserve (BSR). Despite the overspends noted, the Council avoided ending the year in deficit. By offsetting the overspend with corporate underspends, additional income, and reserves, the Council achieved a net nil variance, meaning the budget was balanced. The drawdown from the Budget Strategy Reserve shows that reserves are being used as intended to smooth out financial pressures. The non-recurrent way in which a balanced budget was achieved demonstrates a "reactionary" approach to the budgetary underspend, and suggests the Council did not have effective measures to identify, manage, and mitigate in-year financial pressures.

In 2024/25 we noted that the Housing Revenue Account (HRA) achieve a surplus of £1.388 million, transferred to reserves and supported a balanced position. The Dedicated Schools Grant (DSG) ended the year with a deficit of £5.379 million, mainly due to high needs pressures, and this deficit is expected to increase further in 2025/26. This is common across all London Councils. The Council has experienced significant financial pressure in the high-needs block component of the Dedicated Schools Grant (DSG) linked to Special Educational Needs and Disability (SEND). This is due to a variety of reasons, including high costs of placements in specialist provision schools and an increase in the number and cost of Education, Health and Care Plans (EHCPs) over recent years. Whilst these are not unique to the Waltham Forest, the Council does have a backlog in completing EHCPs as 50% of these were not done within the prescribed days. This poses a risk of further cost pressures on the DSG that has not yet been fully quantified.

At 31 March 2025, the Council held total reserves of £70.222 million (excluding General Fund working balances), with the BSR at £13.965 million. The General Fund working balance remains at £14.9 million, within the Council's policy range. However, reserves have reduced by 30% over the year, reflecting the use of balances to manage in-year pressures and support transformation. The Council's reserves strategy is to maintain sufficient balances to manage risks and support transformation, but the level of reserves is low compared to peer authorities.

The Strategic Leadership Team (SLT) oversees the budget process, including Cost Improvement Plans (CIPs) and savings programmes. The "Mission Waltham Forest" transformation programme aims to deliver long-term savings and service improvements, with regular reporting and scrutiny by SLT and Directorate Management Teams (DMTs).

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Financial Sustainability

Annual reviews of income streams and fees are conducted, and cost pressures are identified through in-year monitoring and by budget holders. Budget estimates are prepared using the 'My Budget' module in Oracle, incorporating inflation, savings, and growth. The MTFS and budget reports are subject to scrutiny by the Budget and Performance Scrutiny Committee, providing an additional layer of due diligence.

The Council set a savings target of £5.440 million to be delivered in 2024/25, with a total impact of £6.663 million over two years (2024/25 and 2025/26).The Council achieved 70% of savings target and majority of these were deemed recurrent savings in a saving programme mix of management actions, service changes, income generation, and transformational initiatives.

The final outturn position for Adult Social Care (ASC) was an overspend of £7.160 million, predominantly related to care placements and packages across all adult cohorts, reflecting continued pressure on placement needs, volumes, and costs, including inflationary increases. Children's Social Care was overspent by £8.022 million, with the main pressures in placements, SEND, and staffing.

The usable reserves position at year-end was £70.2 million (excluding General Fund working balances), a reduction from the prior year, reflecting the use of reserves to manage in-year pressures and support transformation. The General Fund working balance remained at £14.9 million, within the Council's policy range. Whilst there has been a substantial amount of reserves used by the Council, there has been minimal movement in the unearmarked general fund balance which represents the Council's contingency. The use of earmarked reserves is a common and typical use of reserves, where funds are set aside for specific identified projects.

87% of the capital programme was delivered, with actual capital expenditure of £131.8 million against a 2024/25 budget of £151.0 million. The main areas of slippage were in housing and property projects, with £19.2 million carried forward to 2025/26. The capital programme focused on schools, highways, regeneration, and housing delivery. The largest single area of slippage was in the Housing Revenue Account (HRA), particularly in street property acquisitions. A significant portion (£12.2m) was due to a large number of properties expected to be acquired within a block in 2024/25, which slipped into 2025/26.

At this stage of our work, we have identified significant risk of weakness in the financial sustainability arrangement put in place for Council to achieve Value for money. We have noted that the Council is facing significant pressures due to increases in cost of living, lack of funding and pressures on the SEND budget resulting in significant cost overruns.

The Council has experienced significant overspends in the year and have failed to achieved the targeted savings. We have also noted the Council's reliance on drawdown of reserves in financial year 2024 ,2025 and planned use of reserves in the next financial period. The Council is also experiencing future budget gap in its MTFS due to insufficient funding.

We noted that the Council is currently working on transformational programme aimed at reducing the financial pressure, particularly in relation to Adults Social Care and Children's Services. While we noted that the Council have identified saving plans, we have considered these to be insufficient to bridge the funding gap and the deficits. We will review the final versions of the plans before we issue our final report that will enable us to conclude on the impact of these on Council's financial future planning.

Key financial and performance metrics:	2024-25	2023-24
Planned surplus/(deficit), excluding HRA	-	-
Actual surplus/(deficit), excluding HRA	-	(675)
Planned HRA surplus/(deficit)	-	-
Actual HRA surplus/(deficit)	1.388	484
Usable reserves	134,183	148,486
Gross debt compared to the capital financing requirement	1 : 1	0.9 : 1
Year-end borrowings	681,283	730,687
Year-end cash position	60,333	30,421

HRA: Housing Revenue Account, a ring-fenced fund relating to social housing

Gross debt compared to the capital financing requirement: Authorities are expected to have less debt than the capital financing requirement (i.e. a ratio of under 1 : 1) except in the short term, else borrowing levels may not be considered prudent.

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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.

Risk Management

The Council's Risk Management Strategy provides a structured framework for identifying, assessing, and managing risks at both operational and strategic levels. The process is supported by trained risk champions and the risk service, with regular engagement across all directorates.

The Strategic Risk Register is reviewed and signed off quarterly by the Senior Leadership Team (SLT), with oversight from the Audit & Governance Committee. The register includes both top-down strategic risks and escalated operational risks, each assigned to a risk owner and scored for inherent and residual risk. Mitigation actions and controls are documented for each risk, and progress is monitored through regular reporting cycles. Directorate Management Teams (DMTs) review operational risk registers monthly, with quarterly reviews by risk champions. Significant operational risks are escalated to the Corporate Risk Management Group (CRMG) for consideration and potential inclusion in the Strategic Risk Register.

We have noted that the Council has identified controls on each of the strategic risks to reduce these to an acceptable level and flagged risks that are above the Council's tolerance level. Through our review of the Council's current Strategic Risk Register and supporting documentation, we noted the following key strategic risks have been considered to be above tolerance level:

- Adult Social Care fails to meet its statutory duties including safeguarding and/or fails to deliver these duties within a sustainable financial envelope;
- There is a risk of failure to effectively deliver the Council's housing strategy, including meeting statutory duties to provide temporary accommodation and progressing affordable housing and regeneration plans;
- Residents are at risk of increased hardship due to the cessation of the Household Support Fund (HSF) in September 2024.

We have noted that the Council has flagged up these as high/red risks in risk register. These are tracked closely, with clear ownership assigned to senior officers. We have also noted sufficient actions and controls have been put in place to ensure that the risk level is reduced and falls within the tolerance range.

Governance Structure and Decision Making

The Council's Constitution is structured to meet organisational expectations and provides clear, appropriate definitions of the responsibilities and roles of both members and management. It sets out a comprehensive scheme of delegation, including specified financial limits for payment approvals, official orders, and budget transfers. The Constitution also details financial and contract procedures, encompassing procurement processes and rules for tenders and quotations, and is regularly reviewed to ensure alignment with legislative changes and best practice.

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Governance

Policies and Procedures

Procurement policy is underpinned by the Procurement Act 2023 and the National Procurement Policy Statement 2025, ensuring ethical, sustainable, and inclusive procurement practices. There are agreed policies in place in regard to expected behaviours for staff and members, and we have assessed a number of these, including the Conduct and Discipline Policy and Procedure, Anti Fraud and Corruption Policy, Whistleblowing Policy, Code of Conduct, Sickness Absence Policy, Health and Safety Policy

Group activities

During the period, the Council maintained several investments in jointly controlled entities. Due to challenging market conditions such as inflation, increased borrowing costs and viability issues, the Council placed Sixty Bricks into dormancy in December 2024. More Homes Waltham Forest LLP, a joint venture with Mears Housing Management, continues to provide temporary accommodation for homeless households. In June 2024, Council expressed its intention to secure a second joint venture with Mears to procure up to 400 homes for settled accommodation for households currently owed a main housing duty and living in temporary accommodation.

We have not identified a significant risk of weakness in the Council's governance arrangements, based upon our work completed to date.

	2024-25	2023-24
Control deficiencies reported in the Annual Governance Statement	4	None
Head of Internal Audit Opinion	Reasonable Assurance	Reasonable Assurance
Ofsted rating	Good	Good
Regulator of Social Housing grading	C2	No inspections performed
Local Government Ombudsman findings	20 (100% compliance with recommendations)	25 (100% compliance with recommendations)
Housing Ombudsman findings	2	2
Care Quality Commission rating	No inspections	No Inspections

The annual governance statement noted four high-risk internal audit recommendations were raised by Internal audit. We have not considered these to have significant impact on Council's value for money due to the low significance of the findings in the context of the Council's operations as a whole. This is borne out by the "Reasonable Assurance" opinion issued by Internal Audit.

In the financial year 2024/25, the council received two severe maladministration orders from the Housing Ombudsman, resulting in a total of £13,250 in compensation payments. The Council has implemented robust plans to address them through the Housing Transformation Programme as reported to Cabinet.

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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.

Performance Monitoring

Through review of the Council's governance and performance management arrangements, we noted that operational performance is monitored by relevant services and directorates using a suite of operational key performance indicators (KPIs), which are reviewed on a monthly basis. At the strategic level, the Council has implemented a new Corporate Performance Framework (CPF) from June 2024, following extensive consultation with stakeholders. This framework includes a new set of 81 KPIs, aligned to the Council's priorities and the "Mission Waltham Forest" corporate plan. These KPIs are updated monthly, with commentary provided every two months, and are accessible to senior leaders and relevant officers at all times via a live PowerBI dashboard.

Savings plans

The Council's 2024/25 budget included a planned savings programme of £5.440 million to be delivered in-year, as part of a two-year savings plan totalling £6.663 million (2024/25 and 2025/26 combined). The savings were to be achieved through a mix of management actions, service changes, income generation, and transformational initiatives.

The initial funding gap in the Medium-Term Financial Strategy (MTFS) for 2024/25 for the London Borough of Waltham Forest was £12.243 million as reported in the December MTFS refresh. However, after incorporating the final Local Government Settlement and a series of budget adjustments (including additional grants, savings, and use of reserves), the final funding gap for 2024/25 was closed to £0—meaning a balanced budget was achieved for that year.

Strategic Partnerships

Partnership working is embedded in the Council's strategy and operations. The Council is currently working on securing a second joint venture with Mears to procure up to 400 homes for households in temporary accommodation. The Council also approved procurement of temporary accommodation through a Dynamic Purchasing System as noted by the Cabinet approval in June 2024.

The Council approved borough-wide selective and additional licensing schemes to improve standards in the private rented sector, following extensive consultation with stakeholders. The schemes were designed to address poor housing conditions and anti-social behaviour, with delegated authority for operational delivery and enforcement.

The Council demonstrates robust monitoring of partnership success through delegated authorities, annual reporting, scrutiny committee reviews, financial controls, and ongoing consultation with stakeholders. These mechanisms ensure that partnerships remain aligned with their objectives and that there is accountability for delivery and outcomes.

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Improving economy, efficiency and effectiveness

Procurement Procedures

The updated Procurement Policy (2025) reflects the requirements of the Procurement Act 2023 and the National Procurement Policy Statement 2025. Contract Procedure Rules were revised to align with new legislation, including clearer definitions of exemptions, competitive thresholds, and approval processes for contracts above £9,999, with legal oversight required for higher-value contracts. We noted that waivers and exemptions were subjected to Scrutiny Committee, and the Audit and Governance Committee.

Transformation and Efficiency Programmes

The council has launched a cross-cutting transformation programme, targeting a minimum of £15m annual savings. Investment of £2.5m was made to mobilise 12 transformation workstreams, with business cases and benefits tracked by a Return on Investment Board. The Council's Capital Investment Strategy (£745.9m over 10 years) is aligned to strategic priorities, with a new Capital Prioritisation Framework to ensure affordability and impact. The transformation programme is targeting to address the financial pressure that the Council has on its service directorates.

We have not identified any risk of significant weaknesses in the Council's arrangements for achieving economy, efficiency and effectiveness from our work completed to date.

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