

Auditor's Annual Report Forest of Dean District Council

For the year ended 31 March 2025



Date: 19 December 2025

PRIVATE & CONFIDENTIAL

Members of the Audit Committee
Forest of Dean District Council
High Street
Coleford
GL16 8HG

Dear Sirs and Madams

Forest of Dean District 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

Contents

1. Introduction.....	2
2. Executive summary.....	3
3. Audit of the financial statements.....	4
4. Value for Money.....	5
5. Financial sustainability.....	6
6. Governance.....	8
7. Improving economy, efficiency and effectiveness.....	10
8. Recommendations.....	12

1. Introduction

Our Auditor's Annual Report (AAR) summarises the work that we completed for Forest of Dean District 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 which was presented to the Audit Committee in June 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 1 December 2025. 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 1 December 2025. There were a few areas that required updating and amending in the financial statements, which have been completed by management. See section 3 for more details.




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		We did not identify any significant weaknesses in the Council's arrangements for financial sustainability. We have identified one recommendation (which was unresolved from the prior year) where we consider arrangements in place could be improved.
Governance		We did not identify any significant weaknesses in the Council's arrangements for governance. We have identified two recommendations (one of which was unresolved from the prior year), where we consider arrangements in place could be improved.
Improving economy, efficiency and effectiveness		We did not identify any significant weaknesses in the Council's arrangements for improving economy, efficiency and effectiveness. We have identified two recommendations (one of which was unresolved from the prior year), where we consider arrangements in place could be improved.

Key:

	No significant weaknesses in arrangements identified and no recommendations made
	No significant weaknesses in arrangements identified but recommendations made
	Significant weaknesses in arrangements identified and 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 1 December 2025.

Key issues arising from the accounts audit

Our work on the audit of the financial statements is complete. The financial statements produced by management were of a good quality, and only a limited number of recommendations were raised. We have received a good level of support throughout the audit. We have received a good level of support throughout the audit.

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.

Audit certificate

At the end of the audit, as auditors, we are required to certify the completion of the audit. The effect of this certificate is to close the audit and marks the point when the auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged.

We cannot formally conclude the audit and issue an audit certificate for Forest of Dean District Council for the year ended 31 March 2025 in accordance with the requirements of Local Audit and Accountability Act 2014 and the Code until we have confirmation from the NAO that no additional work (beyond submission of the Assurance Statement) will be required in respect of the Whole of Government Accounts exercise.

More detailed findings can be found in our Audit Completion Report which was reported to the Audit Committee on 18 September 2025.

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 reported a balanced position in its revenue outturn report for the year (after a transfer from reserves of £144k), in line with the Medium-Term Financial Strategy (MTFS) presented in February 2024.

The MTFS presented in February 2025 identified a forecast cumulative deficit of £4,616k by the end of the 2029-30. Although the forecast for 2028-29 has improved from the February 2024 MTFS position (with a forecasted deficit of £2,781k as opposed to £2,830k), the situation over the five-term period of the MTFS is a worse position than the five years to 2028-29. For the year 2025-26 the Council has predicted a balanced budget in comparison to the MTFS reported in February 2024, which showed a funding gap was £490k.

Therefore, there is still a significant need to implement mitigation measures to ensure the Council has a stable financial grounding. This was a recommendation from the prior year which is still relevant to the current year (see below regarding the Workforce Strategy).

Financial planning and monitoring

The Council has kept its financial planning under review throughout the year presenting quarterly monitoring reports to Council meetings. These detail the financial performance and evidence progress made against the latest MTFS.

The Revenue and Capital Budgets for 2025-26 set out the plans for the year, with links to their aims and ambitions over the five-year period (2025-26 to 2029-30).

We recommended previously that the Council implement Workforce and Asset management Strategies in order to reduce the financial risk to the Council. An Asset Management Strategy has been produced, but as of the year-end, the council has still not established a Workforce Strategy (largely due to the ongoing Publica review referenced below). We have therefore included this in a recommendation for the current year. The Council has informed us that it intends to have a review in the year 2025-26.

Achieving efficiency savings

The Quarterly Performance Reports include monitoring of savings schemes against MTFS. There is evidence of scrutiny of the savings reporting in meeting minutes, which ensures that the members are aware of the importance of delivering savings.

From 2021-2024 the investment property portfolio savings had not been met, despite being continually included within the savings reporting. A recommendation relating to the assumptions used for forecasting the investment property rental income returns and the need for prudence was raised in the previous year. In the current year (2024-25) the savings targets have been met. Due to the Council setting more realistic targets via updates in the quarterly reports, this has led to the recommendation from the prior year being resolved.

In drafting the budget, the Council consults taxpayers and businesses on the savings strategies. We found no significant objections in the year and believe that the Council builds stakeholders into the budgets. It was also noted that the Council has implemented a 100% increase in council tax on second homes in the Forest of Dean. As per the Council's website this should help increase income for the Council.

2025/26 financial planning

The Council presented the 2025-26 Budget to members in February 2025. The plan shows a balanced budget for the year. All financial planning is completed based on provisional budget settlements issued by UK Government departments, which feed into the Council's overall planning assumptions.

In November 2023 the Council approved a Publica Review report for returning the majority of services to the Council. This will give them greater control over financial planning going forwards. Further detail in relation to the Publica outsourcing arrangements can be found within the 'improving efficiency, economy and effectiveness' section of our reports.

As of March 2025, the Council began the Phase 2 Transition Plan. This considers the risk, opportunities, cost implications, practicalities and timeliness. The report was approved, and it has been recommended that the impacts of the Phase 2 Transition Plan feeds into the 2026-27 budget so the funding to Publica is proportional to services received. In the prior year we recommended that the Council should closely monitor the costs of the transition period from Publica to service delivery in house which appears to have been met via the Overview and Scrutiny Committee.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Council's financial sustainability arrangements. We have raised a recommendation for improvement at section 8.

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 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

The Strategic Risk Register clearly identifies relevant strategic risks and is presented and reviewed quarterly by the Audit Committee. The Risk Management Group undertakes quarterly reviews of the risk register, escalating any emerging risks to a strategic level. The Locality Leadership Team reviews the Strategic Risk Register on a quarterly basis. The Strategic Risk Register is reported to the Audit Committee on a regular basis. Risks are identified when undertaking Internal Audit reviews and reported when necessary.

The Risk Register details the risk owner and responsible officer for each risk along with the appropriate corporate objective. For each risk identified, the register details the RAG rating, the progression of the risk score, how the risk is currently being managed and further actions to reduce the risk.

The Council's Governance Structure is made up of one Leader, two Deputy Leaders, and five Cabinet members. All except the leader have a title relating to environment, finance, or economy.

Internal control

The Council's Internal Audit is provided by the South West Audit Partnership (SWAP), who have a representative at each of the Audit Committee meetings to present any findings. The Audit Committee approves the Annual Internal Audit Plan and is provided with a progress report against the plan at each meeting.

Through our review of the Internal Audit reports, along with review the Audit Committee minutes and supporting documents, we have not identified any significant gaps in the assurance the Council receives over matters in the work programme.

The 2025 Internal Audit plan was presented to the Audit Committee in March 2024, and a progress report is viewed at each Audit Committee. The audit plan states the weaknesses and gives a priority of actions and time frame to complete the actions. The internal audit plan is updated on a quarterly basis depending on the risks the Council may come to face.

It has been agreed that two additional members will join the Audit Committee in November 2025. This was based on CIPFA guidance from 2022 to have one independent member on the Audit Committee and resulted from a full review of the Audit Committee to ensure compliance with CIPFA guidelines.

The Council has a Counter Fraud and Enforcement Unit which gives bi-annual updates to the Audit Committee. There is a named Counter Fraud Officer for the Council who reports on progress and attends all Audit Committee meetings. Within the year a non-material fraud was discovered. This was in relation to the Covid funding in which an amount was paid to business via fraud and error, less than half of the amount has been recovered. This was discovered by the Counter Fraud and Enforcement Unit, showing the benefit of this service.

The Audit Committee has a key role to play in ensuring the overall effectiveness of internal controls. The Committee discharges this function appropriately by adhering to its terms of reference and challenging officers in relation to internal and external audit findings.

Budget setting and budgetary control

Budgets are developed at service level throughout the Council and are approved by the Cabinet. When developing the budgets, a saving strategy, growth strategy, and capital programme is included. The draft budget is presented to Cabinet in a consultation where key stakeholders can challenge the budget before approving.

Sufficient evidence has been seen through review of minutes to provide assurance that the budget setting and monitoring processes are reported frequently throughout the year. Our review of the MTFS report which is drafted alongside the budget confirms that there is relevant non-financial information included, which helps to support the significant variances that are reported.

As referenced in the Financial Sustainability section, the financial reporting to the Cabinet is summarised at a high level of income and expenditure. Detailed financial information is also included in the report and Cabinet members are given training to improve their knowledge and understanding.

In the prior year we raised a recommendation regarding the level of detail and transparency of reporting to the Council, and also in respect of the consistency of reporting. However, the Council now produce a performance report that is specific to the Council, and which is shared within the quarterly reports at Council meetings. This recommendation has therefore been addressed.

Decision making

All reports have a mandatory schedule setting out the purpose of the paper, recommendations and actions required. They also include a summary of other potential options, legal and financial implications, and any risks associated with the proposal. This is in line with best practice.

We are satisfied that appropriate arrangements are in place to ensure that all relevant information is provided to decision makers before major decisions are made, and that there are arrangements for challenge of such decisions before they are made.

Due to the nature and operations of the Council, partnership working throughout the local government economies is well established and it is evident from minute reviews that frequent reviews are carried out to establish the risk areas, effectiveness, and efficiency of the partnership.

Attendance at Audit Committee has confirmed that the Audit Committee holds officers to account and provides effective challenge.

Ensuring appropriate standards

We have been informed that there have been no instances of significant non-compliance within the year. Throughout our review, we have not identified anything that has contradicted this.

The Council has appropriate policies and procedures in place to ensure appropriate standards are maintained. These include Counter Fraud, Corruption and bribery policy and Gifts & Hospitality policies.

In the previous year it was recommended that the Gifts & Hospitality Policy include more specific criteria. This has now been reviewed and policy updated to include the criteria for acceptable and unacceptable gifts.

Declarations of interests are completed on an annual basis by the Cabinet, with the Register of Interests held on the Council's website. We noted as part of our audit work that the declarations of interest aren't being received for all members. We have therefore included a recommendation regarding this.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Council's governance arrangements. We have made recommendations for improvement at section 8.

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 reports its performance against its Key Performance Indicators (KPI's) quarterly. The KPIs compare performance against the previous quarter and year and provides detailed breakdowns to indicate where the Council is on target and where improvements are required.

Some benchmarking takes place against other local authorities, however, this is mostly for non-financial information. Financial benchmarks against other local authorities are limited to Council Tax and Non-Domestic Rates collected. There is no review of expenditure by service compared to other similar councils, which may provide useful insights. Therefore, we have added this as a recommendation.

The Council's performance reports are provided by Publica, who also provide services for West Oxfordshire District Council, Cotswold District Council, and Cheltenham Borough Council. All the Councils are therefore compared against each other and are able to gain insights from other Councils' policies.

The body has quarterly Internal Audit updates that provide the Council with recommended actions for which improvement is required. This list has been updated quarterly, which shows that the Council is addressing these areas. In addition, there are follow-up assessments on older reports, agreed actions reports, prioritisation of the issues, detailed timescales, and then what detail on resolutions, including a follow-up to ascertain if the goals have been achieved.

Publica outsourcing arrangements

The Council is one of four authorities who used to outsource many core functions (including much of the finance function) to Publica Group limited (Publica). Publica is a 'Teckal company' owned by Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council, established in 2017.

Since 2017 Publica has delivered a wide range of council services delivering efficiencies and savings. A Local Government Association independent peer review was commissioned in 2022 by Cotswold District Council to look at whether Publica was still able to meet the current and future needs of its owners. Subsequently, an options appraisal was undertaken by Human Engine which recommended that the majority of services should move from Publica back to the Councils, leaving Publica to deliver a range of back office and customer services for the Councils. Forest of Dean District Council agreed with the recommendation and the Chief Executive has organised a detailed transition plan in conjunction with partnership authorities.

In January 2024, Forest of Dean District Council agreed to establish a Scrutiny Panel with terms of reference which includes nine members, with the chair being a member of the Overview and Scrutiny Committee. They met on 26 February 2024 to review draft terms of reference and subsequently the Overview and Scrutiny Committee agreed these at the meeting on 7 March 2024. Recommendations were approved by Cabinet and Council in April 2024, and a detailed transition plan has been prepared by The Interim Programme Director in connection with the Publica transition and repatriation of services.

In July 2024 the Overview and Scrutiny Committee reviewed the Transition Plan. Recommendations were put forwards and agreed by the committee including ensuring appropriate consultations with staff and unions, opportunities for the Council within the transition, and ensuring the current value of service is maintained. The Overview and Scrutiny Committee also reviewed the costs to change in the report.

The Council have started this transitional process, being in Phase 1, and have started to establish frameworks for accountability and responsibility. This will impact governance for the immediate future and is in train. In March 2025, Phase 2 of the transition plan was discussed by the full Council, which is specifically about bringing Publica staff back into Council

employment. The Cabinet had already recommended the approval of the transition plan and to delegate the authority to the appropriate individuals. The Recommendations were approved alongside Phase 2 Transition Plan unanimously. Therefore, it is expected for Phase 2 to begin in year 2025-26.

As of the year end 31 March 2025, the following services that have been repatriated into the Council included Strategic Finance, Accountancy, Economic Development, Tourism, Communications, Community Safety and Engagement, Electoral Services, Democratic Services, and Member Services. Following this, as of the 1 July 2025, Property and Estates, Waste and Leisure have also been brought back into the Council. The functions that were planned to be repatriated but have not yet include Insurance, Parking, Business Intelligence, Corporate Performance, and Organisational Development.

Partnership working

The Council has established collaborative arrangements monitored through the Cabinet and have established governance structures. There is evidence of clear communication between the Cabinet and its partnerships.

The Council reviews partnerships on a rolling basis in the Overview and Scrutiny Committee. Reviews carried out by Internal Auditors are presented to the Audit Committee who will communicate any concerns to the partnership leaders to ensure that they are resolved. We have raised a recommendation for improvement in relation to the monitoring of partnership arrangements which should receive regular scrutiny throughout the year to ensure performance is in line with expectations. Whilst this has seen an increase in the number of times partnerships are reviewed (for example, Ubico was reviewed twice last year), there is still no formal process/rotation for partnerships to be regularly reviewed.

Commissioning and procuring services

The Council outsources procurement services to Publica, with the aim of maximising value, generating income, and being innovative.

The Council receives quarterly performance and financial updates from Publica which present the performance of key service providers or sub-contractors. The report sets out explanations for any variances which allows the Council to assess whether the expected benefits are being realised. We expect this to change as the Publica transition plans start to take effect.

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. We have raised recommendations for improvement at section 8.

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.

Current Year Issues

Governance – Declarations of Interest	
<p>The Council should ensure that any related parties from the Councillors are collected every year via the declarations of interest. Even if these are nil declarations.</p> <p>There is a potential risk of missing declarations of related parties</p>	<p><u>Recommendation</u></p> <p>Management should aim to ensure that declarations are received from all members, even if these are nil declarations.</p> <p><u>Management comment</u></p> <p>XXX</p>

Improving economy, efficiency and effectiveness – Financial Performance Reporting	
<p>Some benchmarking takes place against other local authorities. However, this is mostly for non-financial information.</p> <p>There are currently only two areas where financial performance is monitored:</p> <ul style="list-style-type: none"> • Council tax collection; and • NNDR collection. <p>There is a potential risk of missed value for money opportunities when not benchmarking against other similar organisations.</p> <p>There is no review of expenditure by service compared to other similar councils, which may provide useful insights.</p>	<p><u>Recommendation</u></p> <p>The Council to include expenditure benchmarking against other councils in quarterly reports. We recognise that councils have different natures and levels of expenditure, this is to ensure that the Council is continuing to review its expenditure and ensure Value for Money.</p> <p><u>Management comment</u></p> <p>XXX</p>

Prior Year Issues - Ongoing

Financial Sustainability - Workforce & Asset Management Strategies	
 <p>Prior Year Finding The absence of Workforce and Asset Management Strategies increases financial risk to the Council.</p> <p>The implementation of these strategies will support the Council to identify and allocate resources accordingly which will support the Council's financial planning.</p> <p>2024-25 update The Asset Management Strategy was approved within June 2024, however, the Council's Workforce Strategy is still being developed at year end</p>	<p>2023-24 Recommendation We recommend the Council develops and agrees the following:</p> <ul style="list-style-type: none"> • A Publica Workforce Strategy and aligned Council Workforce Strategy that supports the delivery of the Council's corporate priorities and MTFS. • An Asset Management Strategy that is aligned to the Council's Corporate Plan 2019 – 2023 and Climate Change Strategy 2022 – 2025 that supports the Council in the delivery of its objectives through the management of physical assets in line with the Council's MTFS. <p>2023-24 Management comment The Corporate Plan has been updated due to the new Administration and the Asset management strategy has also been approved by Cabinet in 2024. The Climate change strategy is being reviewed this year to align with the new corporate plan. The Council Workforce strategy will be update once the Publica review is completed.</p> <p>2024-25 Recommendation Management should continue with current plan to establish the FODDC Workforce Strategy</p> <p>2024-25 Management comment XXX</p>
Improving economy, efficiency and effectiveness – Partnership Reviews	
 <p>Prior Year Finding Partnerships are reviewed by scrutiny on a rolling basis. Any partnerships which are starting or ending are reviewed but ongoing partnerships are often not reviewed more than once a year. This could lead to an oversight of issues and makes it difficult for the Cabinet to maintain overall decision-making responsibility for matters affecting the Council.</p> <p>2024-25 update Whilst this has seen an increase in the number of times partnerships are reviewed (for example, Ubico was reviewed twice last year), there is still no formal process/rotation for partnerships to be regularly reviewed.</p>	<p>2023-24 Recommendation The Council should ensure that partnership arrangements receive frequent scrutiny during the year to effectively monitor the performance of such arrangements.</p> <p>2023-24 Management comment This recommendation will be picked up with the chair of Scrutiny</p> <p>2024-25 Recommendation The Council should ensure that partnership arrangements receive frequent scrutiny during the year to effectively monitor the performance of such arrangements.</p> <p>2024-25 Management comment XXX</p>

Governance - Contract Procurement Processes



Prior Year Finding

The Council's procedure rules which form part of the Council's constitution have not been updated to reflect changes to procurement procedures, and thresholds, that have occurred due to the adoption of the Procurement and Contract Management Strategy 2022 and the associated commissioning and procurement user guide.

2024-25 update

The procedure rules were not updated during the 2024-25 year, and so this remains a recommendation. However, as of April 25, this process has now been updated and so this has been addressed post year-end.

2023-24 Recommendation

We recommend the Council reviews the contract procedure rules, during 2023/24, to ensure they fully align with developments in the Council's procurement and contract management process.

2023-24 Management comment

This has not been completed.

2024-25 Recommendation

We recommend the Council reviews the contract procedure rules, to ensure they fully align with developments in the Council's procurement and contract management process.

2024-25 Management comment

XXX

Prior Year Issues - Resolved

Governance - Publica Transition Financial Planning



Prior Year Finding

In November 2023, the Council approved a Publica Review report including indicative costs and mitigation options for returning the majority of services to the Council.

When compiling the Budget, there was no clear transition plan in place to evidence the cost pressures of the transition period, including staffing costs and other implementation costs, which could cause uncertainty for the Council's finances.

2024-25 update

The Council has now created a transition plan which is monitored by the Overview and Scrutiny Committee to ensure this is tracked.

2023/24 Recommendation

The Council should closely monitor the costs of the transition period from Publica to service delivery in-house to ensure that it does not breach its MTFS position of a balanced budget.

2023/24 Management comment

These discussions have taken place over multiple years and the decision has been made to move strategic finance back to the Council in November 2024 and clearer definitions of who does what will be defined.

Governance - Investment Property Savings Forecasting



Prior Year Finding

The level of savings projections for the Council's investment property portfolio has been missed since 2021-22. This may indicate a weakness in financial planning through over-optimistic forecasting.

Current year update

The Council has now created more realistic targets inline with the market which have been reached

2023/24 Recommendation

The Council should undertake an evaluation of the assumptions used for forecasting returns from its investment property portfolio to allow for additional prudence in projections to prevent the continuing trend of missed savings targets in this area.

2023/24 Management comment

This has always been seen as a challenging target but something that the Estates team have always signed up to. This has been reduced going forward.

Governance - Performance Report



Prior Year Finding

The Council's performance report is combined with that for Cheltenham Borough Council, Cotswold District Council and West Oxfordshire District Council meaning the performance data provided is not always specific to the Forest of Dean District Council. Some KPIs are not compared to the national average which makes it difficult to evaluate performance.

Current year update

The Council has now updated their performance reporting having changed it to being Forest of Dean District Council specific which is reviewed within the quarterly reports

2023/24 Recommendation

The Council should seek to report their performance separately to other authorities also prepared by Publica, to ensure that the reporting is specific to the Council and can include clear comparisons to the national averages.

2023/24 Management comment

The performance report have already been changed and you can see this in the cabinet agenda for the September cabinet meetings.

Governance - Gifts and Hospitality Policy



Prior Year Finding

The gifts and hospitality policy states that any gifts and hospitality over £50 must be declared but does not set out the criteria for acceptable and unacceptable gifts.

Current year update

The Council has re written the gifts and hospitality policy to include the criteria for what gifts and they can and cannot accept

2023/24 Recommendation

The Council should seek to implement a detailed and prescriptive Gifts and Hospitality Policy, with clear criteria for acceptable and unacceptable gifts.

2023/24 Management comment

The Council are happy to review this policy going forwards

