

Classification: Open	Decision Type: Non-Key
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Report to:	Audit Committee	Date: 17 February 2026
Subject:	Progress Update from the Council to the Statutory Recommendation received from the External Auditor under schedule 7 of the Local Audit and Accountability Act 2014	
Report of	Director of Finance S151 Officer	

Summary

1. The Council's external Auditors, Forvis Mazars, presented the outcome of their audit work in relation to their judgements in the area of the Council's Value for Money arrangements for the 2021/22 and 2022/23 financial years to the December Audit Committee meeting. They identified three significant weaknesses in the Council's arrangements. These weaknesses are across all three reporting criteria that they are required to consider under the Code of Audit Practise, namely; financial sustainability, governance and for improving the economy, efficiency and effectiveness of services.

2. Forvis Mazars determined that use of their statutory reporting powers under the Local Audit Accountability Act 2014 was necessary and issued a statutory recommendation formally to the Chief Executive on 12 December 2024. They recommended that:

"The Council should, as a matter of urgency, develop a comprehensive Council wide improvement plan to reflect the transformation and cultural change needed across all departments, to ensure the Council can deliver the range, level and quality of services that it deems appropriate and within its statutory responsibilities in a financially sustainable way. Appropriate management and member oversight is required to ensure the improvement plan is delivering changes that are embedded into the organisation."

A response was provided by the Council to the January 2025 Audit Committee meeting which included the publication and approval of an improvement action plan which was also subsequently approved at Council.

This report provides the third update on activity and delivery against this action plan with the previous updates being brought in April and July 2025 and highlights the improvement work that has been carried out by the Assurance Boards. In addition to the work carried out by the Boards there have been Council wide briefings, Senior Management sessions and Executive Leadership Team engagement with the improvement work and compliance sprints.

This update provides the latest position against the wider Improvement Work Plan and Audit recommendations.

Recommendation(s)

3. The Audit Committee is asked to:
 - a. Note the progress detailed in the action plan update.
 - b. Endorse the proposal for future governance and monitoring of the improvement plan as outlined in the report.

Reasons for recommendation(s)

This report provides assurance of delivery and progress so far against the improvement plan that was developed in response to the statutory recommendation. In addition, it proposes robust new arrangements for governance and monitoring of delivery going forward which aligns with Corporate Performance reporting.

Alternative options considered and rejected

4. n/a

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Background

5. This report provides a fourth progress update on the Improvement Action Plan which was agreed by Audit Committee in January 2025. The last update was provided to the Audit Committee in October 2025. This report therefore contains a full year update on improvement activity.

Improvement Action Plan Progress

6. There continues to be progress made within expected target dates across some of the plan. The plan in Appendix 1 was split into the following areas:
 - a. **Financial Resilience (including financial strategy):** All actions are on track or complete. The Finance Board continues to be run monthly overseeing the key milestones in the Improvement work plan. The Finance Board has overseen the approach and assumptions that underpin the 2026/27 proposed revenue budget and capital programme, medium term financial strategy and related other budget papers. The report has built on the proposals included within the December Cabinet report, reports on the outcome of the public budget consultation and has updated for the latest available information including the provisional local government finance settlement that was received on 17 December. The revenue budget proposed for 2026/27 includes a significantly lower contribution from reserves than in previous years but an increasing

funding gap in future years within the current medium term financial strategy and therefore outlines the approach to be undertaken early in the new financial year to identify further proposals that will ultimately enable a budget to set without recourse from reserves in future years.

- b. **Finance Capacity and Transformation (actions in relation to the finance restructure):** With regard to Phase One, following a successful recruitment and interview process appointments have been made to the Strategic Finance Lead roles with those appointed working their notice periods and with formal start dates confirmed for all in March and April. The Council is currently also out to advert for the next tier Senior Finance Business Partner and Corporate Accountancy Manager roles. The Phase Two consultation will begin on 11 February and complete in early March when any subsequent changes to the draft structure and approach to appointing will be confirmed.
- c. **Governance and Compliance including Estate Management and Leadership and Governance Arrangements:** All of these actions are now complete. The Board has now moved to a programme of compliance activity across the Council in line with the improvement action plan.

Progress of the Six Assurance Boards

The below provides a recent summary of some Improvement Work Plan activity (in addition to above) by each Board. As the first year of the work of the Boards comes to end the majority of recovery actions are complete and the following activity has become business as usual activity:

Commercial

- Support with agreement for fit out and lease for Flexi Hall operator.
- Reviewed operating plans for opening of New Radcliffe Hub.
- Plans developed for a robust review of traded services.

Finance

- Delivered budget setting proposals for 2026/27 and delivered budget consultation
- Procurement and Contract Management new operating model invest to save business case developed and ultimately approved by Cabinet. The approved investment also includes the implementation of new systems including Scanmarket which is the process of being implemented and rolled out and will both digitise the contracts register but also hold real-term performance and management information, A procurement continuous improvement group is in place providing assurance to the Finance Board, chaired by the Head of Procurement and with senior cross-Directorate representation.
- Plans developed for improved capital programme monitoring and governance processes through the implementation of new Verto software and a capital sub-group set-up reporting through to the Finance Board as part of the more robust capital gateway arrangements going forward.

- Various business cases received for finance approval as part of governance process and included within the MTFS.
- In depth monthly review of Adults and Children's forecast revenue outturn position and the development and monitoring of the mitigations to address the forecast spending pressures in both service areas.

Governance and Assurance

- Regular updates received from the Health and Safety Subgroup
- Monthly performance updates through the Compliance Dashboard:
 - FOIs completed within timescale: Jan 2025 50.4% - Jan 2026 – 79.0%
 - SARs – in April-July 2025 the number of SARs completed outside of timescale on a monthly basis ranged from 4-14. From August onwards this was no more than 2.
- The Improvement Workplan is now monitored for progress on a monthly basis
- 96% of Business Continuity Plans have been finalised for services for 2025/26.
- The annual report on ombudsman complaints showed an increase in complaints and enquiries in 2024/25 compared to 2023/24 of 100 from 78. However, less of these were upheld by the ombudsman 10 compared to 23. For Bury, 71% of complaints investigated were upheld compared to an average of 81% in similar authorities.
- A targeted piece of work is planned for February to explore remaining non-compliance with GDPR training. The suite of training for GDPR is being reviewed to tailor the courses to meet the needs of both new starters to the organisation and annual refreshers for existing staff.
- The Board have agreed and put in place new business planning processes for 2026/27 to align with corporate planning. This will define timescales around service planning and employee reviews creating a new compliance measurement for all employee reviews to be complete in March in advance of the planning year. The key performance indicator will be developed to monitor this and is expected to show increased compliance in this area.
- The Board provides forward plans for Members Assurance Group, tracking large scale projects and financial sustainability.

Performance, Delivery and Transformation

- Information@Work document retention upgrade project has been completed and the retention module now fully implemented.
- The 2025/26 Corporate Plan continues to be monitored for delivery and plans in development for the 2026/27 Corporate Plan are near approval for the new reporting year.
- The new Workforce Strategy has had initial sign off by the Employment Panel in November.
- A new Digital Strategy has been developed and shared ready for next steps of implementation.
- There is now a Digital Board in place as a subgroup dedicated to the implementation of digital projects.

- Business cases received and approved where required for presentation at Finance Board.

Property and Estates

- Roll-out of the Corporate Landlord model continues and the development of an estates strategy for the council is in development.
- The Board is supporting changes in the national agenda regarding SEND provision and overseeing the provision of new inclusion spaces.
- Building compliance continues to be monitored by the Board through the delivery of FAGELL team.
- Sites being added to Concerto asset register as per planned activity.
- CBRE work completed.

Regeneration

- Delivery of Radcliffe Hub and Market Chambers is on schedule for soft launch later this year.
- The Flexi Hall is ahead of schedule for opening later this year.
- Prestwich Village: Phase 1a Travel Hub works complete and on track for delivery.
- Western Access project as part of Northern gateway being supported and monitored by the board

Priorities for the year ahead and governance going forward

Further review of the Improvement Plan and Assurance Boards has taken place in advance of the organisation's planning round for 2026/27. The Assurance Boards have provided an improved and robust level of governance throughout the past year which makes decision making more transparent and collaborative. Actions from the Boards are reported to Executive Leadership Team and Members Assurance Group with escalations where required and an audit trail recorded through highlight reporting. Alongside this overall delivery updates on the Improvement Workplan are also provided which are also reported at this Audit Committee.

Alongside the planning for the delivery of the Corporate Plan for 2026/27 the continued priorities for delivery through the Improvement Plan have also been considered. A draft plan on a page has been developed alongside the draft Corporate Plan on page (which is currently subject to final approval and sign off). It is proposed to align the reporting process of the Improvement Plan alongside the current established process of the Corporate Plan, where in-quarter issues would be monitored through the Performance, Delivery and Transformation Board and Governance and Assurance Board where required additionally. A full quarterly update on delivery and performance of both the Improvement Plan and Corporate Plan would be published at Cabinet using the current governance and reporting methods for the Corporate Plan.

The Corporate Plan with associated improvement activity will in addition be taken to Overview and Scrutiny as per the usual performance processes.

In development of the Improvement Plan for 2026/27, the following draft delivery priorities have been proposed across 5 boards. These have a focus on financial

sustainability and in addition core improvement actions. It is proposed that Regeneration Board will be monitored through the usual Corporate Planning process as through the year this has been seen as a duplication of assurance. The activities for that Board will be the key regeneration projects set out in the Corporate Plan.

Finance Board:

- Monitoring delivery of the approved revenue budget and capital delivery including delivery of agreed savings.
- Updating of the MTFs and oversee the budget process to identify future revenue budget proposals and changes to the capital programme.
- Further development of spend controls and mitigations in-year to support financial sustainability.
- Continued delivery of the Unit 4 upgrade programme and ensure that the benefits identified in original business case are achieved.
- Oversee implementation of the new Procurement and Contract Management Operating Model and service transformation including delivery of agreed contract savings.

Property and Estates Board:

- Production of an Estates Strategy to include delivery of:
 - Commercial lease reviews
 - Rationalisation of administration buildings
 - Ongoing building disposal strategy
 - Robust Facilities Management Function
 - Implementation of Corporate Landlord

Performance, Delivery and Transformation Board:

- Transformation Delivery including:
 - Digital Strategy (including key system upgrades such as QL, LCS, Unit 4, Controcc and business as usual systems development)
 - AI assessment and roll out
 - Internal productivity strategy
- Corporate Plan delivery
- Improvement Plan delivery
- Regulator Readiness

Governance and Assurance Board:

- Policy and Statutory Compliance monitoring
- Further support and compliance monitoring for Health & Safety including updates from the Health & Safety subgroup
- Compliance monitoring of mandatory training, complaints, risk, PDRs, audit, H&S, IG (FOIs, SARs, EIRs, data breaches)
- Continued monitoring of audit recommendations

Commercial Board:

- Review of council commercial arrangements and development of a commercial strategy.
- Overview of traded services

Links with the Corporate Priorities:

The production and publication of the Statement of Accounts and value for money opinion provides valuable information to the residents of the Council and to its suppliers. Responding and providing assurance to our external auditors reaffirms that a strong financially sustainable Council is essential to the delivery of the Let's do it Strategy.

Equality Impact and Considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows: A public authority must, in the exercise of its functions, have due regard to the need to - (a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act. (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Internal Audit provide assurance to Committee Members and the public that the organisation is delivering services in line with agreed policies and procedures which have considered the requirements of the Equality Act 2010.

Environmental Impact and Considerations:

n/a no decision required

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Reputational risk	This update response to our improvement plan provides assurance as to the delivery of the improvements required

Legal Implications:

To be completed by the Council's Monitoring Officer.

- This is an update on the progress of the improvement plan pursuant to auditors recommendations. Audit Committee agreed the actions would be reviewed by Members with Audit and Overview and Scrutiny Committee receiving regular reports on the Council's progress
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Financial Implications:

To be completed by the Council's Section 151 Officer.

- The annual production and audit of the statement of accounts and review of value for money arrangements are an essential part of any organisation and represent the financial position of the business for that particular financial year. For public sector organisations they are statutory and give the public and central government assurance that taxpayers money is being expended in an economic and efficient way. Approval of the improvement plan and the ongoing review of its delivery will provide assurance that the issues identified by the external auditors are addressed.
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Appendices:

Appendix 1: Improvement Plan Activity Tracker

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
MAG	Members Assurance Group
ELT	Executive Leadership Team
RAAC	Reinforced autoclaved aerated concrete

Appendix 1: Improvement Plan Activity Tracker

Improvement Theme	Improvement Action	Council Response	Timescale	Officer	Member	RAG	Comments
Financial Resilience	Financial Strategy	The S151 to chair a monthly strategic finance board, made up of senior officers from all of the service directorates, with responsibility for monitoring delivery of the in-year revenue budget and capital delivery programme and production of the subsequent years' revenue budget, capital programme and medium term financial strategy	Feb-25	Director of Finance	Cllr Thorpe	COMPLETE	Now Complete.
Financial Resilience	Financial Strategy	Detailed 2026/27 budget timetable agreed setting out the approach, workstreams and timelines supporting production of proposals to address the structural funding gap. This built on the agreed strategy and involved a zero based budget review of all council services being undertaken to identify proposals that will enable a balanced budget to be set without recourse to reserves over the length of the current medium term financial strategy. The timetable and approach included the identification of additional capacity requirements to support the budget work and was funded from the ongoing capital receipt flexibilities in place to support council and service transformation	Mar-25	Director of Finance	Cllr Thorpe	COMPLETE	Now Complete.

Financial Resilience	Financial Strategy	<p>Development of budget proposals, involving the wider workforce, on a service basis through consideration of: The key cost drivers affecting their services, Current service performance levels including a productivity assessment and how they compare to benchmark councils and 'best in class', Current service standards being operated to and the scope for changes in those standards including any elements of the service that could be stopped or reduced, Consideration of different models of service delivery, Opportunities from implementing different ways of working, including self-service if appropriate, The impact of their proposals on other service areas i.e. either in requiring their input and support in delivering the change or in potentially increasing costs elsewhere, Opportunities for additional income generation, and consideration of the impact of their proposals on the customer.</p>	Feb-26	Director of Finance	Cllr Thorpe	ON TRACK
		<p>Over £14m of new budget proposals were considered at December Cabinet and the approach identified with regard to further work being undertaken to reduce the £7.5m remaining funding gap. The revenue budget being proposed at February Cabinet will reduce the funding gap and level of support required from reserves to under £4m and identifies the approach to address the forecast increase in the forecast funding gap over the term of the current MTFs.</p>				

Finance Capacity and Transformation	Finance Restructure	Consult on phase 1 of new Finance Structure	Jan-25	Director of Finance	Cllr Thorpe	COMPLETE	Now Complete.
Finance Capacity and Transformation	Finance Restructure	Appointments made to the Strategic Finance Lead posts and will start in March and April following completion of their notice periods. Currently out to advert for the next tier Senior Finance Business Partners and Corporate Accountancy Manager roles	Mar-26	Director of Finance	Cllr Thorpe	BEHIND	Appointments made to the Strategic Leads and recruitment to the other posts within phase 1 underway.
Finance Capacity and Transformation	Finance Restructure	Develop phase 2 of new Finance Structure for consultation informed by the Unit 4 upgrade transformation programme	Nov-25	Director of Finance	Cllr Thorpe	BEHIND	Consultation on Phase 2 proposals to begin on 11 th Feb.
Finance Capacity and Transformation	Unit 4 ERP System Upgrade	Agree detailed programme plan, capacity requirements and governance arrangements to enable delivery of the upgraded system and planned benefits in April 2026	Feb-25	Director of Finance	Cllr Thorpe	COMPLETE	Now Complete.
Governance and Compliance	Estate Management	Completion of the remaining RAAC's surveys and any subsequent actions undertaken as may be required	Feb-25	Executive Director Place	Cllr Quinn	COMPLETE	Now Complete.
Governance and Compliance	Estate Management	Completion of single reconciled estate asset register	Apr-25	Executive Director Place	Cllr Quinn	COMPLETE	Now Complete.
Governance and Compliance	Estate Management	Consolidation of the council's property function within the new Place Directorate with responsibility for: Strategic Asset Management including delivery of the planned reduction in the size of the estate, Identification and delivery of planned and cyclical maintenance,	Apr-25	Executive Director Place	Cllr Quinn	COMPLETE	Now Complete.

		Property compliance and safety, Responsive repairs					
Governance and Compliance	Leadership and Governance Arrangements	Establishment of six new assurance boards with agreed terms of reference and 12 month forward plan, to ensure that there is a culture of compliance across the Council, the Boards will provide management oversight across Council activity, the work of the Boards will align to the corporate plan	Feb-25	Director of Law and Governance	Cllr Rafiq	COMPLETE	Now Complete.
Governance and Compliance	Leadership and Governance Arrangements	Governance and Assurance Board will have responsibility for overseeing implementation of all outstanding recommendations from internal audit reports, which is currently the role of the corporate governance group.	Feb-25	Director of Law and Governance	Leader and Cabinet Members via MAG	COMPLETE	Now Complete.
Governance and Compliance	Leadership and Governance Arrangements	Terms of reference (TOR) prepared for all Boards/Member Assurance group and revised TOR for ELT	Feb-25	Director of Law and Governance	Leader and Cabinet Members via MAG	COMPLETE	Now Complete.
Governance and Compliance	Leadership and Governance Arrangements	The assurance reports will be formally received by a Members Assurance Group made up of Cabinet members.	Mar-25	Director of Law and Governance	Leader and Cabinet Members via MAG	COMPLETE	Now Complete.
Governance and Compliance	Leadership and Governance Arrangements	Revised PDR and Induction processes and documentation to reflect updated compliance, control and management requirements and related management development needs.	Mar-25	Director of People and Inclusion	Cllr Rafiq	COMPLETE	Now Complete.

Governance and Compliance	Leadership and Governance Arrangements	Officer declarations of interest will now be held by the Director of Law & Governance, this will bring Officer declarations in line with the system currently in place for Members. This will be in addition to the existing conflict/declarations of gifts and hospitality reporting procedures	Dec-24	Director of Law and Governance	Cllr Rafiq	COMPLETE	Now Complete.
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