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Democratic Services



AUDIT AND SCRUTINY COMMITTEE

Thursday 5 February 2026 at 7.30 pm

Place: Council Chamber, Epsom Town Hall

Online access to this meeting is available on YouTube: [Link to online broadcast](#)

The members listed below are summoned to attend the Audit and Scrutiny Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Steven McCormick (Chair)

Councillor Phil Neale (Vice-Chair)

Councillor Chris Ames

Councillor Steve Bridger

Councillor Tony Froud

Councillor Alison Kelly

Councillor Jan Mason

Councillor Chris Watson

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. King'.

Chief Executive

For further information, please contact democraticservices@epsom-ewell.gov.uk or tel: 01372 732000

EMERGENCY EVACUATION PROCEDURE

No emergency drill is planned to take place during the meeting. If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions.

- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building, but move to the assembly point at Dullshot Green and await further instructions; and
- Do not re-enter the building until told that it is safe to do so.

Public information

Please note that this meeting will be held at the Town Hall, Epsom and will be available to observe live using free YouTube software.

A link to the online address for this meeting is provided on the first page of this agenda. A limited number of seats will be available on a first-come first-served basis in the public gallery at the Town Hall. If you wish to observe the meeting from the public gallery, please arrive at the Town Hall reception before the start of the meeting. A member of staff will show you to the seating area. For further information please contact Democratic Services, email: democraticservices@epsom-ewell.gov.uk, telephone: 01372 732000.

Information about the terms of reference and membership of this Committee are available on the [Council's website](#). The website also provides copies of agendas, reports and minutes.

Agendas, reports and minutes for this Committee are also available on the free Modern.Gov app for iPad, Android and Windows devices. For further information on how to access information regarding this Committee, please email us at democraticservices@epsom-ewell.gov.uk.

Exclusion of the Press and the Public

There are no matters scheduled to be discussed at this meeting that would appear to disclose confidential or exempt information under the provisions Schedule 12A of the Local Government Act 1972 (as amended). Should any such matters arise during the course of discussion of the below items or should the Chair agree to discuss any other such matters on the grounds of urgency, the Committee may wish to resolve to exclude the press and public by virtue of the private nature of the business to be transacted.

Questions and statements from the Public

Up to 30 minutes will be set aside for questions and statements from members of the public at meetings of this Committee. Any member of the public who lives, works, attends an educational establishment or owns or leases land in the Borough may ask a question or make a statement on matters within the Terms of Reference of the Committee.

All questions must consist of one question only and cannot consist of multiple parts. Questions and statements cannot relate to planning or licensing committees matters, the personal affairs of an individual, or a matter which is exempt from disclosure or confidential under the Local Government Act 1972. Questions which in the view of the Chair are defamatory, offensive, vexatious or frivolous will not be accepted. Each question or statement will be limited to 3 minutes in length.

If you wish to ask a question or make a statement at a meeting of this Committee, please contact Democratic Services at: democraticservices@epsom-ewell.gov.uk

Questions must be received in writing by Democratic Services by noon on the fifth working day before the day of the meeting. For this meeting this is **Noon, Thursday 29 January**.

A written copy of statements must be received by Democratic Services by noon on the working day before the day of the meeting. For this meeting this is **Noon, Wednesday 4 February**.

For more information on public speaking protocol at Committees, please see [Annex 4.2](#) of the Epsom & Ewell Borough Council Operating Framework.

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Filming or recording must be overt and persons filming should not move around the room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non-handheld devices, including tripods, will not be allowed.

AGENDA

1. QUESTIONS AND STATEMENTS FROM THE PUBLIC

To take any questions or statements from members of the Public.

2. DECLARATIONS OF INTEREST

To receive declarations of any Disclosable Pecuniary Interests or other registrable or non-registrable interests from Members in respect of any item to be considered at the meeting.

3. MINUTES OF THE PREVIOUS MEETING (Pages 5 - 18)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Committee held on the 13 November 2025 (attached) and to authorise the Chair to sign them.

4. CALL-IN OF THE DECISION OF THE COMMUNITY AND WELLBEING COMMITTEE MADE ON 13 JANUARY 2026 (ITEM 04) REGARDING THE OPTIONS FOR THE FUTURE OF BOURNE HALL MUSEUM - TO FOLLOW

5. COMMUNITY SAFETY PARTNERSHIP ANNUAL REPORT (Pages 19 - 24)

This report updates the Committee on the work of the Epsom and Ewell Community Safety Partnership.

6. LOCAL GOVERNMENT & SOCIAL CARE OMBUDSMAN (LGSCO) AND INFORMATION COMMISSIONER'S OFFICE (ICO) UPDATES (Pages 25 - 30)

This report contains information on recent council complaint decisions from the Local Government and Social Care Ombudsman (LGSCO) and the Information Commissioner's Office (ICO), as well as an update on data breaches and new legislation.

7. EXTERNAL AUDIT UPDATE (Pages 31 - 134)

This report presents the 2024/25 Statement of Accounts, Grant Thornton's Audit Findings Report, letter of representation and the Auditor's Annual Report following the external audit.

8. REVENUE BUDGET MONITORING - QUARTER 3 (Pages 135 - 144)

This report presents the forecast revenue outturn position for the current financial year 2025/26, as at quarter 3 (31 December).

9. CAPITAL BUDGET MONITORING QUARTER 3 (Pages 145 - 162)

This report presents the capital monitoring position at quarter 3 for the current financial year 2025/26.

10. EQUITY, DIVERSITY AND INCLUSION (INC. MODERN SLAVERY) ANNUAL REPORT 2025-26 (Pages 163 - 184)

The report summarises the activities undertaken in 2025-2026 by the Council to progress our Diversity, Equity and Inclusion Framework. The Framework includes three thematic objectives that demonstrate how we are meeting our responsibilities under the public sector equality duty.

11. PERFORMANCE AND RISK REPORT – FEBRUARY 2026 (Pages 185 - 238)

The appendix to this report provides an overview of the council's performance with respect to its ongoing annual plan actions from 2024-25, key performance indicators, corporate risks, committee risks, and annual governance statement actions.

12. CODE OF CORPORATE GOVERNANCE ANNUAL REVIEW 2025 (Pages 239 - 266)

The Council's Code of Corporate Governance - 'the Code' - was updated and brought to the Committee in November 2024. The Code sets out the principles of good governance, and the arrangements the Council has in place to demonstrate its compliance with them. As part of best practice, the Code is reviewed annually by officers and submitted to the Audit and Scrutiny Committee. Attached at Appendix 1 is an updated Code, representing changes since last year's edition.

13. WORK PROGRAMME - FEBRUARY 2026 (Pages 267 - 270)

This report presents the Committee with its rolling annual Work Programme.

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Agenda Item 3

1

Minutes of the Meeting of the AUDIT AND SCRUTINY COMMITTEE held at the Council Chamber, Epsom Town Hall on 13 November 2025

PRESENT -

Councillor Steven McCormick (Chair); Councillor Phil Neale (Vice-Chair); Councillors Chris Ames, Steve Bridger, Christine Howells (as nominated substitute for Councillor Tony Froud), James Lawrence (as nominated substitute for Councillor Alison Kelly) and Chris Watson

Absent: Councillor Tony Froud, Councillor Alison Kelly and Councillor Jan Mason

Officers present: Andrew Bircher (Assistant Director of Corporate Services), Alex Awoyomi (Principal Solicitor), Sue Emmons (Chief Accountant), Will Mace (Corporate Governance & Strategy Manager), Phoebe Batchelor (Democratic Services Officer) and Angela Guest (Democratic Services Officer)

29 QUESTIONS AND STATEMENTS FROM THE PUBLIC

A Member of the Public submitted two questions prior to the meeting as attached to an appendix to the agenda. The Chair provided a verbal response at the meeting.

The Member of the Public asked two supplementary questions at the meeting and the Chair gave verbal responses.

The Chair informed the Member of the Public that in relation to the second supplementary question the response from the Chief Executive provided to Members of the Committee following the previous meeting would be attached to the minutes of this meeting.

30 DECLARATIONS OF INTEREST

Councillor James Lawrence declared that he was a member of the Strategy & Resources Committee but did not believe there were any relevant items on the agenda.

31 MINUTES OF THE PREVIOUS MEETING

The Committee confirmed as a true record the Minutes of the Meeting of the Committee held on **30 September 2025** and authorised the Chair to sign them, subject to the following amendment underlined below:

“Minute 22e”,

e) LGA Peer review. The Vice Chair asked what specific actions are being taken to address the concerns Raised by the LGA peer review regarding the culture, secrecy and the lack of transparency. The Chief Executive informed the Committee that they had contacted the peer team to find out exactly what the comments were. She explained she had received an email earlier that evening from the lead peer who stated that they didn't recall making the comment about there being a culture of secrecy at EEBC and they also did not remember hearing it in any of the sessions. The lead peer clarified that they were more concerned with transparency from the aspect of clarity rather than hiding things, meaning being transparent in a way that everybody understands the processes around decision making. The Chief Executive explained that somewhere along the line the meaning of the comment has been *lost*. The Vice Chair asked if the LGA peer review was minuted and how the comment has not been able to be tracked down. The Chief Executive explained that the lead peer has gone back to their notes and stated that she did recall a conversation with three members about how they weren't clear on how members and officers had come to some decisions around one of the Council's larger projects. She agreed to follow up with this further and provide a response to Members in writing.

32 POINT OF PERSONAL EXPLANATION

Councillor Ames raised a point of order, that was accepted as a personal explanation rather than a point of order, in that he believed there was a breach of statutory provisions regarding the disclosure of exempt information and that Members were being told incorrectly they are not allowed to raise certain issues. He stated he had repeatedly asked the Chair about what could or could not be said about the changes to the scheme of delegation, and what the auditors were told about that, and had not received a reply. The auditor's February report referred to changes to the scheme of delegation that were not fully transparent and were not made public. By implication, the auditors found out for themselves about the changes. He stated that he had been barred by the Chair and the Chief Executive from discussing this matter and wanted an explanation why.

The Chair stated that this matter had been covered several times and was part of the previous meeting where the Chief Executive had responded to questions on it. He stated a prior meeting had taken place to discuss key lines of enquiry pertinent to points being raised but if that topic was discussed then it would need to happen in a closed session.

33 WORK PROGRAMME - NOVEMBER 2025

The Committee received a report presenting its annual Work Programme.

The following matters were considered:

a) **New item.** The Chair stated that Councillor Amis had requested an item on the agenda regarding the delay in Council telling external auditors that it had made changes to the Scheme of Delegation as an urgent item in July 2023. Councillor Ames asked the Chair why he had not put the item on an agenda himself as it appeared to him a governance failure that this committee should be looking at. The Chair stated that in his opinion the

matter had been dealt with at several meetings and particularly at the last meeting when the Chief Executive attended to respond to committee questions. However, officers would work with councillors to bring a report to the next meeting of the committee.

Following consideration the Committee unanimously resolved to:

- (1) Note and agree the ongoing Work Programme as presented in Section 2.**

34 COUNTER-FRAUD AND WHISTLEBLOWING ANNUAL REPORT 2025

The Committee received a report presenting an overview of the governance the council has in place to prevent, detect and address fraud.

The following matters were considered:

- b) Outcome ratings.** A Member of the Committee asked what constituted a negative and a positive outcome. The Corporate Governance & Strategy Manager explained that this data was provided by a partner council that did the work and would seek a definition and share with Members after the meeting.

Following consideration the Committee unanimously resolved to:

- (1) Note and comment on the contents of the report, which outlines the work being undertaken to prevent and detect fraud.**

35 CAPITAL BUDGET MONITORING QUARTER 2

The Committee received a report presenting the capital monitoring position as at quarter 2 for the current financial year 2025/26.

The following matters were considered:

- c) Fairview Road.** A Member of the Committee asked how significant the increase in temporary accommodation costs was because of a delay in not having these homes or was that something that we look at in the budget or was it not that significant. The Chief Accountant explained that that analysis had not been undertaken and there would be no benefit to it as decisions taken would have remained the same. She went on to explain that the pressures on temporary accommodation and the temporary accommodation budget was very significant and the sooner another three properties could be brought into occupation, the better for the Council.

Following consideration the Committee unanimously resolved to:

- 1) Receive the capital monitoring position at quarter 2, as set out in the report.**

2) Note the progress of capital projects as set out in Appendix 1.

36 REVENUE BUDGET MONITORING - QUARTER 2

The Committee received a report presenting the forecast revenue outturn position for the current financial year 2025/26, as at quarter 2 (30 September).

The following matters were considered:

- d) **Housing.** A Member of the Committee stated that he was happy with the appendix report from housing and the more realistic prediction based on what reported KPIs at the last committee meeting.
- e) **Cemeteries.** A Member of the Committee asked for an explanation for the shortfall in the cemeteries budget. The Chief Accountant explained that due to the nature of the business it was difficult to forecast cemetery income and there were other options to using council services. However, the shortfall of £20k was approximately 5% of the total budget and not considered a significant variance but officers were looking at this area in terms of level of demand and whether there needed to be any structural changes made.

Following consideration the Committee unanimously resolved to:

- 1) **Receive the revenue budget monitoring report, which sets-out a projected deficit of £510,000 for 2025/26;**
- 2) **Agree that regular reports continue to be prepared for Community & Wellbeing Committee to update members on progress against the Homelessness Strategy and Action Plan;**
- 3) **Agree that the updated quarter 3 position will be reported back to Audit and Scrutiny Committee in February.**

37 INTERNAL AUDIT PROGRESS REPORT

As required by the Global Internal Audit Standards in UK Public Sector this report presents the Internal Audit Progress Report (September) 2025-26. The Committee received a report providing an overview of internal audit activity and assurance work completed in accordance with the approved audit plan and provides an overview of key updates relevant to the discharge of the committee's role in relation to internal audit.

The following matters were considered:

- f) **Planning Enforcement:** A Member of the Committee stated that he was pleased there had been progress and the recognition of need for an enforcement manual, especially around appeals. The Chair stated that the service was to receive additional resource which was good news.

- g) **Tree Preservation Orders (TPO).** A Member of the Committee stated that he was looking forward to seeing the summary of the TPO audit as he had conducted his own survey of trees in the road where he lived and found a few discrepancies. The Chair stated that the service was to receive additional resource, and an update could be provided to a future meeting.
- h) **Playground Maintenance.** A Member of the Committee questioned how the service had been awarded any assurance given the lack of documented strategy in place to set the overall direction and objectives of the service and nothing on risk. The Internal Auditor explained that the service had been given limited assurance that meant that several key concerns had been highlighted. These were now being action tracked and updates on overdue actions were being reported to the Committee. The Chair reiterated the Member's question that was more about why the service had not been attributed with no assurance as opposed to limited assurance and what the criteria was. The Internal Auditor offered to circulate a description of each assurance rating because there were definitions for each one; and even a limited assurance opinion did refer to significant gaps in internal control. The Committee Member went on to explain that his concern was also about the management risk as well as lack of documentation. The Assistant Director of Corporate Services explained that what committee sees was just a snapshot of the full audit report, what was not seen was all the good work undertaken. He stated that the rating was fair and yes there should be policies in place but there was an effective way of making sure playgrounds were looked after, inspected on a regular basis and were fit for purpose.

A Member of the Committee asked if the lack of paperwork left the council open to litigation. The Assistant Director of Corporate Services explained that the council did have a public sector software light system that recorded evidence as well as recording all the equipment from all 19 sites. There were systems in place to record and make sure that things were being tested but agreed that the strategy and policies were deficient. The Member explained that his concern was also about passing on knowledge and evidence to the new unitary, when that happens.

- i) **Information Security.** A Member of the Committee stated that they had a question about information security but rather than go into closed session he would email the questions to the Chair. The Chair thanked the Member and stated that a written response would be given for the questions and could be shared with the Committee. The Assistant Director of Corporate Services reminded the Member that there had been a very frank discussion with the Head of IT at the previous committee and maybe some of the answers to his question were recorded for that discussion. If not the Head of IT could provide an update.

Following consideration the Committee unanimously resolved to:

- 1) Note the internal audit progress report (October) 2025-26 from Southern Internal Audit Partnership (SIAP) attached at Appendix 1.

The meeting began at 7.30 pm and ended at 9.01 pm

COUNCILLOR STEVEN MCCORMICK (CHAIR)

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For more information, contact the Office of the Vice President for Research and Economic Development at 319-273-2500 or research@uiowa.edu.

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A thick black horizontal bar, likely a redacted section of text.

[REDACTED]

From: Jackie King

Sent: 30 September 2025 18:29

?

Jackie King reacted to your message:

From: [REDACTED] @stroud.gov.uk>
Sent: Tuesday, September 30, 2025 4:09:29 PM
To: Jackie King <JKing@epsom-ewell.gov.uk>
Cc: [REDACTED] @local.gov.uk>
Subject: RE: [CAUTION EXTERNAL] RE: CPC findings

Good luck with your A&S meeting!

Figure 1 consists of four panels, each showing a black bar representing the original population and a shorter black bar representing the reduced population. A yellow bar at the left end of each bar indicates the starting point. The top panel shows a 10% reduction, the middle panel shows a 20% reduction, the bottom panel shows a 30% reduction, and the bottom-most panel shows a 40% reduction.



From: Jackie King <JKing@epsom-ewell.gov.uk>
Sent: 30 September 2025 16:27
To: [REDACTED] [@stroud.gov.uk>
Cc: \[REDACTED\] \[@local.gov.uk>
Subject: RE: \\[CAUTION EXTERNAL\\] RE: CPC findings\]\(mailto:@local.gov.uk\)](mailto:@stroud.gov.uk)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Thanks [REDACTED] – appreciate the clarification – fingers crossed!

Jackie King
Chief Executive

01372 73 [REDACTED]

From: [REDACTED] [@stroud.gov.uk>
Sent: 30 September 2025 15:51
To: Jackie King <\[JKing@epsom-ewell.gov.uk\]\(mailto:JKing@epsom-ewell.gov.uk\)>
Cc: \[REDACTED\] \[@local.gov.uk>
Subject: RE: \\[CAUTION EXTERNAL\\] RE: CPC findings
Importance: High\]\(mailto:@local.gov.uk\)](mailto:@stroud.gov.uk)

Hi Jackie

I am copying [REDACTED] in here in case he has something to add from the LGA Peer Challenge team perspective beyond my own to your questions (below).

The original CPC Report that we prepared did not use the terminology set out in the question to your A&S Committee below. The recommendation we made was:

5. Streamline and strengthen the Council's decision-making process, ensuring that consensus is built.

What we had noted in the report was:

“There is frustration and confusion around the lack of transparency through the decision-making process, coupled with a lack of clarity around which items for decision should go to the senior leadership team and which should go to Committee Chairs. It is important to demonstrate each stage of how the Council builds consensus through its decision-making process, by first considering whether the final decision will be made at committee or council, then clearly mapping out each step to develop the final report. This should be communicated to all staff and Members. A number of key mechanisms for maintaining good standards are flagged in the Annual Governance Statement as

'areas for improvement', this should be addressed as a matter of urgency."

I don't think we made any reference to a 'culture of secrecy' or suggested that there was one, and I don't recall anyone saying that to me (although of course I wasn't present at every discussion session) this was simply about E&EBC needing to ensure greater transparency through the decision-making process given the frustration and confusion raised with the CPC Team, reflected in the extract above.

We split the discussion sessions between different members of the CPC Team so I wasn't present at every one of them. My own notes record that with the Member peer, I was present at a discussion where three E&EBC Members were also present and raised this in respect of one project in particular (Town Hall relocation) and there seemed to be frustration and confusion with the process in particular, which will have contributed to the recommendation above.

The E&EBC CPC Peer Review Action Plan provided to the CPC Team which revisited E&EBC on Monday 17 February 2025 helpfully set out the progress the Council had made in addressing the CPC's above recommendation:

	Action	Owner(s)	Timescale	Progress Update
5.1	Create a process which lays out the steps for committee reports to come to committee or full council	Statutory officers	Original date: Sept 2024 Amended date: November 2024	A process note has been drafted that Statutory Officers had sight of in late 2024; the Council's eHuB is in the process of being updated to share this process note with all officers as a support tool moving forward.
5.2	Put in place a programme of work which addresses the areas flagged in the Annual Governance Statement as 'areas for improvement'	Statutory Officers or Director of Corporate services (DoCS)	Sept 2024	This has been implemented in two ways. Firstly, areas for improvement that are key governance issues are added to the AGS action plan. This action plan has been incorporated within the new Performance Hub software system which tracks each action through to completion. Progress is reported quarterly within the corporate performance and risk report, which is reviewed by the Strategic Leadership Team, Policy Committee Chairs and Audit & Scrutiny Committee. Secondly, we have updated our

				AGS production checklist and template for the 2024/25 Statement, which now includes a reference to where the areas of improvement are being tracked, e.g. within the AGS action plan or another programme of work.
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The CPC Team's revisit was of course dominated by the changed circumstances and in discussing the Council's readiness for Local Government Reorganisation, but my own notes relating to discussion around the above suggest that the CPC Team noted the progress made above with the process note for officers, and observed that a 'forward plan' of committee / council reports, detailing all the consensus-building steps along the way (noting intended target dates for discussion with SLT, Leader / Chairs, informal committee discussions / external consultation with stakeholders, residents as appropriate) shared between officers and Members would be a helpful tool in improving transparency around the decision-making process, if not already being employed.

I trust that helps a bit.

Kind regards



From: Jackie King <JKing@epsom-ewell.gov.uk>

Sent: 29 September 2025 14:53

To: [REDACTED] <@stroud.gov.uk>; [REDACTED] <@stroud.gov.uk>

Subject: FW: [CAUTION EXTERNAL] RE: CPC findings

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi [REDACTED]

I hope you had a good break. Sorry to chase when I know you will have a lot to catch up on!

Our A&S is tomorrow evening so any assistance you can provide would be really helpful?

Many thanks

Jackie King
Chief Executive

01372 73 [REDACTED]

From: Jackie King
Sent: 22 September 2025 13:23
To: [REDACTED] [@stroud.gov.uk>
Cc: \[REDACTED\] \[@stroud.gov.uk>
Subject: RE: \\[CAUTION EXTERNAL\\] RE: CPC findings\]\(mailto:@stroud.gov.uk\)](mailto:@stroud.gov.uk)

Thanks [REDACTED]

Jackie King
Chief Executive

01372 732202

From: [REDACTED] [@stroud.gov.uk>
Sent: 22 September 2025 13:19
To: Jackie King <\[JKing@epsom-ewell.gov.uk\]\(mailto:JKing@epsom-ewell.gov.uk\)>
Cc: \[REDACTED\] \[@stroud.gov.uk>
Subject: \\[CAUTION EXTERNAL\\] RE: CPC findings\]\(mailto:@stroud.gov.uk\)](mailto:@stroud.gov.uk)

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Dear Jackie,

Thank you for your email.

Kathy is currently on annual leave but will respond to your email on her return.

Kind regards



Working together to make Stroud district a better place to live, work and visit

From: Jackie King <JKing@epsom-ewell.gov.uk>

Sent: 22 September 2025 13:09

To: [REDACTED] [@stroud.gov.uk>](mailto:@stroud.gov.uk)

Subject: CPC findings

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi [REDACTED] – hope all is well with you.

In the absence of a follow up report for our CPC I wonder if you could help with something?

Our A&S committee are asking what we are doing with the 'serious' findings from the CPC review and have posed the following question for next weeks committee:

1. What specific actions are being taken to address the concerns raised by the Local Government Association Peer Review regarding the 'culture of secrecy' and lack of transparency?

Although these were comments made in the original report, I didn't take that to mean we had a serious issue and it wasn't a specific issue to look at on our action plan.

I wondered if you could further quantify how many people had said this and in what context – also, if you had any conversations during the follow up? This would help put it in context.

Many thanks for any help you can give!

Kind regards

Jackie King

Chief Executive

Epsom & Ewell Borough Council
Town Hall, The Parade, Epsom, Surrey, KT18 5BY

Tel: 01372 73 [REDACTED]

(Executive Assistant - [REDACTED])

Email: [REDACTED]@epsom-ewell.gov.uk

Website: www.epsom-ewell.gov.uk

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COMMUNITY SAFETY PARTNERSHIP ANNUAL REPORT

Head of Service: Rod Brown, Head of Housing & Community
Report Author Rod Brown, Oliver Nelson
Wards affected: (All Wards);
Appendices (attached):

Summary

This report updates the Committee on the work of the Epsom and Ewell Community Safety Partnership.

Recommendation (s)

The Committee is asked to:

(1) Note and comment on the work of the Epsom and Ewell Community Safety Partnership (CSP).

1 Reason for Recommendation

1.1 Under the Police and Justice Act 2006, this Council is required to allocate the scrutiny of the local Epsom and Ewell Community Safety Partnership (CSP) to one of their committees so as to provide public accountability of the CSP.

2 Background

2.1 The Crime and Disorder Act 1998 established the principle of partnership working on a formal basis and through several legislative adjustments, this is now achieved in this borough through the CSP.

2.2 The current partnership was established in 2020 holding its first meeting in August of that year. Currently the CSP core members meet four times a year and in 2025 this has been 13th March, 18th June, 10th September and 3rd December. The CSP membership is composed of representatives from each of the following:

- Epsom and Ewell Borough Council (Chair)
- Chair of the Council's Crime and Disorder Committee

- Elected Member from Surrey County Council
- Surrey Police Safer Neighbourhood team
- Surrey Police and Crime Commissioner's Office
- Surrey Fire and Rescue
- Surrey County Council Community Safety team
- Town & Country Housing (formerly Rosebery Housing Association)
- Probation Service
- Epsom Business Improvement District

2.3 In 2004 the CSP determined its priorities for the 2025-2027 timeframe as being:

- Focus on the most vulnerable or those at risk of harm
- Serious Organised Crime and PREVENT
- Identify and tackling crime and antisocial behaviour
- Reduce reoffending by adult and young offenders.

2.4 Much of the work of the partnership continues to be delivered via two multiagency problem-solving approaches. First is the monthly Community Harm and Risk Management Meetings (CHaRMM) where partners focus on specific victims and offenders. Secondly, the Joint Action Groups (JAGs), meeting every 6 weeks, is where multiagency partners focus on geographical areas of concern.

2.5 In 2025 the CHaRMM agendas had between 6-8 adults and a single youth whilst the JAG programme focussed on 4 areas with 3 areas closed having received a successful problem solving series of interventions.

2.6 Examples of JAG outcomes have been

- A reduction in dangerous and antisocial e bike/moped/vehicle use on a pedestrian alleyway in Scotts Farm Road/Ruxley Lane.
- A reduction in antisocial congregation, retail theft and low-level criminality in the Epsom Square, Epsom Town Centre.
- Enhanced resilience to an educational setting and the creation of a large-scale community mural adjacent to an alleyway between East Ewell Railway Station and Reigate Road, to address instances of threatening behaviour, robberies and knife crime.

- 2.7 A major element of partnership working has been the Clear, Hold, Build programme which has adopted the public branding of "Safer Epsom and Ewell". This project, currently underway, closely aligns with the four priorities of the CSP and includes the delivery partners NESCOT, Police, the North Surrey Domestic Abuse Service, Surrey County Council East Surrey Adolescent Service, Epsom & Ewell Borough Council and Town and Country Housing with the Chair of the CSP and the Police Borough Commander chairing the shared delivery group.
- 2.8 Safer Epsom and Ewell follow the nationally recognised Clear, Hold, Build methodology, scaled to the resources available with the aim of tackling and keeping at bay elements of Serious Organised Crime.
- 2.9 Together with the centrally pooled Domestic Abuse Related Death Review (DARDR), coordinator resource, the CSP managed a single DARDR during the course of 2024-2025 involving a female victim of domestic abuse who took her own life. This report was accepted by the Home Office, and an action plan will be presented at the next CSP meeting.
- 2.10 The Anti-social Behaviour, Crime and Policing Act 2014 introduced specific measures, which are the responsibility of responsible agencies, including the CSP, designed to give victims and communities a say in the way that complaints of antisocial behaviour are dealt with. This includes the anti-social behaviour case review which gives victims of persistent antisocial behaviour the right to request a multi-agency case review where a local threshold is met. In 2025 the CSP received 6 requests for review of which one met the threshold for adoption.

3 The CSP Priorities

- 3.1 The CSP publishes its [partnership priorities on the Borough Council's website](#) which outlines, at a high level, the broad areas for delivery over the planned period of 2025-2027. It identifies the lead agency as well as the objective, measure and timescale for each objective.
- 3.2 Progress against the plan is monitored by Council officers and presented at the CSP meetings.

4 Scrutiny of the CSP

- 4.1 The duty of the Borough Council to scrutinise the work of the CSP arises through a number of legislative provisions including the Police and Justice Act 2006 the Local Government and Public Involvement in Health Act 2007 and the Crime and Disorder (Overview and Scrutiny) Regulations 2009. The Audit and Scrutiny Committee's terms of reference include the provisions to carry out this CSP scrutiny function.

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

5.1.1 The CSP priorities include a focus on the most vulnerable or those at risk of harm. As such the work of the CSP is considered to have a positive impact on equalities within the borough.

5.2 Crime & Disorder

5.2.1 The work of the CSP inherently seeks to reduce crime and disorder through partnership working.

5.3 Safeguarding

5.3.1 Safeguarding is closely tied to crime and disorder in the context of the CSP. Various types of exploitation often involve vulnerable adults and children.

5.4 Dependencies

5.4.1 The success of the CSP depends on contributions from all partners, including statutory and non-statutory partners and the challenge remains to be able to demonstrate relevance of the CSP to all partners involved.

6 Financial Implications

6.1 As a non-incorporated body, the CSP has no budget of its own. The coordination and administration of its functions is mainly drawn from Epsom & Ewell Borough Council and Surrey Police, whilst project funding is obtained on a case-by-case basis via individual partners from various local and national funding bodies.

6.2 **Section 151 Officer's comments:** I am satisfied that the arrangements outlined in the report do not present any direct financial risk to the Council.

7 Legal Implications

7.1 Under section 19 (1) of Police and Justice Act 2006 every council must ensure that it has a committee with power (a) to review or scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions and (b) to make reports or recommendations to the local authority with respect to the discharge of those functions.

7.2 **Legal Officer's comments:** Relevant comments are contained within the body of this report.

8 Policies, Plans & Partnerships

8.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Safe and Well

8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

8.3 **Climate & Environmental Impact of recommendations:** Crime can often have a negative impact on the local environment, including littering, fly tipping as well as general environmental degradation. Reducing crime is considered to have a positive impact on climate and environment.

8.4 **Sustainability Policy & Community Safety Implications:** It is considered that the CSP will enhance community safety for reasons set out in this report.

8.5 **Partnerships:** The local CSP is a statutory arrangement and operates in addition to, and complimentary to, the day to day working arrangement established between all partners.

8.6 **Local Government Reorganisation Implications:** None

9 Background papers

9.1 The documents referred to in compiling this report are as follows:

Other papers:

- Epsom and Ewell Community Safety Partnership Community Safety Action Plan 2025-2027.

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LOCAL GOVERNMENT & SOCIAL CARE OMBUDSMAN (LGSCO) AND INFORMATION COMMISSIONER'S OFFICE (ICO) UPDATES

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Kush Chatrath, Kersty Wood
Wards affected:	(All Wards);
Appendices (attached):	N/A

Summary

This report contains information on recent council complaint decisions from the Local Government and Social Care Ombudsman (LGSCO) and the Information Commissioner's Office (ICO), as well as an update on data breaches and new legislation.

Recommendation (s)

The Committee is asked to:

- (1) Note the report.**

1 Reason for Recommendation

- 1.1 To ensure the committee is kept apprised of complaints involving the Ombudsman raised against the council, as well as data breaches, and actions taken to remedy those where the council is found at fault.

2 Background

- 2.1 This is a report to the committee focused on LGSCO and ICO information.
- 2.2 Outside of this, the council receives an annual letter from the LGSCO detailing all Ombudsman complaints they've reviewed in the year. This letter was presented to the committee in July 2025.
- 2.3 An annual complaints report will be brought to this committee setting out performance of the council's complaints handling for stage 1 and stage 2 including lessons learned. This report was last brought to the March 2025 committee and will next be brought in March 2026.

3 Local Government & Social Care Ombudsman decisions made against the

council since the Annual Review Letter in July 2025.

- 3.1 There have been no findings of fault against the council since the Annual Review letter which was presented to the committee in July 2025.
- 3.2 At the time of writing there are two live investigations that the council is assisting the Ombudsman with. Should the council be found at fault in either complaint, details will be shared with this committee at the next available meeting following the determination from the Ombudsman.
- 3.3 Further information on decisions made by the Ombudsman can be found on the LGSCO's website ([Epsom & Ewell Borough Council - Local Government and Social Care Ombudsman](https://www.epsomandewell.gov.uk/ombudsman))

4 Information Commissioner's Office

Data Breaches

- 4.1 There has been a total of ten breaches reported internally since April 2025. Of these ten breaches, two have been considered reportable to the ICO.
- 4.2 Of the two breaches reported to the ICO by the council, only one was a breach committed by the council. The other breach was one that the council was notified of, committed by a third party, which involved data that the council had disclosed correctly to a third party. As the council was aware of the breach a decision was made to report this to the ICO.
- 4.3 The council has not heard back from the ICO regarding either of the two breaches that have been reported.
- 4.4 Breaches have occurred due to files being saved to the wrong internal drive, data being sent to the wrong person via email and a letter being sent to an incorrect address.
- 4.5 Staff involved in data breaches are assessed as to whether additional training is required. .

Complaints to the ICO

- 4.6 The council has been notified of one complaint received by the ICO regarding the council, from a resident regarding the deletion of staff mailboxes once a member of staff leaves the organisation.
- 4.7 The complaint alleged that the resident was unable to obtain an email that they had requested through a Subject Access Request as it had been deleted when a staff member left the organisation. The ICO made it clear from the outset that they intended to take no action against the council, but the council did provide a response to the ICO which is summarised below.

- 4.8 The council explained that the current practice of deleting mailboxes within 30–60 days after an employee has left the organisation is supported by industry-standard guidance and aligns with good records management principles. As per ICO recommendations, organisations should retain information only as long as it is needed and dispose of it when no longer required.
- 4.9 The emails in question were considered not needed for any business purpose, they all related to matters considered closed and historic. The resident had been sent the emails initially as the intended recipient and has had many of them disclosed already in Subject Access Requests in previous years.
- 4.10 Where an investigation, legal matter, or information request is in progress and ICT has been consulted, the mailbox is placed under a litigation or in-place hold to ensure relevant data is preserved until it is appropriate to remove.
- 4.11 Similarly, in the case of staff leaving, where emails or information is considered important this information is backed up or saved outside of our email system by managers who are given access to mailboxes and computer files before they are deleted.
- 4.12 The ICO acknowledged the council's response, and no further action was taken.

The Data Use and Access Act 2025 (DUAA 2025)

- 4.13 The DUAA 2025 is a new Act of Parliament that updates some laws about digital information matters. The DUAA 2025 amends, but does not replace the UK GDPR, the Data Protection Act 2018 and the Privacy and Electronic Communications Regulations (PECR).
- 4.14 Key changes for the council include recognised legitimate interests which is a new lawful basis provision for processing based on a recognised legitimate interest, removing the need for time consuming Legitimate Interest Assessments for certain types of data use. The Secretary of State now has the power to amend a list of official pre-approved legitimate interests which include, but is not limited to, specific purposes such as disclosures to public bodies, national security, crime prevention or safeguarding.
- 4.15 Another key change includes the way the council will be expected to handle Subject Access Requests and the time limits relating to response timescales.

- 4.16 The council will also become responsible for handling GDPR / Data Complaints directly within the organisation, removing the automatic right that the public have to go straight to the ICO. Colleagues are working to establish processes and procedures which will allow the council to handle these complaints, including updates to the Complaint Policy which will factor in these changes.
- 4.17 Changes are to be phased in between June 2025 and June 2026, with guidance expected to have been provided to organisations over winter 2025/26 on complaints, data sharing, recognised legitimate interests, right of access and purpose limitation principles.
- 4.18 Officers are working closely with our Data Protection Officer and consultants Data Protection People to produce guidance and training for Officers and Members on this new Act of Parliament. Further information will follow.

5 Risk Assessment

Legal or other duties

- 5.1 Equality Impact Assessment
 - 5.1.1 None that arise directly from this report
- 5.2 Crime & Disorder
 - 5.2.1 None that arise directly from this report
- 5.3 Safeguarding
 - 5.3.1 None that arise directly from this report
- 5.4 Dependencies
 - 5.4.1 None that arise directly from this report
- 5.5 Other
 - 5.5.1 None that arise directly from this report

6 Financial Implications

- 6.1 There are currently no identified financial implications. However, the Finance team is actively monitoring the situation in collaboration with relevant colleagues and will ensure that any costs arising from the breaches outlined above can be met within existing resources.

6.2 **Section 151 Officer's comments:** None arising directly from this report but as mentioned above the outcome of the two breaches will be monitored closely.

7 Legal Implications

7.1 **Legal Officer's comments:** None further for the purposes of this report.

8 Policies, Plans & Partnerships

8.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council

8.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

8.3 **Climate & Environmental Impact of recommendations:** N/A

8.4 **Sustainability Policy & Community Safety Implications:** N/A

8.5 **Partnerships:** N/A

8.6 **Local Government Reorganisation Implications:** N/A

9 Background papers

9.1 The documents referred to in compiling this report are as follows:

Previous reports:

- A version of this report has been taken to past A&S committee meetings.

Other papers:

- None

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EXTERNAL AUDIT UPDATE

Head of Service:	Cagdas Canbolat, Director of Corporate Services and Section 151 Officer (Chief Finance Officer)
Report Author	Sue Emmons, Chief Accountant
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – External Auditors Annual Report (VfM) for the year ended 31 March 2025 Appendix 2 – External Auditors Annual Audit Findings Report (AFR) for the year ending 31 March 2025 Draft Appendix 3 – Letter of Representation Appendix 4 – 2024/25 Statement of Accounts (includes Annual governance Statement) - TO FOLLOW

Summary

This report presents the 2024/25 Statement of Accounts, Grant Thornton's Audit Findings Report, letter of representation and the Auditor's Annual Report following the external audit.

Recommendation (s)

The Committee is asked to:

- (1) Approve the Statement of Accounts for the year ended 31 March 2025;
- (2) Receive the Audit Findings Report for 2024/25;
- (3) Note the management action in response to the audit recommendations detailed on page 39 of the Audit Findings report;
- (4) Authorise and agree that the Chair or Vice Chair of Audit and Scrutiny Committee and the Director of Corporate Services and Section 151 Officer (Chief Finance Officer) sign the Statement of Accounts and Letter of Representation on behalf of the Council;
- (5) Nominate and authorise the Director of Corporate Services and Section 151 Officer (Chief Finance Officer), in consultation with the Chair or Vice Chair of Audit & Scrutiny Committee, to make any necessary further amendments to the 2024/25 Statement of Accounts;

(6) Note the management actions in response to the recommendations in the Auditor's Annual Report (Value for Money).

1 Reason for Recommendation

- 1.1 The annual audit is an integral part of the controls in place for ensuring that the Council achieves its annual budgets and demonstrates good governance, financial sustainability and Value for Money being an effective Council.

2 Background

- 2.1 Grant Thornton (GT) are the Council's external auditors.
- 2.2 The Committee approved the 2024/25 external audit plan at its 17 July 2025 meeting.
- 2.3 The external audit is, in principle, complete, and the key findings are:
 - 2.3.1 The accounts give a true and fair view of the financial position of the group and of the Authority as at 31 March 2025 and have been properly prepared in accordance with CIPFA/LASAAC codes of practice and the requirements of the Local Audit and Accountability Act 2014.
 - 2.3.2 The auditors external Audit Findings Report (AFR) sets out the key findings and recommendations arising from the annual audit of the accounts to 31 March 2025.
 - 2.3.3 There are a number of recommendations arising from the auditors' judgement on Value for Money (VfM) and its audit in the AFR report and the Council's responses are set out in these reports.
 - 2.3.4 The annual accounts may be subject to some minor amendments on final proofing, and these will be made in agreement with Grant Thornton and the Director of Corporate Services and Section 151 Officer (Chief Finance Officer). If there are any material changes to the reports and accounts, they will be brought back to the Committee.
- 2.4 The draft AFR at appendix 2 sets out the key findings and other matters arising from the statutory audit of the accounts to 31 March 2025. Since this was produced in early January the majority of outstanding items have now been resolved and a verbal update will be provided at committee. The final AFR will be published on the Council's website.

- 2.4.1 The audit noted a few areas where processes can be strengthened, mainly around the timeliness and consistency of information provided for property valuations, and a small number of minor accounting differences that management chose not to adjust because they were not material. These points did not affect the auditors' overall view but highlight opportunities to further streamline year-end procedures and enhance the accuracy of supporting data in future cycles.
- 2.4.2 As you will read from AFR subject to completion of a few outstanding items, the auditors anticipate issuing an unmodified (clean) opinion on the financial statements
- 2.4.3 While the VfM report is overall positive, it does highlight a few areas where the Council has opportunities to strengthen its arrangements further. In relation to financial sustainability the Council continues to face operational pressures, including rising homelessness demand and a small number of internal audit areas receiving Limited or No Assurance, which the organisation is already working to address.
- 2.4.4 The VfM report highlights several encouraging developments in the Council's governance and service delivery. Firstly, auditors confirmed no significant weaknesses in the Council's value-for-money arrangements across financial sustainability, governance and service effectiveness. Secondly, the Council has made meaningful improvements to transparency and governance, including more frequent engagement between senior officers and auditors, allowing the previous year's key governance weakness to be formally closed.
- 2.5 Finally, the Council has strengthened areas of operational efficiency, with internal audit work confirming substantial assurance in procurement processes following updates to the Procurement Strategy and Contract Standing Orders, ensuring compliance with the Procurement Act 2023 and improving contract over-sight.
- 2.6 The Accounts for the Council year ending 31 March 2025 are at appendix 4. There are no material matters to report and the accounts for the Council are up-to-date.
- 2.7 The Letter of Representation at appendix 3 sets out audit work and duties of Grant Thornton and information provided.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

- 3.1.1 None arising from the contents of this report.

3.2 Crime & Disorder

3.2.1 None arising from the contents of this report.

3.3 Safeguarding

3.3.1 None arising from the contents of this report.

3.4 Dependencies

3.4.1 None arising from the contents of this report.

3.5 Other

3.5.1 None arising from the contents of this report.

4 Financial Implications

- 4.1 The main audit fee for 2024/25, excluding costs of the separate Housing Benefit audit, is £183,172.
- 4.2 **Section 151 Officer's comments:** I can confirm that the 2024/25 Statement of Accounts has been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and the requirements of the Local Audit and Accountability Act 2014. The accounts present a true and fair view of the Council's financial position as at 31 March 2025.
- 4.3 We welcome GT's Audit Findings Report and the Auditor's Annual Report and note that no material adjustments were required to the financial statements. The recommendations arising from both the financial statements audit and the Value for Money assessment have been reviewed, and management actions have been identified to strengthen processes and governance arrangements. These actions are proportionate, achievable and will be monitored to ensure timely completion.
- 4.4 The Council continues to operate within a challenging financial environment. Nevertheless, the outcome of this year's audit provides assurance that the Council's financial management, governance, and internal controls remain robust, and that the organisation is focused on continuous improvement.
- 4.5 We support the recommendations set out in this report, including approval of the Statement of Accounts and agreement of the management actions in response to the audit recommendations.

5 Legal Implications

- 5.1 The Local Audit and Accountability Act 2014 sets out the framework for audit of local authorities. Grant Thornton's work is undertaken in the context of the Statement of Responsibilities of Auditors and Audit Bodies issued by the Comptroller and Auditor General.
- 5.2 Under the Accounts and Audit Regulations 2025 the Council is required to publish its 2024/25 auditor's annual report by 27 February 2026.
- 5.3 **Legal Officer's comments:** None arising from the contents of this report.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following Key Priorities are engaged:
 - Effective Council.
- 6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** No specific implications.
- 6.4 **Sustainability Policy & Community Safety Implications:** No specific implications.
- 6.5 **Partnerships:** No specific implications.
- 6.6 **Local Government Reorganisation Implications:** No specific implications.

7 Background papers

- 7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- [External Audit Update – 2024-25 Audit Plan report to Audit & Scrutiny on 17 July 2026.](#)

Other papers:

- None.

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Epsom and Ewell Borough Council

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Auditor's Annual Report
Year ending 31 March 2025

December 2025



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

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Agenda Item 7
Appendix 1

Introduction

This report brings together a summary of all the work we have undertaken for Epsom and Ewell Borough Council during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities or to include all possible improvements in arrangements that a more extensive special examination might identify. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Council which must be considered publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Local government – context

Local government has remained under significant pressure in 2024/25

National

Past



Funding Not Meeting Need

The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.

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Workforce and Governance Challenges

Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.

Local

Present



Financial Sustainability

Many councils continue to face significant financial challenges, including housing revenue account pressures. There are an increasing number of councils in receipt of Exceptional Financial Support from the government.



External Audit Backlog

Councils, their auditors and other key stakeholders continue to manage and reset the backlog of annual accounts, to provide the necessary assurance on local government finances.

Future



Funding Reform

The UK government plans to reform the system of funding for local government and introduce multi-annual settlements. The state of national public finances means that overall funding pressures are likely to continue for many councils.



Reorganisation and Devolution

Many councils in England will be impacted by reorganisation and / or devolution, creating capacity and other challenges in meeting business as usual service delivery.

The Council is a district council located in Surrey, serving a population of approximately 80,000 residents. The Council operates under a committee system of governance, with four main policy committees which oversee the delivery of a wide range of services including waste and recycling, planning, housing, environmental health, and economic development. The Council has 35 elected members, and elections are held every four years. The most recent elections were held in May 2023. Discussions around local government reorganisation (LGR) in Surrey are ongoing with proposals to form new unitary authorities from April 2027. In response to the anticipated changes, the Council has adopted a set of seven strategic priorities to guide its work through the transition period.

It is within this context that we set out our commentary on the Council's value for money arrangements in 2024/25.

02 Executive Summary

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Agenda Item 7
Appendix 1

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Council's arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability Page 43	A <ul style="list-style-type: none"> No significant weaknesses in arrangements identified. Four improvement recommendations made 	<ul style="list-style-type: none"> No risk of significant weakness identified 	A <ul style="list-style-type: none"> No significant weaknesses in arrangements identified. Three 2023/24 improvement recommendations reiterated on delivering mitigations to close the funding gap to 2027/28, the identification of more savings and the use of scenario planning in financial planning especially in the demand led homelessness service.
Governance	R <ul style="list-style-type: none"> One significant weaknesses in arrangements identified. Five improvement recommendations made 	<ul style="list-style-type: none"> One significant weaknesses in arrangements identified. 	A <ul style="list-style-type: none"> Improvements identified in governance arrangements from prior year. No significant weaknesses in arrangements identified. One new improvement recommendations made to support arrangements for audit committee effectiveness and one improvement recommendation updated from prior year.
Improving economy, efficiency and effectiveness	G <ul style="list-style-type: none"> No significant weaknesses in arrangements identified. No improvement recommendations made 	<ul style="list-style-type: none"> No risks of significant weakness identified 	G <ul style="list-style-type: none"> No significant weaknesses in arrangements identified. No improvement recommendations made.

G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendation(s) made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.



Financial sustainability

The 2024/25 budget included planned drawdowns from earmarked reserves for agreed one-off projects. The outturn was a 2.7% overspend of £242k against a £8.91 million net expenditure budget, funded by reserves. While this overspend included a £581k adverse variance for homelessness, the Council has since invested in initiatives to cut temporary accommodation costs and address the structural deficit. In July 2025, a revised MTFP showed a worsened financial position with a cumulative gap of £5.06 million by the end of 2028/29. Subsequent modelling linked to the Fair Funding Review suggests an improved outlook, with the gap expected to be smaller and £700k of savings identified for 2025/26. The three improvement recommendations reiterated in 2023/24 emphasised the importance of delivering mitigations to close the funding gap by 2027/28. This includes identifying additional savings and incorporating scenario planning into financial strategies—particularly for demand-led services such as homelessness.



Governance

The key weakness identified in 2023/24 on developing a clear approach towards transparency, has been addressed through constitutional revisions, clearer delegation frameworks, and regular, open audit engagements, thereby closing the prior year's Key Recommendation.

During the year two corporate risks, IT Services and Homelessness, persist on the Corporate Risk Register, signalling ongoing operational and demand-led pressures in common with many councils. Internal audit delivery is on track with three areas receiving Limited or No Assurance and majority of recommendations addressed by agreed dates.

The LGA Peer Challenge identified some gaps. An action plan is in place, but progress reporting is limited and lacks clear tracking indicators. Fraud governance is established, though reporting remains annual, with the last fraud report presented in November 2024 and next one planned for November 2025 potentially limiting visibility. Scrutiny was active, though no formal effectiveness review was undertaken in 2024/25.



Improving economy, efficiency and effectiveness

The Council continues to link cost and performance to drive improvement, supported by its refreshed Corporate Plan (May 2025) and seven strategic priorities. Oversight is provided by the Strategy and Resources Committee.

Performance monitoring of 26 Key Performance Indicators and 24 annual actions continued during the year. Homelessness pressures led to a £875k overspend in Q1 2025/26, but early interventions—like the Housing First model—are beginning to reduce demand and improve outcomes.

Procurement governance has strengthened through updated policies and training, supported by recent Substantial Assurance from internal audit. Annual waiver reporting to the Audit and Scrutiny Committee is planned for March 2026, ensuring adequate oversight of procurement decisions.

Executive summary – auditor's other responsibilities

This page summarises our opinion on the Council's financial statements and sets out whether we have used any of the other powers available to us as the Council's auditors.

Auditor's responsibility

2024/25 outcome

Opinion on the Financial Statements

Page 45

Our audit of your draft financial statements published on 14 July 2025 and fieldwork commenced mid September and is in progress. On conclusion, we will issue our audit opinion, following the approval of the accounts by the Audit and Scrutiny Committee meeting in February 2026. Refer to pages 11 to 12 for further details.

Use of auditor's powers

We did not make any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.
We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014.
We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.
We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.



03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

These pages set out the key findings from our audit of the Council's financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

Audit opinion on the financial statements

Our audit of your draft financial statements published on 14 July 2025 is in progress. On conclusion, we will issue our audit opinion, following the approval of the accounts by the Audit and Scrutiny Committee meeting. The full opinion is included in the Council's Annual Report for 2024/25, which can be obtained from the Council's website.

Grant Thornton provides an independent opinion on whether the Council's financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Council provided draft accounts on 14 July 2025 some 2 weeks after the national deadline of 30 June 2025. Draft financial statements were of a reasonable standard and supported by working papers.

Key findings and improvements arising during the audit include:

- TO BE UPDATED.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report will be presented to the Council's Audit and Scrutiny Committee on 5 February 2026. Requests for this Audit Findings Report should be directed to the Council.

Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Our review is in progress.

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04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Council's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

We considered how the Council:	Commentary on arrangements	Rating
Page 51 identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	<p>The 2024/25 budget included planned drawdowns from earmarked reserves for agreed projects. The outturn was a 2.7% overspend of £242k against a £8.905 million net expenditure budget, again funded by reserves. This overspend included a £581k adverse variance for homelessness, but the Council has since invested in prevention and move-on officers and housing initiatives to reduce temporary accommodation costs. Adverse variances in demand and reduced income generation were offset by the Council's treasury management investment which benefited from higher interest rates. On the capital programme, actual expenditure was £5.116 million, some £2.249 million less than the £7.365 million budget due to slippage. The Council has a four-year medium term financial plan (MTFP) that models future cost and income streams to identify the scale and timing of financial pressures. In July 25, a revised MTFP was presented to the Strategy and Resources Committee with a worsened financial position from that reported in February 2025. Since then, the funding outlook has improved, reducing the projected gap. To strengthen confidence in these assumptions, the Council engaged external consultants (Pixel and LG Futures) for detailed modelling, which supported the identification of £700k savings for 2025/26. The General Fund Reserve is £1.5 million and earmarked reserves are £13.63 million. Savings delivery for 2024/25 was strong, with 92% of the £326k target achieved. The 2025/26 Quarter One increased demand for homelessness in 25/26 has resulted in a negative year end forecast of £885k. The 2025/26 forecast is a £475k overspend partially funded by £400k contingency, but the remaining gap needs to be funded from reserves which has yet to be reflected in the Council's MTFP. The following 2023/24 Improvement Recommendation 1 remains open "The Council should deliver mitigations for the £5 million funding gap forecasted to 2028/29". This is a priority as the gap to 2027/28 has now increased to £4.095 million in September 2025 and the Council needs to safeguard its diminishing reserves. We will review this in detail as part of our 2025/26 VFM work.</p> <p>The Council's financial resilience has also been supported by income from its wholly owned subsidiary, Epsom & Ewell Property Investment Company (EPPIC). In 2024/25, dividend and recharge income from EPPIC was £769k, significantly below the £1.4m budget due to a lease amendment at one property. This shortfall was mitigated by a £700k draw from the Property Income Equalisation Reserve. For 2025/26, EPPIC income is forecast to recover to £1.35m, and there is no planned withdrawal from the reserve, reducing the immediate risk of further reserve reliance.</p>	A

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
Page 52 plans to bridge its funding gaps and identify achievable savings	<p>The 2025/26 budget and the MTFS, of February 2025, includes the requirement for the Council to complete a range of service reviews to help to ensure that in year expenditure does not exceed income. The February 2025 MTFP assumed delivery of £1million of savings from 2025/26 onwards. Savings of £326k (92% of target) were achieved in 2024/25, with £30k outstanding. There are savings included in the MTFP of £123k for 2025/26, £150k in 2026/27 (reduced from £450k as the £300k homelessness saving is deemed unachievable given the continuing increase in demand) and £430k in 2027/28, but these savings levels are insufficient. The Council has also invested in prevention and move-on officers and engaged external consultants (Pixel and LG Futures) to strengthen scenario modelling and resource planning. Given the scale of the budget gap and rising demand pressures, it is essential for the Council to identify additional efficiencies and productivity improvements. The Council should develop and implement a pipeline of sustainable savings and income generation initiatives, supported by business cases, to effectively tackle the financial challenge which may be a larger cumulative gap than £5.063 million to 2028/29 in the next iteration of the MTFS.</p> <p>The 2023/24 Improvement Recommendation 2 on the identification of sufficient savings to help close the funding gap is outstanding. Further plans for generating additional income and reducing expenditure need to be developed during 2025/26 to reduce and remove reliance on the use of reserves as a source of funding for day-to-day services over the course of the Medium-Term Financial Strategy. It is vital that this continues to be a key priority for the Council to ensure financial stability for future years.</p>	A
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>The Council takes a strategic approach to financial planning, ensuring alignment between its corporate objectives and its financial strategies. In light of Local Government Reorganisation (LGR) and its likely timescales of the vesting day in May 2027, the Council has adopted new Strategic priorities for 2025-2027. The Strategic Priorities stand in place of a new long-term corporate plan and reflect the timescales of LGR. The overall policy framework and budget includes the Corporate Plan and Four-Year Financial Plan. The MTFS to 2028/29 is designed to deliver financial resilience whilst delivering the priorities set out in the Corporate Plan. These priorities—Green and Vibrant, Safe and Well, Cultural and Creative, Opportunity and Prosperity, Smart and Connected, and Effective Council—provide the strategic framework for resource allocation and decision-making. While they guide efforts to use public funds efficiently, achieving them depends on addressing financial pressures such as reliance on reserves, a growing budget gap, and demand-led risks.</p>	Agenda Item 7 Appendix 1

Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures 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</p> <p>Page 53</p>	<p>The Council's financial plan is underpinned by coordinated planning across workforce, estates, and investment programmes, ensuring consistency with delivery goals. Investment planning is coordinated through the Capital Programme which looks at business case-driven decision-making for capital initiatives, which implies consideration of value for money and financial sustainability. The £7 million Town Hall capital relocation project was decided against by Council, in May 2025, due to the impact of Local Government Reorganisation (LGR). The Council's Treasury Management Strategy supports the MTFS by aligning borrowing and investment decisions with capital delivery and affordability objectives over the medium term.</p> <p>The Council has played an active role in the Local Government Reorganisation (LGR) process, strengthening communication and decision-making throughout. It established a cross-party LGR Working Group, issued regular resident updates, and gathered over 3,000 responses on governance options through engagement platforms. Senior officers and members contributed to Surrey-wide forums and submitted formal correspondence with clear proposals to Surrey County Council, demonstrating transparency and structured stakeholder engagement during a period of significant change. The LGR process concluded in October 2025 with the government's decision to reorganise Surrey into two unitary authorities—East and West Surrey. The Council will join the East Surrey authority.</p>	G
<p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>A financial risk assessment is completed annually as part of the Budget and Council Tax report, however these are not quantified. Plans for generating significant additional income and reducing expenditure need to be developed in the coming year to help to mitigate risks in potential reductions in government grants and business rates income and tackle increasing service costs, notably in the homelessness service, to balance budgets over the course of the Medium-Term Financial Strategy to reduce the draw on reserves.</p> <p>The Council would benefit from scenario planning, to provide greater transparency around financial risk, for key financial assumptions as that would have identified the worst and realistic case scenarios around the demand led homelessness service. The 2025/26 budget was set to accommodate an average of 70 households only in nightly paid accommodation which is lower than the actual figure of 90 at the end of 2024/25, and much lower than the ongoing elevated demand in 2025/26 whereby the Council supported an average of 116 households during quarter one in nightly paid accommodation at an additional forecast cost of £885k for 2025/26. We have therefore kept the IR4 2324 recommendation, on page 37, open.</p>	<p>Agenda Item 7 Appendix 1</p>

Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
Monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud Page 32	<p>The Council has a Risk Management Strategy (RMS), reviewed annually and endorsed by Strategy and Resources Committee in November 2024. Risks are captured in the Corporate Risk Register (CRR), updated quarterly and reviewed by the Audit and Scrutiny Committee (ASC). As of year-end 2024/25, two red risks remained—IT Services and Homelessness—indicating persistent strategic pressures despite mitigation efforts. The Council is working to strengthen risk ownership and better align risks with strategic priorities, following gaps identified in earlier CRR entries. The revised RMS includes steps to map risks to corporate objectives and assign named owners.</p> <p>Internal audit is delivered by the Southern Internal Audit Partnership (SIAP). Of 18 planned audits, 88% were completed by year-end (June 2025) which fell short of the 95% target, this was due to capacity constraints. By August 2025, finalisation of 2024/25 reviews was complete. Three areas received Limited Assurance—Affordable Housing, Information Governance, and Main Accounting—and one No Assurance—Environmental Health Food Safety. This marks a slight deterioration from the prior year, which had no ‘No Assurance ratings’. 35 recommendations were issued, with over 80% completed by July 2025. However, delays in action completion were noted as a recurring concern, with several revised deadlines required.</p> <p>Fraud governance includes policies on anti-fraud, bribery, money laundering, and whistleblowing. Fraud reporting to Members currently occurs annually, which limits visibility of in-year activity. Although the Council shares a Counter Fraud work plan and progress updates, these are only provided once a year. To strengthen oversight, we recommend considering more frequent reporting—such as twice annually or quarterly. Accordingly, we have updated the prior recommendation and retained this criterion as amber. See page 38 for further details.</p> <p>Complaints are tracked through quarterly reports to ASC. In 2024/25, 460 complaints were received—an increase from 418 the previous year. While this may appear high for a small district council, 57% relate to Operational Services, which handles over 500,000 collections monthly. Stage 1 resolution rates remain high (89%), and escalation to Stage 2 is low (11%), suggesting effective initial handling. Ombudsman data shows outcomes consistent with district averages, only 2 complaints were escalated to the Ombudsman, and none were upheld following investigation. Overall, numbers escalated are low, providing some assurance over internal processes at the Council. The Council’s arrangements offer reasonable assurance overall, despite persistent red risks in homelessness and a No Assurance Internal audit rating.</p>	A

Governance – commentary on arrangements (continued)

Grant Thornton insight

Strengthening Governance Across Strategic Risk Areas

The Council has established a cross-functional forum, led by Finance, to address high-risk themes and overdue actions, taking a practical approach to resolving issues that affect performance. This is a positive step toward improving oversight and delivery. Continued focus is needed to ensure the forum drives timely resolution of persistent red-rated risks and Limited or No Assurance areas—particularly housing, IT resilience, and regulatory compliance—and that postponed audits and overdue actions are cleared promptly.

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Grant Thornton insight

Improving Fraud Risk Oversight and Member Engagement

The Council has outlined targeted actions to strengthen fraud controls—such as investigations linked to homelessness expenditure and updates to whistleblowing policies—many councils also implement centralised fraud reporting dashboards and routine fraud risk assessments across services. Also, many councils strengthen fraud oversight by reporting more frequently than annually.

To improve transparency and responsiveness, the Council could consider introducing more frequent fraud reporting to the Audit and Scrutiny Committee or providing members with access to a live fraud risk dashboard. This would keep elected members up to date with arrangements to detect and prevent fraud and enable more agile governance responses.

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Appendix

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
Page 56 approaches and carries out its annual budget setting process	<p>The annual budget-setting process is underpinned by a service and financial planning cycle which actively involves directors and service managers in identifying estimates, financial pressures, and potential savings. The 2025/26 estimates were prepared on the basis of the budget guidelines and targets agreed by Strategy and Resources Committee in July 2024. As part of budget development, the implications of changes to key estimates and assumptions were further explored by the Financial Strategy Advisory Group later in the year. The 2025/26 budget and the Medium-Term Financial Strategy (MTFS) to March 2028 were updated to reflect the Local Government Finance Settlement, the most recent financial data, forecasts, and the broader economic outlook. The Financial Strategy Advisory Group recommended the Budget and MTFS for approval by Council on 11 February 2025.</p>	G
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	<p>Quarterly revenue and capital budget monitoring reports and outturn reports are presented to the Audit and Scrutiny Committee throughout the year. These reports provide a clear understanding of the Council's financial position. The finance reports include detailed breakdowns such as key messages, financial strategy, revenue summary, savings plans and the capital position. They explain variances from the planned budget and forecast year-end outcomes, helping anticipate financial scenarios.</p> <p>Regular treasury management monitoring is carried out in year by the Financial Strategy Advisory Group (FSAG) which reported on the outcome of the treasury management activities in its Treasury Management Report to the Audit and Scrutiny Committee in March 2025. Updates on investments and borrowing positions, including the Minimum Revenue Provision (MRP), are also monitored.</p> <p>In addition to treasury activities, the Council reports on property investment income as part of its financial performance. For 2024/25, rental income from investment properties totalled £3.655 million, generating £3.118 million net income after costs. The Council's wholly owned subsidiary, Epsom & Ewell Property Investment Company (EEPIC), contributed a £620,000 dividend and an overall net benefit of £747,000 to the General Fund.</p>	G

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
Page 57 Ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	<p>The Council operates a committee system, with Full Council (35 members) as the main decision-making body. It is supported by five policy committees, including Strategy and Resources, Environment, and Community and Wellbeing, which oversee policy development within defined remits. Full Council retains authority over key decisions such as the annual budget, and its meetings—six held in 2024/25—are documented through published agendas and minutes in line with statutory requirements.</p> <p>Scrutiny and audit functions are delivered through the Audit and Scrutiny Committee (ASC), which met five times during the year and showed strong member engagement. The ASC reviews a broad range of reports, including internal and external audit updates, performance and risk data, and governance statements. Evidence of constructive challenge was noted, although no formal self-assessment of the committee's effectiveness was undertaken in 2024/25. As a result, an improvement recommendation will be issued to strengthen oversight and ensure regular evaluation of committee effectiveness. See page 24 for further details.</p> <p>A Corporate Peer Challenge (CPC) by the Local Government Association (LGA) in March 2024 highlighted strengths in leadership and member engagement but recommended clearer separation of audit and scrutiny roles and improved transparency in decision-making. The Council has recognised the need to separate audit and scrutiny functions and has outlined a roadmap to do so. However, implementation is at an early stage, and progress has stalled due to LGR. While some preparatory work such as training has occurred, the actual structural change has been deferred to 2026.</p> <p>The LGA Peer Review also identified the need for a more transparent approach. We note that the Council has since updated its constitution, clarified delegation frameworks, and maintained regular and open engagement with audit, thereby addressing and closing the prior year's key recommendation.</p>	A

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
(continued)	<p>As part of our 2024/25 VFM review, we observed enhancements in the Council's transparency arrangements. These included:</p> <ul style="list-style-type: none">• a review of the rationale for exempt items, supported by clear and appropriate explanations;• confirmation that exempt items were consistent with the Council's constitution; and• increased engagement between senior officers and the external audit team. <p>Given that the Council has taken meaningful corrective actions to address the previous significant weakness, we consider this sufficient and have closed the key recommendation. See page 33 for further details.</p> <p>Overall, the Council's governance framework remains effective, with defined structures and evidence of member challenge. Continued focus on strengthening transparency and scrutiny will be critical to maintaining governance resilience in preparation for forthcoming structural reforms.</p>	A

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
Monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	<p>The Council's governance is underpinned by its Constitution and Operating Framework, including the Members' Code of Conduct, Standing Orders, Financial Regulations, and Contract Standing Orders. These are reviewed annually, with the latest update approved in May 2025. Oversight is provided by the Monitoring Officer and the Standards and Constitution Committee (SCC), which met twice in 2024/25 (June 2024 and April 2025). The SCC approved updates such as new disciplinary processes for statutory officers and established a Constitutional Working Group. A councillor training workshop is scheduled for October 2025.</p> <p>The Audit and Scrutiny Committee monitors standards through annual counter-fraud reports (Nov. 2024) and registers of gifts, hospitality, and interests. Complaint and data breach updates highlighted six minor breaches in 2024.</p> <p>Procurement processes have been updated to comply with the Procurement Act 2023. An internal audit completed in November 2025 provided Substantial Assurance on compliance, confirming that Contract Standing Orders, Financial Regulations, and the Procurement Strategy align with legislation and that key staff have received training. Waiver procedures and compliance checks are now embedded, and a compliance checklist introduced in April 2025 addresses previous record-keeping gaps. These changes significantly strengthen procurement governance. You have plans in place for annual reporting of contract exceptions (waivers) to the Audit and Scrutiny Committee and the first waiver report is scheduled for March 2026.</p>	G

Governance (continued)

Area for Improvement identified: committee self-assessment and effectiveness

Key Finding: The Audit and Scrutiny Committee (ASC) did not carry out an Audit Committee self assessment review in 2024/25.

Evidence: The ASC plays a dual role in the Council's governance – Audit and Scrutiny function. While the Committee is generally effective, there has been no formal effectiveness review or self-assessment in 2024/25, and the committee Annual Report did not consider inclusion of independent members on audit committees in local authorities as recommended by CIPFA. Training on committee governance and refreshed member development (covering audit, scrutiny, and governance roles) stalled due to LGR reprioritisation. Also, LGA CPC in March 2024 noted that merging audit and scrutiny may dilute effectiveness; recommended separating them.

Impact: Without clearer evidence of effectiveness and transparency improvements, there is a risk that oversight is perceived as diluted and public trust is undermined.

Improvement Recommendation IR1

IR1: The Council should strengthen governance by undertaking a formal effectiveness review of the Audit and Scrutiny Committee and ensuring transparent reporting of progress against CPC recommendations.

Governance (continued)

Area for Improvement identified: Enhancing Assurance Through CPC Action Plan Closure

Key finding: The Council has not maintained a consistent reporting cycle for the Corporate Peer Challenge (CPC) Action Plan. While initial updates were provided to the Strategy & Resources Committee in July and November 2024, no further formal updates have been reported. Progress monitoring is partially paused due to Local Government Reorganisation (LGR), and there is no formal close-out process to confirm which actions have been completed, adapted, or discontinued. Additionally, the Council's responsiveness to external audit recommendations remains slow, with several prior-year recommendations reiterated in the current report.

Evidence: A review of committee papers confirmed only two formal reports on the CPC Action Plan since March 2024: July and November 2024

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- No evidence of subsequent updates or a close-out summary
- Council continues to use P-Hub for internal tracking, but reporting to members and the public is not in place
- Six out of nine improvement recommendations from the 2023/24 Auditor's Annual Report have been reiterated in 2024/25, indicating slow response to external recommendations.

Impact: The lack of a formal reporting cycle and structured close out process reduces transparency and limits the assurance available to members and the public regarding progress on key improvement actions. Delays in responding to external reviews heighten the risk that significant governance and capacity issues remain unaddressed, which may in turn impact strategic decision making and service delivery.

Improvement Recommendation IR2

IR2: The Council should implement a structured approach to reporting and closing out the Corporate Peer Challenge (CPC) Action Plan. Specifically, the Council should:

- Introduce RAG-rating for all actions within the CPC Action Plan to provide clearer visibility of progress, delays, and risks.
- Develop a formal close-out summary clarifying which actions have been completed, adapted, or superseded due to Local Government Reorganisation, and provide assurance on overall progress.
- Improve responsiveness to external audit recommendations by setting internal deadlines for management responses

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council: Commentary on arrangements

Rating

Page 10
P
uses financial and performance information to assess performance to identify areas for improvement

The Council actively links costs to performance to drive service improvement. In May 2025, it refreshed its Corporate Plan (to 2027), introducing seven strategic priorities—each with defined owners, outcomes, and estimated costs. Delivery is overseen by the Strategy and Resources Committee, supported by a dedicated priorities reserve fund to facilitate Local Government Reorganisation.

Performance and risk are monitored quarterly by the Audit and Scrutiny Committee. In 2024/25, of 26 KPIs, only two were red-rated at Q3, rising to five by year-end—covering budget control, sickness absence, waste, homelessness, and parking. Notably, homelessness aligns directly with one of the two red-rated corporate risks (IT Services and Homelessness) reported at year-end (see page 13), confirming that strategic risks are reflected in operational performance data. Despite these pressures, 16 KPIs were green and 17 of 24 annual plan actions were completed, indicating some resilience and progress.

Homelessness remains a key challenge. In Q1 2025/26, the Council reported an £875k overspend due to a 19% rise in applications and higher-than-budgeted use of nightly paid accommodation. In response, it redirected contingency budgets, increased prevention funding, and adopted a Housing First approach—resulting in a 28% rise in early-stage preventions.

Data quality is supported through dashboards and a performance management system, complemented by embedded data governance, internal audits, committee scrutiny, assurance statements, and regular oversight meetings. While no formal Data Quality Strategy is currently in place, these controls collectively help maintain consistency, accuracy, and accountability across services. Benchmarking is selective and informal—for example, reserves stand at £1.555m (15% of net revenue), placing the Council mid-range among Surrey districts. However, there is no corporate framework guiding benchmarking activity, and comparisons are made on a case-by-case.

G

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Appendix 1

Grant Thornton insight

Strengthening Data Quality Assurance

Formalising a benchmarking framework and a corporate Data Quality Strategy and benchmarking framework could strengthen strategic oversight, comparability, and assurance.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>Page 63</p> <p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>The Council assesses performance through internal monitoring, external review, and committee oversight. A key external evaluation was the Corporate Peer Challenge (CPC) by the Local Government Association (LGA) in March 2024, which highlighted areas for improvement including temporary accommodation pressures, decision-making transparency, communication gaps, and project readiness.</p> <p>In response, the Council developed an Action Plan with 11 recommendations, presented to the Strategy and Resources Committee (SRC) in July 2024, followed by a progress update in November 2024. Oversight of the plan has been integrated into SRC, and internal groups such as SLT, Resident Association catch-ups, and the Policy Chair Group are actively engaged. The Council plans to publish updates on its Performance Hub, alongside KPIs and risk data, to improve transparency. However, reporting has been limited to only these two updates, and there is no formalised reporting cycle. Some actions have been delayed or overtaken by new priorities due to LGR. The plan lacks RAG ratings, which would enhance clarity and tracking. We previously raised this as an improvement in 2023/24 in Governance section of our report. As such we have issued a further recommendation to strengthen transparency and governance by introducing RAG-rating, a formal close-out summary, and a structured reporting cycle to provide assurance on progress and responsiveness to external recommendations. See page 25 for more details.</p> <p>Internally, the Council uses a performance management system to monitor KPIs and service delivery. Quarterly reports to the Audit and Scrutiny Committee include performance and risk updates. External assurance is also provided through inspections, such as the IPCO review in June 2024, which found no major issues but recommended minor updates to the Council's RIPA Policy.</p>	<p>G</p>

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
Page 4 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	<p>The Council does not currently have a formal partnership strategy or register, but it engages with a range of external bodies listed on its website, where elected councillors represent the Council's interests. These include statutory and non-statutory partnerships such as the Epsom and Ewell Community Safety Partnership (CSP) and the Surrey Climate Change Partnership. The CSP, which includes agencies like Surrey Police, Fire and Rescue, and the Probation Service, meets quarterly and focuses on safeguarding vulnerable residents. Its performance is monitored through key indicators, with regular updates provided to the Audit and Scrutiny Committee.</p> <p>In tackling homelessness—a significant local issue—the Community and Wellbeing Committee plays a central role. It reviews action plans and works with partners such as Surrey County Council and housing providers to reduce costs and improve service delivery. Meetings in 2024 and 2025 show active efforts to secure funding, manage temporary accommodation, and engage landlords. Recent actions include investment in prevention and 'move-on' officers to reduce temporary accommodation costs, reinforcing the need for structured partnership governance. While most objectives are progressing well, some actions related to early intervention and partnership engagement have experienced delays. Nonetheless, the Council continues to prioritise prevention and collaborative working to address the structural challenges posed by the national housing crisis.</p> <p>In 2022/23, we recommended that the Council implement a partnership governance framework to clarify responsibilities and strengthen oversight. This initiative is now at an advanced stage and pending final approval. The 2024/25 Annual Governance Statement confirms that a comprehensive framework is being developed to catalogue all partnerships and their associated benefits, with completion scheduled for September 2025. Given the forthcoming Local Government Reorganisation (LGR), which will establish new unitary authorities in Surrey by 2027, the framework must remain sufficiently flexible to accommodate and support the transition to new governance arrangements.</p>	G

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
Page 65 commissions or procures services, assessing whether it is realising the expected benefits	<p>In November 2024, the Strategy and Resources Committee approved revisions to the Council's Contract Standing Orders (CSOs) to reflect the Procurement Act 2023. This was followed by the adoption of an updated Procurement Strategy in July 2025, committing all procurement activity to legal compliance and best practice. Contract management responsibilities are clearly defined in the CSOs and supported by training, including a new guide available on the staff intranet. Refresher training for contract managers is scheduled for 2025/26. For high-value procurements, officers must establish KPIs, hold regular meetings, and involve Procurement Officers in oversight.</p> <p>Internal Audit (July 2025) gave Reasonable Assurance over governance arrangements for Epsom & Ewell Property Investment Company Ltd (EEPIC). While formal structures—such as the Shareholder Agreement, annual business plan approval, and quarterly financial reporting—are in place, the report highlighted some improvement and recommendations to address these gaps, including introducing performance metrics and strengthening shareholder challenge. We have not added further recommendations at this stage. Follow-up in 2025/26 will assess whether these improvements have been implemented and whether arrangements now supports effective value-for-money assessment.</p>	G

05 Summary of Value for Money Recommendations raised in 2024/25

Improvement recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p>IR1</p> <p>The Council should strengthen governance by undertaking a formal effectiveness review of the Audit and Scrutiny Committee and ensuring transparent reporting of progress against CPC recommendations</p>	<p>Page 67</p> <p>Governance (pages 24)</p>	<p>Actions: “We understand the intention behind this recommendation. However, Audit and Scrutiny arrangements are scheduled to change significantly from April 2027 when the Council merges into the new East Surrey Unitary Council. Given this transition, implementing changes now may have limited impact and could be overtaken by the new arrangements. Hence, any work done in this area could be wasted and probably not delivered in time to be effective in what time the Council has left.”</p> <p>Responsible Officer: N/A</p> <p>Due Date: N/A</p>
<p>IR2</p> <p>The Council should implement a structured approach to reporting and closing out the Corporate Peer Challenge (CPC) Action Plan. Specifically, the Council should:</p> <ul style="list-style-type: none"> • Introduce RAG-rating for all actions within the CPC Action Plan to provide clearer visibility of progress, delays, and risks. • Develop a formal close-out summary clarifying which actions have been completed, adapted, or superseded due to Local Government Reorganisation, and provide assurance on overall progress. • Improve responsiveness to external audit recommendations by setting internal deadlines for management responses. 	<p>Economy, Efficiency and Effectiveness (pages 29)</p>	<p>Actions: “The Council has agreed that the recommendations and action plan for the CPC review would not be progressed given the impact of LGR. However, there were some actions such as Asset review which will be taken forward as part of the council’s 7 key priorities developed for the last remaining years of the Council. If required, we can produce a document which sets out which actions are being progressed and those which are not, in order to close the report down. However, a formal closure to the CPC would need to be issued by the LGA and is not within the Council’s gift to do. We do not believe there is any intention for the LGA to do this.</p> <p>The new regular meetings with the external auditors should help improve the dialogue between the Council and the external auditors and see improved progress on recommendations.”</p> <p>Responsible Officer: N/A</p> <p>Due Date: N/A</p>

06 Follow up of previous Key recommendations

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR1	<p>The Council should develop a clear approach towards transparency.</p> <p>The Council should be mindful of requirements to be open and accountable.</p>	2023/24	<p>The Council has now taken meaningful steps to address the governance weakness:</p> <p>The Council has increased frequency of meetings with auditors to stay accountable.</p>	Addressed and closed	<p>No.</p> <p>See page 22 for more details</p>

07 Appendices

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Agenda Item 7
Appendix 1

Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council's Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.



A range of different recommendations can be raised by the Council's auditors as follows:

Statutory recommendations – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Council's arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year

Key performance and risk management information reported to the Executive or full Council

Interviews and discussions with key stakeholders

External review such as by the LGA, CIPFA, or Local Government Ombudsman

Progress with implementing recommendations

Regulatory inspections such as from Ofsted and CQC

Findings from our opinion audit

Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	The Council should deliver mitigations for the £5 million funding gap forecast to 2028/29.	2023/24	There is a saving plan for 25/26. The Council is working on 26/27 and the future years MTFS which has revised the gap.	Partially implemented	Yes to be followed up in 2025/26
Page 73 IR2	The Council needs to deliver robust detail to support its planned programme of service reviews between 2024/25 and 2028/29. Aspirations to review whole service lines to determine whether savings are possible need to be focused in on specific areas where granular detail can be delivered. As granular savings plans are delivered, monitoring arrangements will also need to be introduced.	2023/24	The MTFS was revised for the 2026/27 to 2029/30 financial years and reported to the Strategy and Resources Committee in July 2025. Additional savings have yet to be identified through the planned service reviews .	Partially implemented	Yes to be followed up in 2025/26
IR3	Once decisions around funding the new Town Hall project are finalised, the capital costs of the project should be included within the main capital programme.	2023/24	The Town Hall capital relocation project was decided against by Council, in May 2025, due to the impact of Local Government Reorganisation (LGR).	Options shelved due to LGR. IR considered closed.	No

Appendix C: Follow up of 2023/24 improvement recommendations (continued)

	Prior Recommendation	Raised	Progress	Current position	Further action
IR4 Page 74	The Council should consider the use of scenario planning and sensitivity analysis in budget planning to provide greater transparency around financial risk. If necessary, training could be provided to members to help understand the benefits of walking through different scenarios.	2023/24	A Members Finance Briefing, including Fair Funding Review, was scheduled for 23 July 2025. The use of scenario planning has yet to be implemented to provide greater transparency around financial risk.	Partially implemented	Yes to be followed up in 2025/26
IR5	The council should consider increasing the frequency of Counter Fraud reporting to Members beyond the current annual update—such as twice annually or quarterly—to enhance visibility of in-year activity.	2023/24	The Council shares a Counter Fraud work plan and progress updates with Members, but this is still done annually in November.	Reporting remains limited to once a year. More frequent reporting (e.g., twice annually or quarterly) has not yet been adopted.	Updated and to be followed up in 2025/26
IR6	If the activities of the Council's subsidiary company ever expand (for example through the acquisition of more properties), recruiting independent Board members is something the Council should consider	2023/24	The Council has confirmed it has no current appetite to expand property acquisitions through its subsidiary company due to the strategic uncertainty caused by Local Government Reorganisation (LGR).	Expansion plan shelved due to LGR. IR considered closed.	No

Appendix C: Follow up of 2023/24 improvement recommendations (continued)

	Prior Recommendation	Raised	Progress	Current position	Further action
IR7	Arrangements for reporting on progress with the Council's action plan should be agreed. Oversight of the whole plan should be consolidated into one place, at Chief Executive and Group Leaders level, or within the Strategy and Resources Committee.	2023/24	The Council has partially addressed the recommendation by integrating oversight of the CPC Action Plan into the Strategy and Resources Committee and initiating internal discussions. However, consistent reporting, RAG-rated tracking, and formal updates remain outstanding. Plans to publish progress on the Performance Hub are still in development.	Partially implemented	Yes, replaced with new IR. See IR2 on page 25.
Page 75 IR8	As members assess options for generating funding for the planned relocation of the Town Hall, it will be important that they remain mindful of up-to-date professional advice. Furthermore, once the relocation project goes live, it will be important that members are sited on progress with the project, project risks, and capital programme costs.	2023/24	As confirmed on the 2024/25 AGS, the Council cancelled the Town Hall move due to Local Government Reorganisation and now includes future site strategy within its 2025–27 strategic priorities.	Options shelved due to LGR. IR considered closed.	No
IR9	Contract exceptions should be reported to Audit and Scrutiny Committee at least annually to increase transparency in procurement arrangements	2023/24	The recommendation to report contract exceptions annually to the Audit and Scrutiny Committee remains in progress. September 2024 ASC minutes show it was discussed, with concerns raised about waiver use and costs. A procurement audit (Nov 2025) confirmed strong compliance controls and embedded waiver processes, but the annual waiver reporting mechanism is still pending. The first Annual Procurement Waiver Report is scheduled for March 2026, which, if delivered, will fully address the recommendation.	Action completed with planned review scheduled for March 2026.	No

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Audit Findings (ISA 260) Report for Epsom and Ewell Borough Council

Year ended 31 March 2025

January 2026

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Dear Members of the Audit and Scrutiny Committee

Audit Findings for Epsom and Ewell Borough Council for the 31 March 2025

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness.

However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Chartered Accountants

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We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2024-.pdf \(grantthornton.co.uk\)](https://grantthornton.co.uk/transparency-report-2024-.pdf).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Ade O Oyerinde

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Director
For Grant Thornton UK LLP

Chartered Accountants

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Headlines and status of the audit

Headlines

This page and the following summarises the key findings and other matters arising from the statutory audit of Epsom and Ewell Borough Council (the 'Authority') and the preparation of the Group and Authority's financial statements for the year ended 31 March 2025 for the attention of those charged with governance.

Financial statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to report whether, in our opinion:

- the Group and Authority's financial statements give a true and fair view of the financial position of the Group and Authority and the Group and Authority's income and expenditure for the year; and

have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), Narrative Report, is materially consistent with the financial statements and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

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Our audit work started in September and is substantially complete. Our findings are summarised on pages 15 to 29. We have identified one misclassification which management adjusted for and had no impact to your Group Comprehensive Income and Expenditure Statement. We also identified three unadjusted misstatement which were not material individually or in aggregate. We made one recommendations and followed up on prior year's recommendations. Further details are set out on pages 35 to 42.

Subject to the satisfactory conclusion of the outstanding matters listed below, there are no matters of which we are aware that would require modification of our audit opinion. The outstanding matters include:

- receipt and review samples for housing benefit expenditure – 9 samples; right-of-use assets and lease liabilities (IFRS 16) – 6 samples; operating lease – 4 samples; additions – 1 sample;
- receipt and review working papers to estimation uncertainty disclosure; accounts consistency checker; going concern cashflow forecast;
- audit completion of LT and ST debtors; allowance for credit loss; collection fund; audit fee; financial instruments; related parties; litigation and claims;
- receipt and review of pension queries;
- final audit file reviews by Engagement Manager and Engagement Lead
- receipt and review of final financial statements and letter of representation.

We have concluded that the other information to be published with the financial statements, including the Annual Governance Statement, is consistent with our knowledge of your organisation and with the financial statements we have audited.

Our anticipated financial statements audit report opinion will be unmodified subject to satisfactory resolution of the outstanding items above.

Agenda Item 7
Appendix 2

Headlines

Value for money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance.

We have completed our VFM work, which is summarised on page 4, and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report. We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Headlines

Statutory duties

The Local Audit and Accountability Act 2014 (the 'Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have completed the majority of work required under the Code. However, we cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until:

- where there is outstanding work to be performed in relation to consolidation returns;
- where there is outstanding work to be performed in relation to audit work; and

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- the NAO confirms that the group audit for Whole of Government Accounts has been certified and that no further work is required by local government auditors to discharge the auditor's duties in relation to consolidation returns under paragraph 2.11 of the Code

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Significant matters

All information and explanations requested from management was provided except as detailed in Section 1 of the report. During the course of the audit, our audit team faced challenges around receipt of information. The information for Property, plant and equipment and Investment properties were provided with significant delays. The outstanding matters have been detailed on page 6. As a result of these delays, we were unable to finish the audit work by the end of December 2025.

Headlines

National context – audit backlog

Government proposals around the backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- For years ended 31 March 2025 by 27 February 2026
- For years ended 31 March 2026 by 31 January 2027
- For years ended 31 March 2027 by 30 November 2027

Page 85 The statutory instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and enable to the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Headlines

Implementation of IFRS 16

Implementation of IFRS 16 Leases became effective for local government bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Local government accounts webinars were provided for our local government audit entities during March, covering the accounting requirements of IFRS 16. Additionally, CIPFA has published specific guidance for local authority practitioners to support the transition and implementation on IFRS 16.

Introduction

IFRS 16 updates the definition of a lease to:

- “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.”

In the public sector the definition of a lease is expanded to include arrangements with nil consideration. This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires the right of use asset and lease liability to be recognised on the balance sheet by the lessee, except where:

- leases of low value assets
- short-term leases (less than 12 months).

This is a change from the previous requirements under IAS 17 where operating leases were charged to expenditure.

The principles of IFRS 16 also apply to the accounting for PFI liabilities.

The changes for lessor accounting are less significant, with leases still categorised as operating or finance leases, but some changes when an authority is an intermediate lessor, or where assets are leased out for little or no consideration.

Impact on the Authority

As part of the 24/25 accounts preparation, the Authority had to consider the following:

- whether the standard had a financial material impact upon the statements
- accounting policies and disclosures
- application of judgment and estimation
- related internal controls that required updating, if not overhauling, to reflect changes in accounting policies and processes
- systems to capture the process and maintain new lease data and for ongoing maintenance
- accounting for what were operating leases
- identification of peppercorn rentals and recognising these as leases under IFRS 16 as appropriate

Management have undertaken an IFRS 16 assessment in 2024/25 and concluded the impact is not material for the Council for the right of use assets. We set out our audit progress within ‘Other risks’ on page 22.

Group audit

Group audit

In accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

The table below summarises our final group scoping, as well as the status of work on each component.

Component	Risk of material misstatement to the group	Scope – planning	Scope – final	Auditor	Key Audit Partner / Responsible Individual	Status	Comments
Epsom and Ewell Borough Council	Yes			Grant Thornton UK	Ade O Oyerinde (RI)	●	Audit work on the Council is substantially complete subject to the outstanding items listed on page 6. We set out our audit findings on pages 23 to 29 of this report.
Epsom and Ewell Property Investment Company (EEPIC)	Yes			Grant Thornton UK	Ade O Oyerinde (RI)	●	As set out in our Audit Plan, we focused our work on material balances which included the following: <ul style="list-style-type: none"> investment properties cash at bank rental revenue gain/(loss) on revaluation of investment properties
Key							Our work is complete. There are no issues to bring to the attention of those charged with governance.

Audit of entire financial information of the component, either by the group audit team or by component auditors (full-scope)

Specific audit procedures designed by the group auditor (specific scope)

Specific audit procedures designed by a component auditor (specific scope)

Out of scope components are subject to analytical procedures performed by the Group audit team to group materiality.

● Planned procedures are substantially complete with no significant issues outstanding.

● Planned procedures are ongoing and are subject to review with no known significant issues.

● Planned procedures are incomplete and/or significant issues have been identified that require resolution.

Materiality

Our approach to materiality

As communicated in our Audit Plan in April 2025, we determined materiality at the planning stage as £1.3m for the Group and £1.24m for the Council. The headline materiality is based on 2.5% of prior year gross expenditure for the Group and Council respectively. At year-end, we have reconsidered planning materiality based on the draft financial statements. Based on the updated figures, materiality for the Group and all components has not changed significantly. Accordingly, we have decided to retain the planning materiality previously set.

A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We have determined materiality at £1.3m for Group and £1.24m for Council based on professional judgement in the context of our knowledge of the Group and Authority.
- We have used 2.5% of gross expenditure as the basis for determining materiality.

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Performance materiality

- We have determined performance materiality at £0.98m for the Group and £0.93m for the council. This is based on 75% of headline materiality.

Component Performance materiality

- Where audit work on components is being performed using component performance materiality, this has been set at £0.54m with the component materiality used reflecting the relative risk and size of that component to the group.

Reporting threshold

- We will report to you all misstatements identified in excess of £65k, in addition to any matters considered to be qualitatively material.

A summary of our approach to determining materiality is set out below.

	Group (£)	Authority (£)
Materiality for the financial statements	1,300,000	1,235,000
Performance materiality	975,000	926,000
Reporting threshold	65,000	65,000

Overview of significant and other risks identified

Overview of audit risks

The below table summarises the significant and other risks discussed in more detail on the subsequent pages.

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Other risks are, in the auditor's judgement, those where the risk of material misstatement is lower than that for a significant risk, but they are nonetheless an area of focus for our audit.

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	Significant	↔	✓	High	●
Valuation of Properties (Land and Building and Investment Properties)	Significant	↔	✗	High	●
Valuation of Pension fund net liability	Significant	↔	✗	High	●
The revenue cycle includes fraudulent transactions	Significant	↔	✓	Low	●
The expenditure cycle includes fraudulent transactions	Significant	↔	✓	Low	●
Implementation of IFRS 16	Other	↔	✗	Low	●

↑ Assessed risk increase since Audit Plan

↔ Assessed risk consistent with Audit Plan

↓ Assessed risk decrease since Audit Plan

- Not likely to result in material adjustment or change to disclosures within the financial statements
- Potential to result in material adjustment or significant change to disclosures within the financial statements
- Likely to result in material adjustment or significant change to disclosures within the financial statements

Significant risks

Risk identified

Management override of controls

Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.

Audit procedures performed

We have:

- evaluated the design effectiveness of management controls over journals;
- analysed the journals listing and determine the criteria for selecting high risk unusual journals;
- tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration;
- gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and
- evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.

We tested a total of 23 journals.

Key observations

Our audit work is complete. There are no issues to bring to the attention of those charged with governance.

Significant risks

Risk identified

Valuation of Properties (Land and Building and Investment Properties)

The value of Groups Land and building assets amounts to £79.4m as at 31 March 2025 (Council's £79.4m).

Group's Investment properties are valued at £113m as at 31 March 2025 (Council's £63.6m).

The Council revalues high value Other Land and buildings on an annual basis and the remainder of ~~Assets~~ ^{Properties} on a rolling five-yearly basis. The Council as required by the Code has all Investment properties ~~revalued~~ ^{revalued} on an annual basis.

The valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.

We therefore identified valuation Property assets including Investment Properties and Other Land and buildings, particularly revaluations and impairments, as a significant risk.

The significant risk relates to the complexity of the valuation and is pinpointed to the key inputs and assumptions underlying the valuations including land values, build cost indices, gross internal areas, obsolescence, rental values, vacancy rates and yields.

Audit procedures performed

We have:

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;
- evaluated the competence, capabilities and objectivity of the valuation expert;
- written to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirement of the Code are met and discuss this basis where there are any departures from the Code;
- challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding;
- completed analytical procedures on the valuation report, with reference to external market data, to identify those assets at greater risk of material misstatement.
- assessed how management have challenged the valuations produced by the professional valuer to assure themselves that these represent the materially correct current value;
- tested revaluations made during the year to see if they are input correctly into the Authority's asset register; and
- evaluated the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.

Key observations

Our review is complete. Our review identified the following:

- testing on Investment property sample identified discrepancies in the current rental amount and lease term used by your expert when compared to the supporting records held by Council. This resulted in net impact difference of £149k in valuation. Management has decided not to post the adjustment, considering that the net impact is immaterial. We have therefore included this in our unadjusted misstatement.

Other than the matter described above, our work on property valuations have not identified any other material issues.

Significant risks

Risk identified

Valuation of net pension liability

The Council's pension fund net liability, as reflected in its balance sheet as the net liability on defined pension scheme, represents a significant estimate in the financial statements.

The pension fund net liability is considered a significant estimate due to its value in the Authority's balance sheet and the sensitivity of the estimates to changes in key assumptions.

We therefore identified valuation of the Council's pension fund net liability as a significant risk. We have pinpointed this significant risk to the assumptions applied by the professional actuary in their calculation of the net liability.

Audit procedures performed

We have

- updated our understanding of the processes and controls put in place by management to ensure that the pension fund net liability is not materially misstated and evaluate the design of the associated controls;
- assessed the competence, capabilities and objectivity of the actuary who carried out the pension fund valuation;
- assessed the accuracy and completeness of the information provided by the Council to the actuary to estimate the liabilities;
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial reports from the actuary;
- reviewed the council and the actuary's assessment of IFRIC 14 and tested its reasonableness in relation to if any adjustments are required
- undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and
- obtained assurances from the auditor of Surrey CC pension fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the Fund and the fund assets valuation in the Fund's financial statements.

Key observations

Our work on pension liabilities is substantially complete.

We identified differences between pension contributions and benefits payable per the accounts and equivalent figures in your IAS 19 actuary report.

We raised the queries with both Council's officers and your actuary. This work is in progress at the time of writing.

Additionally, the Surrey Pension Fund auditors identified a £26.542m undervaluation of level 3 investments. The Council's share of this difference is approximately £531k. Management did not adjust the accounts as the amount is immaterial.

Other than the matter described above, our work to date has not identified any material issue relating to Pension valuations.

Significant risks

Risk identified

The revenue cycle includes fraudulent transactions

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. We have considered all revenue streams of the Council, and we have rebutted this risk for all revenue streams.

For revenue streams that are derived from Council Tax, Business Rates and Grants we have rebutted this risk on the basis that they are income streams primarily derived from grant and formula-based income from central government and taxpayers and that opportunities to manipulate the

Recognition of these income streams is very limited.

For other revenue streams, we have identified from our experiences as your auditor and through our understanding of your business processes around revenue recognition that the risk of fraud arising from revenue recognition could be rebutted, because:

- there is little incentive to manipulate revenue recognition;
- opportunities to manipulate revenue recognition are very limited;
- the culture and ethical frameworks of local authorities, including Epsom and Ewell Borough Council, mean that all forms of fraud are seen as unacceptable.

We do not consider this to be a significant risk for the Group and Council

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Audit procedures performed

We have

- evaluated the Council's accounting policy for recognition of income from investment properties, Housing benefit subsidy, Interest income, Government Grants and fees and other charges for appropriateness;
- gained an understanding of the Council's system for accounting for income from commercial income, sales and other charges, and evaluate the design of the associated controls;
- agreed on a sample basis, amounts recognised as income from investment rents, fees and other charges and cost in the financial statements to supporting documents;
- tested the completeness of revenue within the 24/25 financial statements; and
- tested the associated trade receivables or debtors pertaining to investment rents and other sales and charges.

Key observations

Our audit work is complete. There are no issues to bring to the attention of those charged with governance.

Significant risks

Risk identified

The expenditure cycle includes fraudulent transactions

Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.

We have completed a risk assessment of all expenditure streams for the Group. We have considered each material expenditure area, and the control environment. We have concluded that there is no significant risk as:

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- the control environment around expenditure recognition (understood through our documented risk assessment and understanding of your business processes) is considered to be strong; and
- we have not found significant issues, errors or fraud in expenditure recognition in the prior year audits.

Audit procedures performed

We have

- evaluated the Council's accounting policy for recognition of expenditure on goods, services, and contracts for appropriateness;
- gained an understanding of the Council's system for accounting for expenditure, including purchase orders, invoices, and payment processes, and evaluated the design of the associated controls;
- agreed on a sample basis, amounts recognised as expenditure in the financial statements to supporting documents such as supplier invoices and contracts;
- tested the completeness of expenditure within the 24/25 financial statements; and
- tested the associated trade payables or creditors relating to goods, services, and contractual payments.

Key observations

Our audit work is substantially complete. There are no issues to bring to the attention of those charged with governance

Other risks

Risk identified

First year Implementation of IFRS 16

The CIFPA Code of practice on Local Government Accounting requires authorities to apply the new leasing standard IFRS 16 from 1 April 2024.

Under the new standard the current distinction between operating and finance leases is removed for lessees and, subject to certain exceptions, lessees will recognise all leases on their balance sheet as a right of use asset and a liability to make the lease payments.

The Council's 2024/25 draft accounts disclose a right of use asset balance of £0.65m and Lease liabilities of £1.76m.

There is a risk that the Council's processes do not capture all the arrangements that convey the right to use an asset, resulting in a failure to correctly account for the new leasing standard IFRS16.

Audit procedures performed

We have

- evaluated the Council's processes to identify all arrangements conveying the use of an asset to assess the impact of IFRS16 on the 2024/25 financial statements;
- checked that the impact on assets, liabilities, reserves and income and expenditure has been appropriately recorded within the financial statements;
- assessed the completeness of the disclosures made in the 2024/25 financial statements with reference to the 2024/25 CIFPA Code of practice on Local Government Accounting; and
- on a sample basis, agreed the amounts recognized for lease liabilities and right-of-use assets in the financial statements to underlying supporting documentation, such as lease agreements, payment schedules, and management calculations.

Key observations

Our audit work is currently in-progress and is subject to receipt of outstanding information from management as set out on page 6.

At the time of drafting report, we have not identified any issues to bring to the attention of those charged with governance.

Other findings

Other areas impacting the audit

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan.

Significant matters

All information and explanations requested from management was provided except as detailed in Section 1 of the report. During the course of the audit, our audit team faced challenges around receipt of information for property valuations. The information for samples were provided with significant delays. The outstanding matters have been detailed on page 6. As a result of these delays, we were unable to finish the audit work by the end of December 2025.

Other findings – key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
Valuation of land and buildings £79.4m at 31 March 2025	<p>Other land and buildings that were revalued in 2024/25 are part of the Council's asset base and are required to be valued at Depreciation replacement method (DRC) and existing use in value (EUV). The Council has engaged Wilks Head and Eve to complete the valuation of properties for the year ended as at 31 March 2025 on a five-yearly cyclical basis. About 19% of total land and buildings were revalued during 2024/25. The valuation of properties valued by the valuer has resulted in a net increase of £4.7 million for other land and buildings.</p> <p>Management has considered the current year value of non-valued properties, and the potential valuation change on the assets revalued as at 31 December 2024 (valuation date), considering industry average indices and rental income to determine whether there has been a material change in the total value of these properties. No adjustments was posted by the management for assets revalued during the year between the valuation date 31 December 2024 and the year end 31 March 2025.</p>	<p>Our work is complete on valuations of land and buildings. The Council has engaged Wilks Head and Eve (WHE) for the valuation of other land and buildings. We have considered and completed the following in the course of our audit:</p> <ul style="list-style-type: none">assessment of management's expert;impact of changes on the valuation method;consistency of estimate against Montagu Evans report;reasonableness of movement in estimates;adequacy of disclosure of estimate in the financial statements;for assets valued during the year, we have recalculated the valuation figures using the inputs taken the value; andfor assets not revalued during the year, we have recalculated the indexation to 31 March 2025 applied by the management using BCIS rate during the year and no material issues were noted. <p>Our work has not identified any issues regarding the accounting estimate.</p>	● Green

Assessment:

- [Red] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Amber] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Green] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
Valuation of investment property £112.9m at 31 March 2025 for the Group Page 102	The Group's investment property portfolio has a value of £112.9 million (£63.6 million for the Council) as at 31 March 2025. All investment properties have been valued at fair value in 2024/25. The valuation of properties valued by the valuer has resulted in a net decrease of £2.3 million for investment properties. The Council has engaged Wilks Head and Eve to complete the valuation of properties for the year ended as at 31 March 2025. Management has considered the year-end value for potential valuation change in the assets revalued at 31 December 2024, considering industry average indices and rental income to determine whether there has been a material change in the total value of these properties. No adjustments were posted by the management for assets revalued during the year between the valuation date 31 December 2024 and the year end 31 March 2025.	<p>Our work on investment properties is complete. The Council has engaged Wilks, Head and Eve for the valuation of investment properties. We have considered and completed the following in the course of our audit:</p> <ul style="list-style-type: none">• assessment of management's expert;• impact of any changes on the valuation method;• consistency of estimate against Montagu Evans report;• reasonableness of movement in estimates;• adequacy of disclosure of estimate in the financial statements; and• evaluated classification of investment properties. <p>Our work has not identified any issues regarding the accounting estimate.</p>	● Green

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
Valuation of net Pension Liability £6.3m at 31 March 2025 IFRIC 14 addresses the extent to which an IAS 19 surplus can be recognised on the Balance Sheet as an asset and whether any additional liabilities are required in respect of onerous funding commitments.	<p>The Council's IAS 19 Actuarial Valuation as at 31 March 2025 is £6.7m liability (PY £2.3m net asset) after the asset ceiling adjustment. The Council participates in the Local Government Pension Scheme (Surrey Pension Fund)</p> <p>Estimation of the net asset to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets. A firm of consulting actuaries is engaged to provide the fund managers with expert advice about the assumptions to be applied.</p> <p>The Council uses Hyman Robertson to provide actuarial valuations of the Council's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation was completed in March 2022. The next actuarial valuation currently in progress with results due early next year and effective from April 2026.</p> <p>Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.</p>	<p>The Council has engaged Hyman Robertson for the valuation of Pension liabilities. We have:</p> <ul style="list-style-type: none"> completed an assessment of management's expert with no issues noted. The actuary is independent and objective; completed an assessment of the approach taken by the actuary and concluded that an appropriate methodology is applied; used PwC as auditor's expert to assess the actuary's approach and assumptions made 	 Green

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
Valuation of net pension liability (continued)		<ul style="list-style-type: none">reviewed the completeness and accuracy of the underlying information used to determine the estimatecompleted a reasonableness of the Council's share of LPS pension assets.completed a review of the reasonableness of increase/decrease in estimateadequacy of disclosure of estimate in the financial statements. <p>At the time of writing this report, our pension liabilities work was on-going and is subject to management's response to the queries raised.</p>	

Other findings – Information Technology

This section provides an overview of results from our assessment of the Information Technology (IT) environment and controls therein which included identifying risks from IT related business process controls relevant to the financial audit. This table below includes an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas.

In our indicative audit plan, we included I-Trent as scoped in for our ITGC assessment however, following completion of our risk assessment, we determined that this is not a relevant IT application, therefore, no ITGC control assessment is required.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
6Civica Financials	ITGC assessment (design and implementation effectiveness only)	●	●	●	●	None identified

Assessment:

- Significant deficiencies identified in IT controls relevant to the audit of financial statements
- Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- Not in scope for assessment

Communication requirements and other responsibilities

Other communication requirements

Issue	Commentary
Matters in relation to fraud	<ul style="list-style-type: none">• We have previously discussed the risk of fraud with the Audit and Scrutiny Committee. We have not been made aware of any other incidents in the period, and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	<ul style="list-style-type: none">• We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	<ul style="list-style-type: none">• You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Confirmation requests from third parties	<ul style="list-style-type: none">• We requested from management permission to send confirmation requests to the Council's banking and investment counterparties. This permission was granted and the requests were sent. All the confirmations have been received.
Audit evidence and explanations	<ul style="list-style-type: none">• Yes, all information has been provided other than the outstanding information detailed on Page 6 of the report.
Significant difficulties	<ul style="list-style-type: none">• During our review property valuations, we identified discrepancies between the data provided to the valuer (WHE) and the supporting evidence provided by EEBC to the auditor. The issue occurred due to the departure of the previous internal surveyor, who provided the required information to the valuer but did not retain a copy of it. This led to delay in the completion of the work on Other land and buildings valuation and Investment properties valuation.• The new internal surveyor, supported by property and finance colleagues, was able to provide evidence and explanations for the rest of the areas as required subject to the outstanding items set out on page 6.
Disclosures	<ul style="list-style-type: none">• Our work to date has identified few disclosures misstatements, these have been discussed in "Audit adjustment" slide at page 36.
Written representations	<ul style="list-style-type: none">• We will seek a letter of representation from management before issuing an audit opinion. As work is still in progress, we are not yet able to confirm if any specific nonstandard representations will be required.

Other responsibilities

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none">• The use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities• For many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Authority's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none">• the nature of the Authority and the environment in which it operates• the Authority's financial reporting framework• the Authority's system of internal control for identifying events or conditions relevant to going concern• management's going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none">• a material uncertainty related to going concern has not been identified; and• management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none">• if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit,• if we have applied any of our statutory powers or duties.• where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>Note that work is not required as the Authority does not exceed the threshold. We will complete the Assurance Statement after the conclusion of the audit and share with the NAO.</p>
Certification of the closure of the audit	<p>We intend to delay the certification of the closure of the 2024/25 audit of Epsom and Ewell Borough Council in the audit report until National Audit Office has concluded their work in respect of WGA for the year ended 31 March 2025.</p>

Audit adjustments

Audit adjustments

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

No adjusted misstatements have been identified at the date of issuing our report. We will provide an update to management and the Audit and Scrutiny Committee should any issues be identified from the remaining testing.

Detail	Comprehensive Income and Expenditure Statement	Balance Sheet	Impact on total net expenditure	Impact on general fund
			£'000	£'000
Reclassification of Expenditure	Dr. Employee benefit expenses – 167	N/a	N/a	N/a
Management had incorrectly classified employee benefit expenses within other service expenses.	Cr. Other service expenses – (167)			
Overall impact	0	0	0	0

Audit adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure	Misclassification or change identified	Adjusted?
Note 15 – Property, Plant and Equipment	While performing review of capital commitment disclosure, we note the amount for Replacement of CRM per your records should have been £211k rather than £261k disclosed in the draft statements.	✓
Note 15 – Property, Plant and Equipment	According to CIFPA Code 4.2 related to lease, the Right-of-use assets should be disclosed separately from other assets in the Balance Sheet. Management reviewed the disclosure and amended "Vehicle Plant and Equipment" and "Other land and buildings" in accordance with the Code.	✓
Note 21 - Creditors	Testing of creditors disclosure identified a misclassification amounting to £70k wrongly disclosed within "Other Entities and Individuals" rather than "Other Local Authorities". This is a disclosure adjustment within creditors and have no impact on the overall creditor balance.	✓
Note 34 – Related Party transactions	We note from related party testing disclosures that were not compliant with the Code. Management reviewed the disclosure and amended to be compliant with the Code.	✓
Throughout	Typographical errors identified throughout the financial statements including accounting policies and disclosures have been updated. These have not been listed individually as they were not material individually or in aggregate.	✓

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Agenda Item 7
Appendix 2

Audit adjustments

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the audit which have not been made within the final set of financial statements. The Audit and Scrutiny Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement	Balance Sheet	Impact on total net expenditure	Impact on general fund
	£'000	£'000	£'000	£'000
Annual Holiday Accruals Management did not account for leave accruals at year-end as the amount involved is considered immaterial.	Dr Employee Benefit expenses -114	Cr Accruals - (114)	Increase in total net expenditure - 114	Reduction in general fund - 114
Overstatement on the Pension fund Liability The Surrey Pension Fund auditors identified a £26.542m undervaluation of level 3 investments in the investment reported in the financial statement and the value reported as per the fund manager's confirmation. The calculated difference allocated to the Council is £531k. Management opted not to adjust the accounts as it is not material.	N/a	Dr. Pension fund Liability - 531 Cr. Pension reserves - (531)	N/a	N/a – Impacts Unusable Pension reserves

Audit adjustments

Impact of unadjusted misstatements (continued)

Detail	Comprehensive Income and Expenditure Statement	Balance Sheet	Impact on total net expenditure	Impact on general fund
	£'000		£'000	£'000
Understatement on Investment Properties Testing on Investment property sample identified discrepancies in the current rental amount and lease term used by your expert when compared to the supporting records held by Council. Management has decided not to page 14 post the adjustment, considering that the net impact is trivial.	Cr. Movement in Investment Properties (149)	Dr. Investment Properties – 149	Decrease in total net expenditure -(149)	N/a – Impacts capital adjustment account
Overall impact of current year unadjusted misstatements	(35)	35	(35)	114

Action plan

We set out here our recommendations for the Authority which we have identified as a result of issues identified during our audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Medium	<p>Source Data Delivery to the Valuer (Property, plant and equipment and Investment properties)</p> <p>We identified discrepancies in the source data used by the Council's valuation expert compared to the supporting evidence maintained by the Council.</p> <p>Inaccurate or incomplete data supplied to valuers increases the risk of property valuations being misstated. Differences were noted in floor areas, rental amounts and lease terms used by the valuer versus those outlined in Council records, resulting in a valuation variance.</p>	<p>We recommend management ensure that all key data provided to your valuers such as floor areas, rental amounts, lease terms are accurate, complete and up to date. The evidence should be routinely retained.</p> <p>Management response</p> <p>Work is underway to ensure that all documentation required to support the figures supplied to the Council's external valuers is up to date and retained for future reference. This work will be complete before the audit of the 2025/26 accounts begins.</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Follow up of prior year recommendations

We identified the following issues in the audit of the Authority's 2023/24 financial statements, which resulted in 3 recommendations being reported in our 2023/24 Audit Findings Report. We have followed up on the implementation of the recommendations as follows:

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Journal entries approval process</p> <p>During our assessment of the journal process, we identified that some of the journals during the year were posted by the Chief Financial Officer (S151), consistent with the previous year's practice, and were approved by a junior team member. Additionally, due to the size of the finance team, there were several instances where journal entries posted by a senior member of the finance team were approved by a junior team member. Although we have not identified any issue from our test of the journal entries sample selected, it is important to note that this practice may compromise the effectiveness of controls over journal entries due to the limited supervisory capacity in the approval process. This could increase the risk of errors, unauthorized or fraudulent entries, and undetected misstatements. Moreover, it may lead to insufficient review and oversight, potentially impacting the accuracy of financial reporting.</p>	<p>Management Response</p> <p>Within the new corporate structure, the Section 151 officer is now also the Director of Corporate Services. This wider remit will mean that the Section 151 officer will not have time to personally post journals and will limit his remit to reviewing these journals.</p> <p>Auditor view</p> <p>As part of our work on management override of controls, we did not identify any journals posted by the Section 151 officer or Director of Corporate services. Therefore, we are satisfied with the action.</p>

Assessment

- ✓ Action completed
- ✗ Not yet addressed

Follow up of prior year recommendations

We identified the following issues in the audit of the Authority's 2023/24 financial statements, which resulted in 3 recommendations being reported in our 2023/24 Audit Findings Report. We have followed up on the implementation of the recommendations as follows:

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	<p>Completeness of related parties</p> <p>During our audit of the related parties' disclosure, we perform independent check for related parties of the councillors using a Companies House Search to identify any related parties not included in the management's related party register. We found that one related party for one Councillor was missing from the register. As part of ensuring the completeness of related parties, management should have a control that should detect such omissions.</p>	<p>Management Response</p> <p>The legal duty for ensuring that elected Members declare their interests and keep that up to date throughout their term lies upon each elected Member. This is clear within the wording of the Member Code of Conduct adopt by the Council, which in turn adopted the LGA Model Code. They are reminded of this when they are provided training as part of their induction shortly after their election and this is repeated after each 4-year term. The recommendation is disproportionate to the identified risk and where no material consequences have been evidenced. The Council does not consider the additional resources required to adopt the recommendation to be either essential or proportionate, particularly as Council budgets and resources are under significant pressure.</p> <p>Auditor view</p> <p>At the time of drafting the report, our work on related parties is in-progress.</p>

Assessment

- ✓ Action completed
- ✗ Not yet addressed

Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	<p>Investment properties formal valuation</p> <p>During our audit, we found that seven investment properties were not formally revalued in FY 2025. Upon pro-rating the opening value to the overall percentage movement in the value of re-valued investment properties, we did not identify any material adjustment in terms of these properties' valuation. In our opinion, all investment properties as at the year-end should be revalued every year in accordance with the CIPFA Code.</p>	<p>Management Response</p> <p>While management recognises the provision within the CIPFA Code, the properties in question are relatively small and this does not result in a material misstatement to the accounts. In light of the fact that these properties are not material, the Council does not consider the cost of the yearly valuation essential, particularly as Council budgets are under significant pressure, and will seek to review the valuation of these properties over a longer time period.</p> <p>Auditor view</p> <p>We have considered management's position and agree that, based on our materiality assessment, the omission of annual valuations for these properties does not result in a material misstatement. The total amount of investment properties amounts to £50k which is below our triviality. However, the CIPFA Code requires management to perform an annual review to confirm that carrying amounts remain materially accurate. Management should review the classification of the assets to determine whether they meet the criteria for investment properties or should be reclassified under a different asset category.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

Value for Money arrangements

Value for Money arrangements

Approach to Value for Money work for the year ended 31 March 2025

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Additionally, The Code requires auditors to share a draft of the Auditor's Annual Report (AAR) with those charged with governance by 30th November each year from 2024-25. Our draft AAR accompanies this audit findings report.

In undertaking our work, we are required to have regard to three specified reporting criteria. These are as set out below.

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Improving economy, efficiency and effectiveness

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



Financial sustainability

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



Governance

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

In undertaking this work we have not identified any significant weaknesses in arrangements. We made one improvement recommendation and reiterated three prior year improvement recommendations.

Independence considerations

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, there are no independence matters that we would like to report to you.

As part of our assessment of our independence we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Authority or group that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Authority or group or investments in the group held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Authority or group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Authority or group.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Authority and group, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services

The following tables below sets out the total fees for audit and non-audit services that we have been engaged to provide or charged from the beginning of the financial year to current date, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The below non-audit services are consistent with the group's and Authority's policy on the allotment of non-audit work to your auditor.

None of the below services were provided on a contingent fee basis.

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Epsom and Ewell Borough Council. The table summarises all non-audit services which were identified and shows reconciliation with statement of accounts. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fees that is detailed below;

Reconciliation of audit fees note	Audit Fees (£000)
Fee per draft accounts	337
Audit findings report:	
Audit fee for financial year 2024/25	170
Additional audit fee for financial year 2023/24	20
Reconciling items:	
• Housing benefit subsidy claim certification 2022/23	45
• Housing benefit subsidy claim certification 2023/24	45
• Housing benefit subsidy claim certification 2024/25	57
Total	337
Difference	-

Audit fees	£
Audit of Authority	£169,922
Additional work related to IFRS 16 **	£8,500
Additional audit costs due to delay in receipt of information **	£4,750
Total	£183,172

The above fees are exclusive of VAT and out of pocket expenses.

** The additional fee is subject to approval from PSAA.

This covers all services provided by us and our network to the group/Authority, its directors and senior management and its affiliates, that may reasonably be thought to bear on our integrity, objectivity or independence.

Fees and non-audit services

Audit-related non-audit services

Service	Fees	Threats Identified	Safeguards applied
Certification of Housing Benefits Grant return	<p>For the 2022-23 audit the Core Fee was £45,450, with additional fees identified, due to additional testing as required by the DWP instructions. The 2022-23 work was certified on 7 April 2025 and total fee billed amounts to £88k.</p> <p>The 2023-24 audit is in-progress with core fee amounting to £45,460 Based on the 2023-24 fee, and CPI rate, we would anticipate the fee to be comparable to the above for 2024-25.</p> <p>However, this will be dependent on whether additional testing is identified as being required in those years.</p>	<p>Self-Interest (because this is a recurring fee)</p> <p>Self-review (because Grant Thornton provides audit services)</p>	<p>The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is small in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.</p> <p>To mitigate against the self-review threat, the timing of certification work is done after the audit has completed. Based on past experience, it is not expected that there will be material changes to housing benefit subsidy payable or receivable and PHR in future years. Any changes to the form will be agreed with the council before we conclude our report to any reporting body. Any changes to subsidy payable will be determined by DWP and we will have no involvement in the decision.</p> <p>The scope of the work does not include making decisions on behalf of management or recommending or suggesting a particular course of action for management to follow. We will perform the proposed service in line with the instructions and reporting framework issued by the reporting body.</p>

Appendices

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	●	●
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures	●	
Significant findings from the audit	●	
Significant matters and issue arising during the audit and written representations that have been sought	●	
Significant difficulties encountered during the audit	●	
Significant deficiencies in internal control identified during the audit	●	
Significant matters arising in connection with related parties	●	

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●
Expected modifications to the auditor's report, or emphasis of matter		●

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ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.

B. Our team and communications

Grant Thornton core team

Ade Oyerinde

Engagement Lead/
Key Audit Partner

- Key contact for senior management and Audit and Scrutiny Committee
- Overall quality assurance

Page 12

Usman Rasheed

Audit Manager

- Audit planning
- Resource management
- Performance management reporting

Justine Thorpe

Value for Money Manager

- Planning the Value for Money audit
- Drafting and agreeing the Annual Audit report with management.

Matthew G Cronin

Audit Assistant Manager

- Audit team management
- Day-to-day point of contact
- Audit fieldwork

Pool of specialists including IT and financial modelling

Service delivery

Formal communications

- Annual client service review

Audit reporting

- The Audit Plan
- Audit Progress and Sector Update Reports
- The Audit Findings Report
- Auditor's Annual Report

Audit progress

- Audit planning meetings
- Audit clearance meetings
- Communication of issues log

Technical support

- Technical updates

Informal communications

- Open channel for discussion

- Communication of audit issues as they arise

- Notification of up-coming issues

As part of our overall service delivery we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Senior and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

C. Logistics

The audit timeline

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Key Dates

Year end:
31 March 2025

Planning – 3 weeks
w/c 24 March 2025

Audit and Scrutiny Committee
July 2025

Audit and Scrutiny Committee
September 2025

Close out and Completion:
January 2026

Sign off:
January 2026

Audit and Scrutiny Committee
5th February 2026

Early testing
2 weeks
July/August

Final – 10 weeks
w/c15 September 2025

Key elements

- Planning meeting with management to set audit scope
- Planning requirements checklist to management
- Issue the Audit Plan to management and Audit and Scrutiny Committee in April

Key elements

- Select samples of key transactional balances to enable management to prepare sample responses for these areas prior to the final audit commencing.
- Key areas of focus will be income, expenditure, Debtors , Creditors and PPE additions sampling.
- We will require the relevant working papers and accounts by the end of June to ensure this work takes place as planned.

Key elements

- Audit teams onsite to complete fieldwork and detailed testing
- Weekly update meetings with management
- Auditor's Annual Report to be presented at September Audit and Scrutiny Committee.

Key elements

- Draft Audit Findings issued to management
- Audit Findings meeting with management
- 'Draft Audit Findings issued to Audit and Scrutiny Committee
- Audit Findings presentation to Audit Committee
- Finalise and sign financial statements and audit report



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Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Town Hall
The Parade
Epsom
Surrey
KT18 5BY
Tel (01372) 732211

5 February 2026

Dear Grant Thornton UK LLP

**Epsom and Ewell Borough Council
Financial Statements for the year ended 31 March 2025**

This representation letter is provided in connection with the audit of the financial statements of Epsom and Ewell borough council ("the Authority") and its subsidiary undertaking ("the group") as shown in Appendix I to this letter, for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the group and Authority financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities, as set out in the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited, for the preparation of the group and Authority's financial statements in accordance with the Accounts and Audit Regulations 2015, International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the group and Authority and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Authority has complied with all aspects of contractual agreements that could have a material effect on the group and Authority financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include property valuations, pension valuations, depreciation, expected credit losses, provisions, accruals and lease liabilities. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their

related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for International Accounting Standard 19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.

vii. Except as disclosed in the group and Authority financial statements:

- there are no unrecorded liabilities, actual or contingent;
- none of the assets of the group and Authority has been assigned, pledged or mortgaged; and
- there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.

viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.

ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.

x. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached to this letter under Appendix II. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the group and Authority and their financial position at the year-end for the reasons noted on the schedule. The financial statements are free of material misstatements, including omissions.

xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.

xii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

xiii. There are no other prior period errors to bring to your attention.

xiv. We have updated our going concern assessment. We continue to believe that the group and Authority's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:

- the nature of the group and Authority means that, notwithstanding any intention to cease the group and Authority operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
- the financial reporting framework permits the Authority to prepare its financial statements on the basis of the presumption set out under a) above; and
- the group and Authority's system of internal control has not identified any events or conditions relevant to going concern.

xv. We believe that no further disclosures relating to the group and Authority's ability to continue as a going concern need to be made in the financial statements.

xvi. The group and Authority have complied with all aspects of ring-fenced grants that could have a material effect on the group and Authority's financial statements in the event of non-compliance.

- xvii. We have considered the impact of an equal pay claims on our financial statements. We have no knowledge of any material events or circumstances that would require additional disclosures or adjustments to be made to our financial statements related to equal pay.
- xviii. The assumptions used in the impairment model provided to you for investment in subsidiaries are reasonable.

Information Provided

- xix. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the group and Authority's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within the group and Authority from whom you determined it necessary to obtain audit evidence.
- xx. We have communicated to you all deficiencies in internal control of which management is aware.
- xxi. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xxii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxiii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the group and Authority, and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xxiv. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxv. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxvi. We have disclosed to you the identity of the group and Authority's related parties and all the related party relationships and transactions of which we are aware.
- xxvii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxviii. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the group and Authority's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

xxix. The disclosures within the Narrative Report fairly reflect our understanding of the group and Authority's financial and operating performance over the period covered by the financial statements.

Approval

The approval of this letter of representation was minuted by the Council's Audit and Scrutiny Committee at its meeting on 5 February 2026.

Yours faithfully,

Name: Cagdas Canbolat

Signed:

Position: Director of Corporate Services (S151)

Date:

Name: Steven McCormick

Signed:

Position: Chair of the Audit & Scrutiny Committee

Date:

REVENUE BUDGET MONITORING - QUARTER 3

Head of Service:	Cagdas Canbolat, Director of Corporate Services and Section 151 Officer (Chief Finance Officer)
Report Author	Sue Emmons, Chief Accountant
Wards affected:	(All Wards);
Appendices (attached):	None.

Summary

This report presents the forecast revenue outturn position for the current financial year 2025/26, as at quarter 3 (31 December).

Recommendation (s)

The Committee is asked to:

- (1) Receive the revenue budget monitoring report, which sets-out a projected deficit of £520,000 for 2025/26;
- (2) Note that the final outturn position will be reported to the Strategy & Resources Committee in July 2026, then to this committee in the Statement of Accounts in autumn.

1 Reason for Recommendation

- 1.1 To present the 2025/26 forecast revenue outturn position to members, as at quarter 3.

2 Background

- 2.1 In February 2025, Full Council agreed a net expenditure budget of £10.269m for 2025/26 for the whole council. Details can be found in the 2025/26 budget book.
- 2.2 At quarter 3, the Council is expected to be 5% above budget at year-end, with a £520,000 deficit forecast. The projected deficit is mainly due to the higher demand for housing/ homelessness services. This adverse variance is partially offset by two contingency budgets which are not required for 2025/26 and can be earmarked to mitigate the pressures elsewhere within the Council.

2.3 The budget position will continue to be monitored closely, with forecasts updated and reported to Chairs accordingly throughout the year.

3 Forecast Position

3.1 A summary of the forecast outturn position by service area for 2025/26 is shown in the following table:

Forecast Outturn by Service	Current Approved Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000
<u>Strategy & Resources Committee</u>			
Democratic & Civic	778	778	0
Corporate Functions	830	830	0
Corp Financial Management	749	249	(500)
Tax Collection & Benefits	1,313	1,313	0
Land Charges	22	22	0
Land & Property	(3,260)	(3,260)	0
Economic Dev. & Prosperity	74	74	0
Employee and Support Services	(27)	(27)	0
Building Control Contract	106	106	0
Community Safety	120	120	0
Subtotal Strategy & Resources	706	206	(500)
<u>Environment Committee</u>			
Car Parking	(2,616)	(2,586)	30
Environmental Services	3,462	3,262	(200)
Contract Management	84	84	0
Environmental Health	749	749	0
Countryside, Parks & Open Spaces	2,486	2,486	0
Subtotal Environment	4,165	3,995	(170)
<u>Community and Wellbeing Committee</u>			
Housing	2,825	4,000	1,175
Community Services (Route Call, Meals from Home, Community Alarm)	507	522	15
Support for Voluntary Orgs.	233	233	0
Community Centre	457	457	0
Health & Wellbeing	339	339	0
Sports, Leisure & Cultural	1,316	1,316	0
Precepting & Levying Bodies (NJMC & EWDC)	415	415	0
Subtotal Community & Wellbeing	6,092	7,282	1,190
<u>Licensing & Planning Policy Committee</u>			
Place Development	1,241	1,241	0
Licensing	7	7	0
Subtotal Licensing & Planning Policy	1,248	1,248	0
Capital Charges	(1,941)	(1,941)	0
Total General Fund	10,269	10,789	520

3.2 The £520,000 projected budget deficit across services for 2025/26 would require a contribution from reserves. The General Fund reserve currently stands at £1.555m, only £55,000 above the £1.5m minimum balance approved by Council in July 2025. Therefore, it is suggested that this deficit is met from the Corporate Projects reserve, decreasing the uncommitted balance from £2,630,000 to £2,110,000. The Corporate Projects reserve does not have a minimum balance.

3.3 The following section of the report details the individual budget variances that make up the projected deficit of £520,000 within services.

4 Budget Variances

4.1 The main variances to budget are shown by Committee in the following tables:

Strategy & Resources Committee	Adverse / (Favourable) Variance £'000	Detail
Corporate Financial Management	(500)	A contingency created to mitigate any losses from a contract negotiation is no longer required. It is proposed that this is ringfenced to offset pressures within Housing, alongside a further corporate of contingency that is held for in year pressures, totalling £400,000. In addition to this, income from Treasury Management is forecast to achieve £100,000 more income than budgeted.
Total Strategy & Resources Variance	(500)	

Environment Committee	Adverse / (Favourable) Variance £'000	Detail
Car Parking	30	The adverse variance within car parking relates to a predicted under-achievement of income at Hook Road car park. At its meeting in January 2026, Environment Committee considered a proposal to open the car park on Sundays to boost income. Environment Committee will also consider a proposal to keep parking fees at 2025/26 rates for 2026/27 which is expected to support demand for the service.

Environment Committee	Adverse / (Favourable) Variance £'000	Detail
Environmental Services, Cemeteries	50	<p>The adverse variance for cemetery income is forecast to be higher than forecast at quarter 2 by another £30,000, giving an overall adverse position at quarter 2 of £50,000. The service estimates considered by Environment Committee at their January meeting include a proposed decrease in income budget for burial fees to address the structural deficit within the service.</p>
Environmental Services, Waste Services	(250)	<p>Trade waste income is forecast to under recover by up to £70,000. The customer base has declined since the pandemic and the cost-of-living crisis, as businesses continue to face financial pressures. Garden waste income is also forecast to underachieve, as the service has seen a decline in the uptake over the past 12-18 months. To try to reinvigorate these services, officers have proposed freezes to our 2026/27 trade waste and garden waste fees, with that action to form the basis of marketing campaigns.</p> <p>Difficulties in the recruitment market for Waste operatives has led to higher than budgeted agency staff costs. In addition, an historic saving within the service was put on hold due to delays to the government's still-incomplete national waste strategy and is not expected to be realised, creating a £100,000 adverse variance.</p> <p>These adverse positions will net off against higher-than-expected grant income from the new Extended Producer Responsibility grant, which the Council is receiving for the first time this year. Updated estimates of this income are that there will actually be a favourable variance of £250,000 once these adverse positions are netted off.</p>
Total Environment Variance	(170)	

Community & Wellbeing Committee	Adverse / (Favourable) Variance £'000	Detail
Housing/Homelessness	1,175	<p>The quarter 2 forecast position was based on an average number of 116-118 net placements in nightly paid accommodation, which resulted in a net adverse forecast of £1.175m.</p> <p>The forecast remains at this level for quarter 3 as although there had been a decrease in numbers in November, the cold weather has seen this rise again in line with the assumed average.</p> <p>Community & Wellbeing Committee agreed to recommend service estimates for 2026/27 to Full Council at its meeting in January which include a net increase of budget for nightly paid accommodation costs of £750,000.</p>
Community Services (Meals from Home)	15	Although income budgets were reduced within the Meal from Home service through the 2025/26 budget setting process, demand continues to fall due to competition in the field. This will be revisited during the 2026/27 budget setting process to ensure a realistic budget is set for the new financial year.
Total Community & Wellbeing Variance	1,190	

5 Employee Costs

- 5.1 At the end of quarter 3, the Council is tracking in line with its year-to-date employee budget of £12.05m.
- 5.2 Employee costs are monitored monthly to ensure any adverse variances are flagged promptly to Heads of Service, thereby enabling prompt mitigating action to be taken.

6 Epsom & Ewell Property Investment Company (EEPIC)

6.1 The Council's 2025/26 budget includes £1.35m expected dividend income from Epsom and Ewell Property Investment Company, generated from its two commercial properties. This is on track to be fully received this financial year.

7 Update on 2025/26 Savings/Additional Income Delivery

7.1 The 2025/26 budget requires new savings/additional income totalling £126,000 to be delivered during the year. The delivery status of these savings is summarised in the following table.

Summary of Budgeted Additional Income/Savings - 2025/26	Committee	Achieved	In progress	Unlikely to be achieved in current year
		£000	£000	£000
Income from Commercial Property	S&R		38	
Additional rental income from Parks buildings	ENV		30	
Other Operational Efficiencies	All		58	
Total Savings		0	126	0

7.2 The RAG rating indicates whether the additional income/saving is considered at either low risk of non-delivery (green), medium risk (amber), or high risk of not being delivered in year (red). Commentary on the highest value and highest risk savings is provided in the following paragraphs:

7.2.1 The income from Commercial Property target is on track to be achieved, through higher rental income following a rent review agreed in 2024/25. Officers closely monitor the quarterly rental income due for collection, with no issues currently anticipated for the remainder of the year.

7.2.2 Additional rental income from buildings within Parks is currently forecast to be on budget by year end and therefore the expectation is that this target will be achieved.

7.2.3 The other operational efficiencies relate to energy savings in the Town Hall; the removal of an historic HR initiative, now delivered via other mechanisms; and a change of supplier for legal publications yielding a small saving.

8 Revenue Reserves

8.1 In July 2025, Full Council agreed to maintain a minimum balance of the general fund working balance reserve of £1.5m, after revoking a previous decision in May 2025 to reduce it from £2.5m to £1m. After using £242,000 to fund the 2024/25 deficit and transferring £1.2m to create a Strategic Priorities reserve, the balance currently stands at £1.555m.

8.2 In November 2025 Strategy & Resources committee considered a Review of Reserves report and agreed to transfer £500,000 from the interest equalisation reserve to the Planned Maintenance reserve; and also c. £1 million from each of the property income equalisation and collection fund reserve to the corporate projects reserve. These transfers are reflected in the figures and table below.

8.3 Other revenue reserves are projected to stand at £11.4m at 31 March 2026, however, the majority of this balance is to manage specific risks and contingencies, including the loss of commercial property income and business rates income in future years.

8.4 The following table shows a breakdown of the council's revenue reserves, with only the General Fund working balance and corporate projects reserve available for general use:

General Fund Revenue Reserves	01 April 2025 Opening Balance	31 March 2026 Forecast Uncommitted Balance
	£'000	£'000
General Fund	2,755	1,555
Corporate Projects Reserve	3,838	2,630
Subtotal - Reserves available for general use	6,593	4,185
Contingencies unavailable for general use	13,591	11,245
Ringfenced funds/grants for specific use	1,892	2,153
Subtotal - Reserves unavailable for general use	15,483	11,425
Total	22,076	17,583

9 Risk Assessment

Legal or other duties

9.1 Equality Impact Assessment

9.1.1 None arising directly from the contents of this report.

- 9.2 Crime & Disorder
 - 9.2.1 None arising directly from the contents of this report.
- 9.3 Safeguarding
 - 9.3.1 None arising directly from the contents of this report.
- 9.4 Dependencies
 - 9.4.1 None arising directly from the contents of this report.
- 9.5 Other
 - 9.5.1 Ultimately, all services will be impacted in some way by the Council's overall budget position over the long term.
 - 9.5.2 A full budget risk assessment is presented to Full Council within February's budget report each year.

10 Financial Implications

- 10.1 Financial implications are set out in the body of the report.
- 10.2 **Section 151 Officer's comments:** The ongoing increase in temporary accommodation placements continues to place pressure on the Council's financial and operational resources. While this presents challenges for service delivery and the longer-term budget position, significant investment has been built into the 2026/27 budget to support a more sustainable approach going forward. The forecast overspend for 2025/26 will be managed through the use of reserves, providing stability while further coordinated action is taken to address the underlying pressures."

11 Legal Implications

- 11.1 There are no direct legal implications arising from this report.
- 11.2 **Legal Officer's comments:** None arising from the contents of this report.

12 Policies, Plans & Partnerships

- 12.1 **Council's Key Priorities:** The following Key Priorities are engaged:
 - Effective Council.
- 12.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 12.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.

- 12.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.
- 12.5 **Partnerships:** None arising from the contents of this report.
- 12.6 **Local Government Reorganisation Implications:** Local Government Reorganisation (LGR) presents a significant degree of uncertainty and transition risk, which must be actively considered throughout the Council's revenue budget monitoring process. These risks may affect both short-term financial performance and longer-term budget planning.
- 12.7 As the structure and governance of local authorities continue to evolve, potential changes to funding streams, service delivery responsibilities, and strategic priorities may emerge. These developments could directly influence the assumptions underpinning the revenue budget, requiring ongoing review and adjustment to ensure financial sustainability and responsiveness to change.

13 Background papers

- 13.1 The documents referred to in compiling this report are as follows:

Previous reports:

- [Budget Report to Full Council – February 2025.](#)
- [Revenue Budget Monitoring – Quarter 1 to Audit & Scrutiny Committee – September 2025.](#)
- [Revenue Budget Monitoring – Quarter 2 to Audit & Scrutiny Committee – November 2025.](#)

Other papers:

- [EEBC Strategic Priorities 2025-2027 report to Full Council - May 2025.](#)
- [2026/27 Strategic Financial Planning report to Strategy & Resources - July 2025.](#)
- [Recommendation from Strategy and Resources Committee, 15 July 2025 report to Full Council - July 2025.](#)
- [Review of Reserves to Strategy & Resources Committee, 11 November 2025.](#)

CAPITAL BUDGET MONITORING QUARTER 3

Head of Service:	Cagdas Canbolat Director of Corporate Services and Section S151 Officer (Chief Finance Officer)
Report Author	Vanessa Newton, Senior Accountant
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1: Update on Capital Projects

Summary

This report presents the capital monitoring position at quarter 3 for the current financial year 2025/26.

Recommendation (s)

The Committee is asked to:

- (1) Receive the capital monitoring position at quarter 3, as set out in the report;
- (2) Note the progress of capital projects as set out in Appendix 1.

1 Reason for Recommendation

- 1.1 To present the capital budget monitoring position to members for quarter 3 and to provide an update on the progress of individual capital projects.

2 Background

- 2.1 This report summarises the capital monitoring information at the end of the third quarter of 2025/26. It details actual capital expenditure and receipts against capital budgets and financing. The report also provides the forecast outturn position and variances as at 31 December 2025.
- 2.2 The core capital programme does not include investments made through the property acquisition fund, this activity is summarised within section 6.

3 Core Capital Programme

- 3.1 The expenditure budget per Committee for the core capital programme is shown below:

Committee	2025/26 Original Budget £'000	Carry forwards from 2024/25 £'000	Additions during 2025/26 £'000	2025/26 Current Approved Schemes £'000
Strategy & Resources	0	541	0	541
Environment	654	22	0	676
Community & Wellbeing	1,199	1,360	810	3,370
Licensing & Planning Policy	0	0	0	0
Total	1,853	1,923	810	4,587

3.2 The 2025/26 core capital programme budgets were agreed by full Council in February 2025. The budgets carried forward from 2024/25 were approved at Strategy & Resources Committee on 15 July 2025.

3.3 A budget addition of £45,000 was agreed in quarter 1 for the Epsom Playhouse lighting scheme to include the upgrade of the house lights, funded from revenue reserves. In quarter 2, there were three further budget additions: £340,000 for Bourne Hall lodge refurbishment as agreed at S&R committee on 15th July 2025; and two allocations of grant funding from the Local Authority Housing Fund (LAHF3) - £375,000 grant to Town & Country Housing for the Afghan Resettlement property; and £50,000 for the refurbishment of a temporary accommodation property as agreed at S&R committee on 25 September 2025.

3.4 Actual expenditure on the core capital programme to the end of December 2025 and a full year forecast is summarised below:

Committee	2025/26 Current Approved £'000	YTD Expenditure £'000	Forecast Outturn £'000	Forecast Variance £'000
Strategy & Resources	541	29	159	(382)
Environment	676	100	183	(493)
Community & Wellbeing	3,370	1,761	2,080	(1,290)
Licensing & Planning Policy	0	0	0	0

Total	4,587	1,890	2,422	(2,165)
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3.5 On the core capital programme, the forecast outturn for the full year is £2.42m. The variance of £2.16m. comprises of:

- 3.5.1 **Underspends** due to reprofiling of spend into future financial years comprise: £417,000 for the construction of three temporary accommodation units; £382,000 on ICT projects; Disabled Facilities Grant £271,000; and £340,000 on Bourne Hall lodge refurbishment.
- 3.5.2 **Underspends** resulting from schemes being delivered under budget include: £13,000 on Court Recreation 3D pitch surface renewal; and £21,000 on the sewerage contamination works at the depot. These are offset by an adverse variances of £20,000 for Bourne Hall Window replacements due to the window type change required to adhere to the conservation officer's specifications after the tender was approved; and £8,000 for the Playhouse lighting and dimmers due to the lighting upgrade.
- 3.5.3 Schemes that have been paused include: £170,000 on the Alexander Recreation Dojo scheme due for review at Environment committee in January 2026; and the two Wellbeing centre schemes totalling £120,000 being deferred awaiting asset review.
- 3.5.4 Two schemes have been paused due to additional funds being required; the Ashley Centre car park waterproof membrane scheme, budgeted at £184,000; and the Uppermill Pond bank replacement scheme budgeted at £150,000. There is a current forecast of £25,000 against the Uppermill Pond scheme which will need to be transferred to revenue should the additional funding not be agreed.
- 3.5.5 The additional capital funding for these projects was supported by Financial Strategy Advisory Group (FSAG) in November 2025 and will be reviewed by Environment committee in January 2026 for recommendation to Full Council in February 2026.
- 3.5.6 Stew Ponds removal of silt project which shows an underspend of £150,000, required additional capital funding which was not recommended to be progressed following FSAG's review of initial proposals on 26 September 2025. FSAG have requested that the Environment committee consider next steps at its January 2026 meeting.

4 Movement in Forecasts since Quarter 2

4.1 Movements in the year-end forecasts since Quarter 2 are detailed in the table below:

Committee	Forecast Outturn Q2 £'000	Forecast Outturn Q3 £'000	Change £'000
Strategy & Resources	417	159	(258)
Environment	156	183	27
Community & Wellbeing	2,377	2,080	(297)
Licensing & Planning Policy	0	0	0
Total Core Capital Programme	2,950	2,422	(528)

4.2 The changes in forecasts are as follows:

- 4.2.1 Strategy & Resources – a decrease in forecast of £258,000 for ICT projects.
- 4.2.2 Environment – an increase mainly due to works of £25,000 forecast for Uppermill Pond Bank replacement.
- 4.2.3 Community & Wellbeing – a decrease of £297,000 due to a projected underspend of £271,000 within Disabled Facilities Grants; a forecast spend of £30,000 on Bourne Hall lodge refurbishment being deferred to the following financial year; netted against an increase of £4,000 for construction of three temporary accommodation units due to legal costs.
- 4.2.4 An update on the progress of individual schemes is set out in Appendix 1.

5 Financing of Capital Expenditure 2025/26

5.1 The provisional financing of the 2025/26 core capital programme is summarised below:

Financing of Core Capital Programme	2025/26 Current Approved Budget £'000
Capital Receipts Reserves	1,581
Capital Grants-DFG	1,271
Budgeted Revenue Contributions	500
Revenue Reserves	45
Section 106	918
External Grant	272

Total	4,587
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6 Property Acquisition Fund

Commercial Property

- 6.1 The Council retains one in-Borough commercial property acquisition fund, which has a remaining balance of £49.6m available borrowing headroom for investment. Please note, this is not a reserve that the Council holds; it is a limit (approved by Full Council) up to which borrowing could be undertaken.
- 6.2 The £49.6 million referenced is not a reserve or cash holding, but rather a borrowing facility. Any utilisation of this facility would require the Council to undertake borrowing, which would be subject to interest charges and ongoing debt repayment obligations.
- 6.3 Furthermore, each proposed use of the facility would need to be brought forward through a separate, detailed report for Member approval.
- 6.4 Given the current context of Local Government Reorganisation, it is increasingly unlikely that this facility will be progressed in the near term.

7 S106 Developer Contributions

- 7.1 The balance of S106 funds held by the authority are set out in the following table:

	£'000	£'000
Section 106 funds held as at 1 April 2025		1,703
Section 106 net receipts to 31 December 2025		18
Balance of S106 Funds held as 31 December 2025		1,721
Less:		
Funds held due to SCC and other organisations	(130)	
Funds committed and approved for specific schemes	(1,556)	
		(1,686)
Unallocated S106 funds as at 31 December 2025		35

7.2 The balance of unallocated S106 balances are all within Affordable Housing; this funding is used to facilitate provision within the borough where the development is not financially viable without additional funding. Planning officers work with providers to identify schemes where the affordable housing would not be deliverable without the additional support.

7.3 The £18k receipt received to 31 December 2025 was for a specific agreement which stipulated that interest should accrue on the outstanding balance. As that balance has now been spent, there will be no further income relating to this agreement. As the balance was for affordable housing, this income has been classified for the same purpose.

7.4 The £1.5m funds allocated for specific schemes include:

- 7.4.1 £699k of Affordable Housing S106 funds to part match government grant of £1.5m under the Local Authority Housing Fund 3, as agreed at Strategy & Resources Committee on 12 November 2024.
- 7.4.2 £422k of Affordable Housing S106 funds which has been earmarked for microhomes for temporary accommodation use at Fairview Road, as agreed at Strategy & Resources Committee on 12 November 2024.
- 7.4.3 £340k of Affordable House S106 funds has been earmarked for the refurbishment of Bourne Hall Lodge for temporary accommodation use, as agreed at Strategy & Resources Committee on 23 January 2023.
- 7.4.4 The remaining balance comprises of small schemes such as park bench and signage replacement and maintenance of play equipment.

8 Community Infrastructure Levy

8.1 The Council raised demand notices totalling £544,000 for Community Infrastructure Levy (CIL) for the period 1 April 2025 to 31 December 2025.

8.2 5% is used for administering the scheme and 15% is ring fenced for a local CIL Neighbourhood Scheme. CIL balances are set out in the following table:

	Main Fund (80%) £'000	Community Fund (15%) £'000	Admin Fee (5%) £'000	Total £'000
CIL funds held at 1 April 2025	7,843	1,471	490	9,804
CIL invoices raised to 31 December 2025	436	82	26	544
Invoices outstanding at 31 December 2025	(298)	(56)	(18)	(372)

Receipt held as charge against property	(1)	0	0	(1)
CIL Payments made to 31 December 2025	0	0	0	0
CIL Funds held at 31 December 2025	7,980	1,497	498	9,975
<i>Less commitments:</i>				
<u>Strategic CIL Fund 2024/25</u>				
Ewell Village Public Realm Enhancements	(1,250)	0	0	(1,250)
Priest Hill Football Development – Full size 3G football pitch	(405)	0	0	(405)
New Clubhouse at Old schools Lane, Ewell	(100)	0	0	(100)
<u>CIL Neighbourhood Fund 2024/25</u>	0	(332)	0	(332)
<u>Strategic CIL Fund in 2025/26</u>				
Ash Dieback Essential Safety works and Treescapes Restoration	(200)	0	0	(200)
ANPR Surrey Police	(36)	0	0	(36)
B284 Ruxley Lane, West Ewell, Epsom – Road Safety Scheme	(75)	0	0	(75)
Parks recreation and play for young people and families	(1,060)	0	0	(1,060)
<u>CIL Neighbourhood Fund 2025/26</u>	0	(237)	0	(237)
Monitoring CIL scheme in 2025/26	0	0	(103)	(103)
Unallocated CIL funds at 31 December 2025	4,854	928	395	6,177

8.3 Large sums are collected in instalments so not all the cash has been received at this date. Of the £372k of invoices/demand notices raised not yet collected, £166k relates to 2025/26, £191k relates to 2024/25, £15k relates to financial years prior to 2024/25.

8.4 At the S&R committee meeting on 12 November 2024, 2024/25 strategic CIL funding allocations of £1.755m were approved and have been added as commitments in the table above.

8.5 At the S&R committee meeting on 25 September 2025, 2025/26 strategic CIL funding allocations of £1.371m were approved and have been added to the above table.

9 CIL Neighbourhood Scheme (15%)

- 9.1 At the S&R committee meeting on 12 November 2024, 2024/25 neighbourhood CIL funding allocations of £332k were approved. This amount has been added as commitments in the table above.
- 9.2 At the S&R committee meeting on 25 September 2025, 2025/26 neighbourhood CIL funding allocations of £237k were approved and have been added into the table above. Updates have been made through the Member News channel.

10 Capital Receipts

- 10.1 The expected balance of capital receipt reserves is shown below:

Capital Reserves	Capital Receipts Reserve £'000
Balance brought forward at 1 April 2025	3,461
Funding of 2025/26 capital programme	(1,581)
Capital receipts received to 31 December 2025	95
Forecast balance at 31 December 2025	1,975

- 10.2 During 2025/26, the Council has received a net receipt of £95k for the release of a restrictive covenant on a residential property.

11 Treasury Management Performance

- 11.1 The Council's budget for 2025/26 includes income of £1 million to be generated on reserves, working balances and cash flow. The budget was based on an assume average return from investments of 4% for the year.
- 11.2 The performance from 1 April 2025 to 31 December 2025 on the council's investments is as follows:

01 April to 31 December 2025	Average Investment £'000	Interest Receivable £'000	Average Rate of Return %
Internally Managed Funds			
Money Market Funds	16,429	508	4.11%
Fixed Rate Deposits	10,556	390	4.91%
Interest Bearing Account	510	8	2.02%
Total	27,494	906	4.38%

- 11.3 During the first three quarters of the year, £905,867 of interest has been earned, overachieving the profiled budgeted target of £750,000 for the same period.
- 11.4 Whilst the Council has been able to capitalise on greater returns available in the market for the first part of 2025/26, the current forecast is for base rates to drop to between 3.00% and 3.50% by the end of this financial year.
- 11.5 No borrowing has taken place during the year to 31 December 2025 and there is no proposed update to the existing prudential indicators as set out in the Treasury Management Strategy 2025/26 agreed by Full Council in February 2025.

12 Risk Assessment

Legal or other duties

12.1 Equality Impact Assessment

12.1.1 The impact of each scheme is assessed during the capital appraisal process.

12.2 Crime & Disorder

12.2.1 None arising directly from the contents of this report.

12.3 Safeguarding

12.3.1 None arising directly from the contents of this report.

12.4 Dependencies

12.4.1 None arising directly from the contents of this report.

12.5 Other

12.5.1 Global events and rising inflation have caused firms to significantly increase their quotes for works, having a major impact on the Council's ability to source contractors within budget. This is likely to impact on both current and future capital projects.

13 Financial Implications

13.1 Financial implications are set out in the body of the report.

13.2 **Section 151 Officer's comments:** If members have detailed question(s) on particular capital projects, it is requested that these be submitted in advance where possible, to enable officers to investigate with the relevant scheme manager.

14 Legal Implications

14.1 There are no direct legal implications arising from this report.

14.1 **Legal Officer's comments:** None arising from the contents of this report.

15 Policies, Plans & Partnerships

15.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council.

15.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

15.3 **Climate & Environmental Impact of recommendations:** The impact of each scheme is assessed during the capital bidding process.

15.4 **Sustainability Policy & Community Safety Implications:** None for the purposes of this report.

15.5 **Partnerships:** None arising directly from the contents of this report.

15.6 **Local Government Reorganisation Implications:** LGR introduces a significant degree of uncertainty and transition risk that must be carefully considered in the management of the Council's capital programme.

15.7 As the structure and governance of local authorities evolve, there may be changes to funding arrangements, asset ownership, delivery responsibilities, and strategic priorities. These changes could directly affect the viability, scope, and timing of capital schemes currently in development or delivery.

16 Background papers

16.1 The documents referred to in compiling this report are as follows:

Previous reports:

- [Budget Report to Full Council – 11 February 2025.](#)
- [2024-25 Provisional Financial Outturn – carry forward capital balances, Strategy & Resources Committee, 15th July 2025.](#)
- [Capital Budget Monitoring Quarter 1 – 30 September 2025.](#)
- [Capital Budget Monitoring Quarter 2 – 13 November 2025.](#)

Other papers:

- [Residential property repair and maintenance fund report, Strategy & Resources Committee, 12 November 2024.](#)

- [Local Authority Housing Fund: Round 3 report, Strategy & Resources Committee, 12 November 2024.](#)
- [2024/25 Mid-year Treasury Management, Financial Strategy Advisory Group, 22 November 2024.](#)

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Capital Project Progress – 2025/26 Quarter 3

Project	Current Approved Budget £	Actuals to Q3 2025/26 £	Year End Forecast 2025/26 £	Variance Estimate £	Comments from Manager	Target Completion
Disabled Facilities Grants and Small Repairs Grants	1,270,999	744,478	1,000,000	(270,999)	<p>The DFG programme continues to support residents requiring adaptations to enable them to continue living in their own homes. This year's £1.m spend is for the Home Improvement Agency to assist disabled, elderly and vulnerable residents to stay in their homes safely and independently. This is achieved through home assessments by the team, using the various forms of grant assistance that are available along with the Handy Person service. In addition, the team has teamed up with Action Surrey to replace condemned and inefficient boilers to eligible households across the borough.</p> <p>Budget includes rolled over 2024/25 budget of £296,591.</p>	Ongoing
Stew Ponds Removal of Silt	150,000	0	0	(150,000)	<p>The 2026/27 proposal for additional funding of £150k was discounted as an initial proposal at Financial Strategy Advisory Group (FSAG) on 30th September. It was requested that Environment Committee consider next steps at January 2026 meeting. The Initial surveys and sampling consultancy costs have been reallocated to Local nature reserve revenue budget.</p>	Project to be reviewed
Uppermill Pond Bank Replacement	150,000	0	25,000	(125,000)	<p>Works estimated higher than original budget allocation at a cost of £300,000. Additional 2026/27 funding of £150,000 has been supported by FSAG in November 2025 and is due to be reviewed by Environment Committee in January 2026. There is a forecast of £25,000 which will be transferred to revenue should the additional funding not be agreed. Using the 2025/26 budget of £150,000, the consultant has been instructed to carry out surveys and design stage specification and drawings.</p>	December 2026

Capital Project Progress – 2025/26 Quarter 3

Project	Current Approved Budget £	Actuals to Q3 2025/26 £	Year End Forecast 2025/26 £	Variance Estimate £	Comments from Manager	Target Completion
Ashley Centre Car park Waterproof Membrane	184,000	0	0	(184,000)	Works tendered over budget at £375,000 including contingency provision. Therefore the project has been deferred for next financial year. Additional funding of £191,000 has been approved by FSAG in November 2025 and will be reviewed by Environment Committee in January 2026.	September 2026
Court Recreation 3G Pitch Surface Renewal	130,000	98,750	116,829	(13,171)	Works have been completed in November.	Completed November 2025
Playhouse Lighting and Dimmers	270,000	278,605	278,605	8,605	The tenders for the lighting works identified that the house lights were linked to the dimmer works so have to be actioned simultaneously. To facilitate this, a decision had to be taken to upgrade the house lights alongside the budgeted works and £45,000 of reserve funding was approved to cover the additional works, raising the overall budget for the scheme to £270,000. Works have been completed in September 2025.	Completed September 2025
Sewerage contamination prevention- Longmead depot	22,355	1,516	1,516	(20,839)	Additional works were required to provide bund for ad-blue containment and waterproofing structure to prevent bund filling up with water. All works are completed in September 2025.	Completed September 2025

Capital Project Progress – 2025/26 Quarter 3

Project	Current Approved Budget £	Actuals to Q3 2025/26 £	Year End Forecast 2025/26 £	Variance Estimate £	Comments from Manager	Target Completion
Playground renovations	40,000	0	40,000	0	This project is currently at procurement stage. A mini tender is in process and contractor selection is due in January/February 2026. Works consist of replacement of playground surface and defective equipment.	March 2026
ICT Programme of Works	278,065	14,429	144,429	(133,636)	<p>The Firewall Replacement Programme is underway with a contract awarded to a specialist supplier to provide the equipment and to work with ICT Staff to complete the installation before the end of January 2026.</p> <p>Procurement for the replacement Core Switches has had to be restarted for a variety of operational reasons and is now in the process of being prepared for formal tendering.</p> <p>Procurement work for the replacement of the physical servers has been slightly extended to cover other hardware and is now being prepared for formal tendering.</p> <p>This is directly linked with the procurement of the Core Switches and will be completed as a single combined project.</p> <p>The provider for the Softphone solution has been selected and a rigorous review completed by key stakeholders. This is now in the final stages of procurement.</p>	January 2026 March 2026 March 2026 March 2026 January 2026

Capital Project Progress – 2025/26 Quarter 3

Project	Current Approved Budget £	Actuals to Q3 2025/26 £	Year End Forecast 2025/26 £	Variance Estimate £	Comments from Manager	Target Completion
Replacement of CRM and Data Warehouse	262,487	14,574	14,574	(247,913)	<p>Work continues on MCS with additional enhancements planned for in early 2026. It is likely some of this work will slip into the next financial year.</p> <p>Reviews on essential upgrades that align with the original data warehouse plan continue. These will be implemented in 2026 as part of the 'lights on' requirements created by the Local Government Reorganisation. It is likely some of this work will slip into the next financial year.</p>	<p>March-May 2026</p> <p>March-May 2026</p>
Bourne Hall Window replacement – First and Second Phases	348,814	355,445	368,660	19,846	<p>Phase 1 -completed in March 2025.</p> <p>Both removal of Asbestos works and Phase 2 were completed in August 2025.</p> <p>Additional spend has been incurred due to a change to the window type as specified by the conservation officer after the tender was approved.</p> <p>Budget 2024/25 was £611,234 of which £262,420 was spent leaving rolled over balance of £348,814.</p>	<p>Phase 1 completion March 2025</p> <p>Phase 2 completion August 2025</p>
Construction of Temporary Accommodation units	424,975	7,395	7,395	(417,580)	<p>Planning permission for 3 modular family units was granted on 7 November 2024. Each unit will contain two bedrooms. Project on hold due to a legal challenge.</p> <p>Awaiting date from Land Registry for formal hearing.</p> <p>Budget 2024/25 was £435,000 of which £10,025 was spent leaving a rolled over balance of £424,975.</p>	To be advised

Capital Project Progress – 2025/26 Quarter 3

Project	Current Approved Budget £	Actuals to Q3 2025/26 £	Year End Forecast 2025/26 £	Variance Estimate £	Comments from Manager	Target Completion
Acquisition of temporary accommodation	375,000	375,000	375,000	0	Property purchase completed in July for use as temporary accommodation.	Completed July 2025
Bourne Hall Lodge refurbishment	340,000	0	0	(340,000)	As this building is listed, building consent is required and two separate procurements. Works will continue into 2026/27.	September 2026
Wellbeing Centre windows replacement	60,000	0	0	(60,000)	Works have been deferred due to the uncertainty created by the Local Government Reorganisation.	None currently.
Wellbeing Centre solar panel installation	60,000	0	0	(60,000)	Works have been deferred due to the uncertainty created by the Local Government Reorganisation.	None currently.
Alexandra Rec Dojo	170,000	0	0	(170,000)	The old building has been demolished; a planning application was submitted for the new proposal at committee in November 2023. Quotes for works amounted to £390,000. As this is higher than budget, other sources of grant funding have been investigated. In September 2025, FSAG requested that Environment Committee consider next steps for this project at their January 2026 meeting.	Project to be reviewed

Capital Project Progress – 2025/26 Quarter 3

Project	Current Approved Budget £	Actuals to Q3 2025/26 £	Year End Forecast 2025/26 £	Variance Estimate £	Comments from Manager	Target Completion
Refurbishment of temporary accommodation	50,000	0	50,000	0	Refurbishment of a property used for Temporary accommodation	March 2026

DIVERSITY, EQUITY AND INCLUSION ANNUAL REPORT 2025-2026

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Wards affected:	All Wards
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1 – Diversity, Equity and Inclusion Annual Report 2025-2026

Summary

The report summarises the activities undertaken in 2025-2026 by the Council to progress our Diversity, Equity and Inclusion Framework. The Framework includes three thematic objectives that demonstrate how we are meeting our responsibilities under the public sector equality duty.

Recommendation (s)

The Committee is asked to:

- (1) Note and comment on the activities undertaken in 2025-2026 by the Council to progress our Diversity, Equity and Inclusion Framework (Appendix 1).**

1 Reason for Recommendation

- 1.1 To provide members of the Audit and Scrutiny Committee details of the actions undertaken in respect of the public sector equality duty.

2 Background

- 2.1 As a public body, we have a specific duty under the public sector equality duty to publish equality objectives that demonstrate how we are meeting our responsibilities.
- 2.2 Section 149 of the [Equality Act 2010](#) places a general equality duty on the Council to have due regard to the need to:
 - a) “eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under [the] 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.”

2.3 The characteristics protected under the [Act](#) are: age; disability; gender reassignment; marriage and civil partnership;¹ pregnancy and maternity; race; religion or belief; sex; sexual orientation.

2.4 Guidance on the public sector equality duty puts forward that compliance with the duty “should result in:

- better-informed decision making and policy development
- a clearer understanding of the needs of service users, resulting in better quality services which meet varied needs.
- more effective targeting of policy, resources and the use of regulatory powers.
- better results and greater confidence in, and satisfaction with, public services.
- a more effective use of talent in the workforce.
- a reduction in instances of discrimination and resulting claims.”²

3 Our objectives and activities in respect of the public sector equality duty

3.1 The Council is committed to equality, diversity and inclusion as an employer, as a provider of service and as a leading agency in building resilient communities in the Borough. Following a consultation, the Council developed a Diversity, Equity and Inclusion Framework (DEI Framework) for 2021- 2024 which was approved by the Strategy and Resources Committee in 2021. In the DEI Framework, ‘Diversity’ refers to the traits and characteristics that make people unique. ‘Equity’ refers to fairness and equality in outcomes, not just in support and opportunity. ‘Inclusion’ refers to the behaviours and social norms that ensure people feel welcome.

3.2 The [DEI Framework](#) was refreshed in 2024 with the same thematic objectives:

- developing inclusive communities and creating community cohesion

¹ Please note that under the Public Sector Equality Duty, marriage and civil partnership is not a “relevant protected characteristic” for aim b) and c) (see para. 2.2), as the Act only covers this characteristic in employment contexts.

² Equality and Human Rights Commission (2023) Technical guidance on the Public Sector Equality Duty: England, p. 20. Online available: <https://www.equalityhumanrights.com/guidance/public-sector/public-sector-equality-duty/technical-guidance-public-sector-equality-duty-0?return-url=https%3A//www.equalityhumanrights.com/search%3Fkeys%3Dtechnical%2Bguidance> [last accessed 08/01/2026].

- ensuring engagement and accessible services
- building workforce inclusivity

3.3 Appendix 1 summarises the activities undertaken by the Council in 2025-2026 to support and progress the above three objectives of the DEI Framework. These demonstrate how we are meeting our responsibilities under the public sector equality duty.

3.4 The 2024 Modern Slavery Statement has been reviewed and the 2025 Statement is available on the Council's website: [Modern Slavery Statement 2025 web.pdf](#).

4 Risk Assessment

Legal or other duties

A letter from the Minister for Women and Equalities in December 2023 reminded all local authorities about the importance of complying with the public sector equality duty. Failure to comply could lead to judicial challenge.

4.1 Equality Impact Assessment

4.1.1 None for the purposes of this report.

4.2 Crime & Disorder

4.2.1 None for the purposes of this report.

4.3 Safeguarding

4.3.1 None for the purposes of this report.

4.4 Dependencies

4.4.1 None for the purposes of this report.

4.5 Other

4.5.1 If committee members have a detailed question(s) on particular aspects of this report (including Appendix 1), it is requested that these be submitted in advance of the meeting where possible, to enable officers to discuss with the relevant service manager.

5 Financial Implications

5.1 There are no financial implications in this report.

5.2 **Section 151 Officer's comments:** None arising from the contents of this report.

6 Legal Implications

- 6.1 There are no legal implications arising from this report.
- 6.2 **Legal Officer's comments:** None arising from the contents of this report.

7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** The following key priorities are engaged: Effective Council; Cultural and Creative; Safe and Well; Opportunity and Prosperity; and Smart and Connected.
- 7.2 **Service Plans:**
 - 7.2.1 The production of this report has been based on the contribution by service areas in supporting our diversity, equality and inclusion activities.
- 7.3 **Climate & Environmental Impact of recommendations:**
 - 7.3.1 No implications for the purposes of this report.
- 7.4 **Sustainability Policy & Community Safety Implications:**
 - 7.4.1 No implications for the purposes of this report.
- 7.5 **Partnerships:**
 - 7.5.1 Some activities rely on the ongoing partnership working with agencies/partners.

8 Background papers

- 8.1 The documents referred to in compiling this report are as follows:
 - Previous reports:**
 - Strategy and Resources Committee, 30th March 2021, 7.00 pm, Epsom & Ewell Borough Council's Diversity, Equity and Inclusion Framework 2021-2024, no. 79. Online available: <https://www.epsom-ewell.gov.uk/sites/default/files/documents/council/DEI%20Framework%202020-2024.pdf>
 - The refreshed Diversity, Equity and Inclusion Framework of the Council since 2024. Online available: [Epsom Ewell Borough Council's Diversity Equity and Inclusion Framework.pdf](https://www.epsom-ewell.gov.uk/sites/default/files/documents/council/DEI%20Framework%202020-2024.pdf)

- Audit and Scrutiny Committee, 6th February 2025, Epsom & Ewell Borough Council's Equality, Diversity and Inclusion Report 2024-2025. Online available <https://democracy.epsom-ewell.gov.uk/documents/s34575/Equality%20and%20Diversity%20inc.%20modern%20slavery%20Annual%20Report%202024-25.pdf>

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1. Legislative background

The Council is committed to equality, diversity and inclusion as an employer, as a service provider and as a leading agency in building resilient communities in the Borough. This paper reports on the activities undertaken by the Council in 2025-2026 to progress our Diversity, Equity and Inclusion Framework. It provides evidence for meeting our Public Sector Equality Duty 2011, which places a specific duty on us to publish equality objectives that demonstrate how we are meeting our responsibilities. Section 149 of the Equality Act 2010 places a general equality duty on the Council to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

The nine characteristics protected under the Act are: Age; Disability; Gender Reassignment; Pregnancy and Maternity; Race; Religion or Belief; Sex; and Sexual Orientation.

2. Our Diversity, Equity and Inclusion (DEI) Framework

Following a consultation with our residents (Vision), the Council set out its Four-Year Plan (2020-2024). The plan strove to develop a successful future through harnessing the benefits of diversity and equality, by developing the Council's Diversity, Equity and Inclusion Framework (DEI) 2021-2024 alongside its equality and diversity ambitions. The DEI Framework was refreshed in 2024 and the themes remain valid and the ambitions under the earlier plan hold true. Once the new East Surrey Unitary Authority has been established, the Council will revisit this.

3. Three thematic objectives of the DEI Framework

Our DEI Framework sets out the following 3 thematic objectives and progress has been made through a range of activities as reported from pages 3 to 16 of this report.

- **Developing inclusive communities and creating community cohesion**
This objective aims to develop a greater focus on promoting social inclusivity across all the Council's services and developing good community relations. The Council's long-term vision is to create safe and healthy communities brimming with opportunity and prosperity. This means communities in which everyone regardless of their background, beliefs, personal situation, or identity, feels welcome and able to prosper.
- **Ensuring engagement and accessible services**
This objective relates to ensuring that Council services, information, consultation and engagement opportunities remain accessible to all residents, particularly those with protected characteristics. As a public body, the Council needs to make sure that all residents are able to access its information and services. Not everyone is able to do this in the same way, so it needs to make sure there is a range of options available.

- **Building workforce inclusivity**

This objective is about continuing to seek opportunities to build inclusivity into the Council's internal policies and procedures. The Council is committed to being an inclusive organisation providing opportunity for all.

Diversity, Equity and Inclusion (DEI) – Our progress in 2025-2026

A range of activities have been undertaken in 2025 -2026 to support our progress towards the three thematic objectives and priorities. An update is provided in the tables below.

Thematic Objective 1- Developing Inclusive communities and creating community cohesion

Priority	Action	Status	Progress update
1.Greater understanding of our local communities and their protected characteristics	1.1 Publish the Borough profile with data from the ONS 2021 Census Data	●	Completed - The Borough Profile was approved by the Senior Leadership Team on 10 December 2025. It is now published on the council's website as well as intranet.
2 Tackling health inequalities and socio-economic deprivation in the Borough	1.2a Implement community and wellbeing projects targeted at communities most impacted by the wider determinants of health	●	<p>After a public consultation with residents and stakeholders, the Health and Wellbeing Strategy 2025 – 2028 was approved by the Community and Wellbeing Committee in July 2025. The aims of the strategy are to improve the mental and emotional wellbeing of all residents through:</p> <ul style="list-style-type: none"> • improving access to physical health activity in the borough. • creating health and wellbeing opportunities for residents of the borough, and • supporting residents to connect with others. <p>The strategy is designed to support all residents, with particular attention given to children and young people, older adults, individuals whose health is affected by broader social and economic factors and those whose personal circumstances may disproportionately increase their vulnerability to poor health and wellbeing. It also includes specific references to those who are disproportionately impacted by isolation, disability, digital exclusion and people with long-term health conditions.</p> <p>The Community Development Plan has been developed until March 2027. Projects being considered include (but are not exhaustive of), Youth Diversion, Community Football, Digital inclusion, adding value to the warm hubs, sport, activity and creative</p>

Priority	Action	Status	Progress update
			<p>programmes, and bursary programmes for refugees and those aged 12-15yrs old who experience barriers to activity.</p>
1.2 Tackling health inequalities and socio-economic deprivation in the Borough	1.2b Provide a range of services to support health and wellbeing of vulnerable residents	●	<p>The services are reviewed by the team at the Community and Wellbeing Centre to ensure the needs are being met. The Centre is a friendly, local support hub for the over 55s and it offers a programme of social and recreational activities throughout the week from art and music to quizzes and games etc. A range of facilities is available under one roof including hairdressers, foot clinic, entertainment hall, and communal dining area. Clients can have additional access to the assisted bathing room, laundry, foot clinic, hairdressing suite, and shopping service at the Community and Wellbeing Centre.</p> <p>The council's Dementia Hub provides specialist respite day care for people who are aged 50 or over living with dementia and memory loss. The specialist team run a programme of daily activities and therapies, helping clients grow confidence, build muscle strength, and encourage social interaction to combat feelings of isolation, loneliness, and depression.</p>
1.2 Tackling health inequalities and socio-economic deprivation in the Borough	1.2c Review feedback on our operational support for the Ukraine refugees, as gathered from the survey by the Epsom and Ewell Refugee Network	●	<p>The charity, Epsom & Ewell Refugee Network (EERN), receives part funding from the council to provide services to all refugees in the borough including those from Ukraine and Afghanistan. Services cover advice and support accessing services, housing and schools. Since 2021, the Homes for Ukraine scheme has supported over 170 Ukrainian families by sponsoring them and providing homes in the borough.</p> <p>The council's refugee coordinator has worked closely with the EERN as well as organising safeguarding checks for prospective sponsors including DBS and home checks, alongside the council's Housing and Environmental Health teams. The coordinator has also arranged trauma-informed support training for sponsors, delivered by the Surrey and Borders Partnership Trust.</p> <p>The refugee coordinator has recently received an annual summary report from EERN confirming their outcomes and impact on the refugee community.</p>

Priority	Action	Status	Progress update
1.2 Tackling health inequalities and socio-economic deprivation in the Borough	1.2d Implement Year 3 of the Affordable Housing delivery plan	●	<p>The council has continued Year 3 of the Affordable Housing Delivery Improvement Plan through collaborative work with key stakeholders including housing providers to:</p> <ul style="list-style-type: none"> increase opportunities/options for new housing development ensure an evidenced and robust affordable housing policy in the draft Local Plan, which will help to increase long-term delivery of affordable housing on section 106 development sites consider the housing potential of EEBC and other public body assets through a variety of projects expand the Private Sector Leasing scheme. Another Landlord Forum is planned early 2026, in partnership with neighbouring local authorities to promote the uptake of properties for the scheme <p>The council has successfully completed the purchase of three properties under the Local Authority Housing Fund 3 (LAHF3) scheme, and are close to adding another, which will increase the number of in-borough temporary accommodation properties.</p>
1.2 Tackling health inequalities and socio-economic deprivation in the Borough	1.2e Support homeless residents and those who are at risk of homelessness via Year 3 action plan of the Rough Sleeping and Homelessness Strategy	●	<p>The Housing service has continued to deliver Year 3 action plan in a challenging environment due to the ongoing cost of living crisis, low affordable housing supply, rental increases and a lack of resources for other agencies. Two progress reports have been submitted to the Community and Wellbeing Committee in March and November 2025.</p> <p>The council has provided housing advice and early prevention services to 170 households between April and September 2025. The additional Homelessness Prevention Grant for 2025/26, of which 49% is earmarked for homelessness prevention measures, will help boost the homelessness prevention work.</p> <p>Since the recruitment of the Housing Options (Move On) Officer, the Officer has helped to move on over 100 homeless households from nightly paid and temporary accommodation to settled accommodations, which has helped to limit expenditure.</p>

Priority	Action	Status	Progress update
1.3 Foster inclusive growth, skills & employment for vulnerable and disadvantaged groups	1.3a Provision of the Employment Hub for residents of all ages to find lasting work, including those who are refugees and people with additional needs.	●	<p>The council's Epsom and Ewell Hub is a free employment and skills service to local residents of all ages, including those who are refugees and people with additional needs, to assist them back into work or training. The council works with the Department of Work and Pensions, Surrey Lifelong Learning Partnership and NESCOT college to offer personalised advice on CV building, job interview training and confidence-building resources.</p> <p>For the 12-month period between 1 November 2024 to 31 October 2025, the Hub had 326 registrations for employment support.</p>
1.3 Foster inclusive growth, skills & employment for vulnerable and disadvantaged groups	1.3b Providing work placements and apprenticeship by the Council to match people with opportunities	●	<p>There are currently 2 apprentices working in the Environmental Health team and the Public Protection team. The council has provided a number of work experience for students throughout the year.</p> <p>EEBC regularly attend the Nescot jobs fair and we are developing a collaborative relationship with Jobcentre Plus by forwarding our vacancies to them when posted. Jobcentre Plus review their client list and recommend candidates who meet the job specifications.</p>
1.4 Support vulnerable members of the community including the groups with protected characteristics	1.4a Working with partners to implement the Community Safety Action Plan 2025-2027	●	<p>In late 2024, following an analysis of the relevant data and a consultation with the Community Safety Partnership (CSP) partners, the CSP agreed priorities for 2025/27:</p> <ul style="list-style-type: none"> • Focus on the most vulnerable or those at risk of harm • Serious Organised Crime and PREVENT • Identify and tackling crime and antisocial behaviour • Reduce reoffending by adult and young offenders <p>High level actions are being monitored through the Community Safety Partnership.</p>

Priority	Action	Status	Progress update
1.4 Support vulnerable members of the community including the groups with protected characteristics	1.4b Supporting vulnerable people in an emergency	●	The vulnerable adults database is updated daily to ensure that the council has the latest list of vulnerable people who use our services on the database. This is in preparation for the event of an emergency such as fire, flood or blizzard. The council continues to work with partner organisations across Surrey to ensure that help and support can reach the vulnerable people during these events.
1.5 Promote and celebrate Diversity, Inclusivity and Heritage	1.5 Implement projects as part of the Arts, Culture and Heritage Strategy with consideration given to residents with protected characteristics	●	<p>The team which supports the council's Arts, Heritage and Cultural (ARC) Strategy has continued to work collaboratively with local communities to promote and celebrate the borough's diversity, inclusivity and heritage. These include:</p> <ul style="list-style-type: none"> • a programme of creativity to support social integration and positive mental health outcomes for Ukrainian refugee community in the borough through a partnership with the Epsom and Ewell Refugee Network and creative stakeholders. • working with local stakeholders and partners to deliver a series of art/wellbeing sessions across the winter months (linked with warm hubs) to support residents living with multiple disadvantage, e.g. elderly people and people with disability • increasing accessibility to the borough's heritage via the Bloomberg Connects app • a successful bid to the Surrey Police and Crime Commissioner to create another mural with a cohort of NESCOT students in September 2025 • championing cultural and creative career paths for young people within the borough by working with the national charity, Kids in Museums, as a Takeover Day at Bourne Hall Museum • at the Postgraduate 'Creative Futures' event held by University of Creative Art, the ARC programme officer gave a speech about creative roles in local government • completed installation of creative elements to Upper Bar area at the Epsom Playhouse to showcase archive from Bourne Hall Museum and art and design exhibition of NESCOT students.

Thematic Objective 2- Ensuring engagement and accessible services

Priority	Action	Status	Progress update
2.1 Encouraging greater participation from different ethnic communities and LGBTQI+ ⁱ population as well as the VCFS ⁱⁱ in our community engagement mechanisms	2.1a Implement Year 2 of the Communications Strategy including accessible communication channels as well as engagement mechanisms and opportunities	●	<p>The council's Communication team has undertaken various actions in 2025/26 to support the DEI work. These include:</p> <ul style="list-style-type: none"> the production of an editorial guide for staff which aims to make council communications more accessible across the organisation work to support engagement with residents, including veterans, students, young people, and refugees a programme of Awareness Days to further raise the profile of DEI internally and externally via social media and other communication channels. See 3.1b for further information.
	2.1b Deliver the Epsom and Ewell youth games	●	<p>The council has launched its first-ever Epsom & Ewell Young Legends programme in October 2025 which forms part of the council's Health and Wellbeing Strategy. By offering free access to sports and creative activities for 9 to 11-year-olds, the programme aims to help children boost their confidence, develop new skills, make friends, and ease the transition for those preparing for secondary school.</p> <p>In launching, the council made a conscious effort to reach those facing barriers to participation, including children supported through the government-funded Holiday Activities and Food programme, and through foodbanks, children centres and other support services.</p> <p>A diverse range of activities ranging from sports and creative pursuits to basketball, Girls Rugby, Judo, Musical Theatre (song and dance), Yoga & Meditation, and art were offered. There was also a dedicated art session for children with SEN. Delivered by trusted and skilled professionals in a safe and supportive environment, the programme encourages children to try new things and have fun.</p>

Priority	Action	Status	Progress update
			<p>The sessions have now concluded, and the council looks forward to hosting a graduation/celebration event for the children who completed the programme of activity.</p>
2.2 Building meaningful relationships with our communities through better understanding of their needs	2.2a Support community and voluntary organisations to enhance our understanding of local communities and meeting their needs.	●	<p>The financial support from the council to these five voluntary and community organisations has continued in 2025/26: Age Concern Epsom & Ewell, Citizens Advice Epsom and Ewell, Central Surrey Voluntary Action, RELATE Mid & East Surrey, and The Sunnybank Trust. These organisations provide support to some of the most vulnerable residents in the borough especially during the current cost-of-living crisis. The first two organisations have reported an increase of 25% and 22% respectively in the numbers of residents they are supporting. Their service reports have been submitted to the Community and Wellbeing Committee.</p> <p>The council's Diversity, Equity and Inclusion Group invited a Youth and Community Worker of the Twister groups to join its meeting in September 2025. Twister is a youth group for young people aged 10-19 (25 if SEND in Surrey) who are Lesbian, Gay, Bisexual, Transgender or are questioning their gender or sexuality in a safe environment. Youth workers at the four Twister groups build and establish trusting relationship with these young people. They offer information, advice, and guidance along with activities that range from having discussions about things that are important to these young people, through to doing such things as arts and crafts and learning new skills.</p>
2.2 Building meaningful relationships with our communities through better understanding of their needs	2.2b Grow and strengthen community partnerships in line with 3 strategic pillars of Arts, Culture and Heritage Strategy	●	<p>The projects mentioned in 1.5 above shows the range of partnership engagement and development that has been nurtured, grown and strengthened since the launch of the strategy in 2023. The list of partners below is by no means exhaustive.</p> <ul style="list-style-type: none"> • Bloomberg Connects • Creative Minds • Epsom and Ewell Refugee Network • Laine Theatre Arts • LeSpleen • My Time for Young Carers • Nonsuch Voles

Priority	Action	Status	Progress update
			<ul style="list-style-type: none"> • Epsom Picturehouse • Ewell Grove Primary and Nursery School • Friends of Nonsuch • Girlguiding Epsom Division • GLF Schools • Kate McBarron • Kids in Museums • Love Me Love My Mind • North-East Surrey College of Technology (NESCOT) • Positive Arts • St Clements Catholic Primary School • Stephen Bourne – local historian • The Horton Arts Centre • University for Creative Arts • We Power On • Whistlestops Arts
2.2 Building meaningful relationships with our communities through better understanding of their needs	2.2c Listen to community and voluntary representatives as to how the Council can best provide its services to support their communities and best use its influence to make a positive difference	●	<p>The council hosts/leads the Neighbourhood Board Partnership Forum (NHBPF) on a quarterly basis. This brings representatives from a broad range of services to a forum that seeks to understand and address the needs of local residents.</p> <p>The council attended the Mental Health awareness event on 10th and 11th October 2025 arranged by Love Me Love My Mind. This included a round table event with multiple partners. We secured additional contacts for invitation to the NHBPF and listened to their feedback in respect to what is needed in the community. This has helped to shape ideas for world suicide prevention day and for further community initiatives.</p>
2.3 Using Equality Impact Assessment (EIA) as an integral part of service/system planning or change to inform decision	2.3a-d Services adopt the EIA as an integral part of service/system planning or change and submit EIA to inform decision making	●	<p>The council continues to use the Equality Impact Assessment (EIA) tool to assess any potential impact on residents and staff with protected characteristics due to a policy and service development / change. Some examples of the EIAs undertaken by the council include: the Rainbow Leisure Centre Contract 2025 and the Health & Wellbeing Strategy 2025- 2028. For the latter, a public consultation has been conducted online and the questionnaire has also been produced in hardcopy and made available in various local venues. Views of key partners have been gathered through various</p>

Priority	Action	Status	Progress update
making			forums and meetings. These EIAs have been submitted to the relevant committees and they are published on the council's website.
2.4 Considering equality, diversity and inclusion in our procurement cycle	2.4 Request all Threshold 4 contract bidders to submit their organisation's equality objectives (or similar) and their modern slavery statement (if applicable to contract)	●	<p>Between November 2024 and November 2025, we have had two Threshold 4 procurements including:</p> <ul style="list-style-type: none"> the Rainbow Leisure Centre Contract, where the contract bidders were asked to submit their modern slavery statements as part of the tendering process, and the IDox contract, which was awarded using the Crown Commercial Services framework, which covers the equality considerations.
2.5 Improving accessibility of residents to information, services and activities	2.5a Improve EEBC website in line with Accessibility legislations	●	Our website currently complies with the WCAG 2.1 AA standard. The council continues to review its website to ensure its accessible and any issues to be addressed.
2.5 Improving accessibility of residents to information, services and activities	2.5b Ongoing development of 'My Council Services' to enhance access to digital services	●	'My Council Services' continues to be developed on the website to enhance residents' access to digital services as part of our ICT strategy. This portal enables residents to report issues affecting their local areas and access a range of services. All waste services are now fully managed within 'My Council Services', providing a single, streamlined platform for requests such as missed collections, new bins, and other waste-related enquiries.
2.5 Improving accessibility of residents to information,	2.5c Ensure that our venue, facilities and transport are accessible to residents and staff	●	In ensuring our venues, facilities and transport are accessible to residents and staff the council has commissioned, for example, The Sunnybank Trust to review one of our venues. This is to ensure that the venue is accessible to visitors with learning disabilities.

Priority	Action	Status	Progress update
services and activities			<p>There has been one equality related complaint, received from a resident, between October 2024 and October 2025. It related to the change of payment method used in Hook Road Car Park, from Pay on foot parking machines, which accepted card and cash payment, to RingGo payments only. It was resolved by explaining that several components of the barrier-controlled equipment were reaching 'end of life', and the Council deemed it uneconomical to purchase new equipment, and therefore the interim system of using 'RingGo' was introduced. It was also explained that 'Pay and Display' payment method remains available at the Depot Road and Upper High Street car parks.</p>

Thematic Objective 3 - Building workforce inclusivity

Priority	Action	Status	Progress update
3.1 Strengthening the strategic leadership in driving diversity, equality and inclusion	3.1a Councillors and SLT community involvement /engagement activities	●	<p>Councillor Darren Talbot, Mental Health Councillor Champion, recently took part in a short video for The Good Company to help support an initiative that considers the impact of mental health on individuals, and the relationship between mental health and financial hardship. The aim is to increase awareness and reduce stigma. He has also previously visited two local mental health charities, Love Me Love My Mind and We Power On, to understand their areas of work and the challenges they face.</p> <p>In addition, the Neighbourhood Board Partnership Forum has a focus on mental health. The Forum is attended by senior council staff and Councillor Bernice Froud, ensuring engagement with our local charities and organisations.</p>
3.1 Strengthening the strategic leadership in driving diversity, equality and inclusion	3.1b Raise awareness with staff of key DEI events	●	<p>The council's Communications Team has launched a programme of activity to support Awareness Days that further enhance DEI amongst our staff:</p> <ul style="list-style-type: none"> • Neurodiversity Celebration Week • International Women's Day • Ramadan • Pride (LGBTQIA+) • Black History Month • Major holidays including Easter, Christmas, Eid, Diwali, Hannukah & Yom Kippur • World Alzheimer's Awareness Day and the council's Dementia Hub • Holocaust Memorial Day • Armed Forces Day • Remembrance Day, VE Day and VJ Day
3.1 Strengthening the strategic leadership in driving diversity, equality and inclusion	3.1c Raise awareness and promote training and development on carrying out Equality Impact	●	<p>Completed - All new staff are required to complete the mandatory equality e-learning module during induction. Existing staff are required to refresh this module once a year.</p> <p>The module includes a mandatory topic on Equality Impact Assessment (EIA) for</p>

Priority	Action	Status	Progress update
equality and inclusion	Assessment (EIA) as an integral part of any service planning/ change to committee/council in decision making.		managerial level. 44 managers completed the Public Sector - Equality Impact Assessments module via the Surrey Learning Portal between 7 January 2025 and 31 July 2025.
3.1 Strengthening the strategic leadership in driving diversity, equality and inclusion	3.1d Review the annual progress report of this equality action plan by the Audit & Scrutiny	●	The last version of this progress report was submitted to the Audit and Scrutiny Committee in February 2025. This report is an annual progress report of our Diversity, Equity and Inclusion Framework for 2025/26 activities.
3.2 Ensuring inclusive workforce strategies and policies	3.2a Produce a regular update on workforce profile including a breakdown of workforce by protected characteristics	●	As an employer, the council collects data to produce a workforce profile, including a breakdown of workforce by all nine protected characteristics as outlined in the Equality Act (2010). The latest report was published in February 2025 which shows that the data is consistent and accurately reflects the residential population in Epsom and Ewell according to the 2021 Census of the borough. The February 2026 profile is being produced at the time of writing this report.
3.2 Ensuring inclusive workforce strategies and policies	3.2b Develop targets and action plan based on the workforce and resident profiles.	●	Given the data is consistent and accurately reflects the residential population no specific targets have been set. Actions will be based on the TIDE self-assessment exercise referenced below 3.4c.
3.2 Ensuring inclusive workforce strategies and policies	3.2c Update the Gender Pay Gap	●	The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 introduced a requirement for employers with 250 or more employees to publish details of their gender pay gap. Our latest report has been based on the snapshot date of 31 March 2024. It has been submitted to the Strategy and Resources Committee in March 2025. The next report will be released in January/February 2026.

Priority	Action	Status	Progress update
3.3 Ensuring inclusive workforce strategies and policies	3.3 Reviewing all employment policies and procedures to ensure their compliance with equality legislation and employment codes of practice. Once signed off launch and provide support to staff and managers.	●	<p>The following policies have recently been reviewed and approved by the Senior Leadership Team:</p> <ul style="list-style-type: none"> • Dignity at Work Procedure • Staff Code of Conduct • Managing Organisational Change • Learning and Development Policy • Pay and Reward Procedure <p>The council has re-accredited as a Disability Confident Employer.</p>
3.4 Listening and supporting our employees in addressing equality, diversity and inclusion	3.4a Continue to update the Sharepoint intranet page on Diversity, Equity and Inclusion and communicate to staff	●	Completed -The DEI Sharepoint page has been updated to include new Equality Impact Assessments. The 2024 Borough Profile is also available on the Sharepoint intranet page which has been communicated to all staff.
3.4 Listening and supporting our employees in addressing equality, diversity and inclusion	3.4b Review the uptake of mandatory training on equalities by all Staff via Surrey Learning portal.	●	<p>Completed - In addition to 3.1c above, 193 staff members completed the Diversity, Equality and Discrimination module between 12 September 2024 and 31 July 2025 via the Surrey Learning Portal.</p> <p>In response to the new duty under the Equality Act 2010, the council also completed the mandatory training of all staff on Preventing Sexual Harassment between December 2024 and March 2025. The new duty, in force in October 2024, requires employers to take reasonable steps to prevent sexual harassment of their employees.</p>
3.4 Listening and supporting our employees in addressing	3.4c Conduct the ENEI TIDE self-assessment and benchmarking tool	●	Completed – The council has joined Onvero (formerly The Employers Network for Equality and Inclusion, also known as ENEI in short) as a member. This provides resources such as training guides and videos which will expand our fundamental DEI training available to all staff.

Priority	Action	Status	Progress update
equality, diversity and inclusion			The council has used the ENEI TIDE tool to conduct a self-assessment of its DEI work. A benchmarking report has also been produced by ENEI for participating local authorities. An in-person feedback was given by the Inclusion Lead of ENEI which will inform our DEI work for the following year.

ⁱ LGBTQI+ is an abbreviation for lesbian, gay, bisexual, transgender, queer (or sometimes questioning), Intersex, and others. (include the A!)

ⁱⁱ VCFS is an abbreviation for Voluntary, Community and Faith Sector.

PERFORMANCE AND RISK REPORT - SEPTEMBER 2025

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Will Mace, Corporate Governance and Strategy Manager
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – Quarter 2 2025/26 Corporate Performance Report

Summary

The appendix to this report provides an overview of the council's performance with respect to its ongoing annual plan actions from 2024-25, key performance indicators, corporate risks, committee risks, and annual governance statement actions.

Recommendation (s)

The Committee is asked to:

- (1) Note and comment on the performance and risk information located at Appendix 1.**

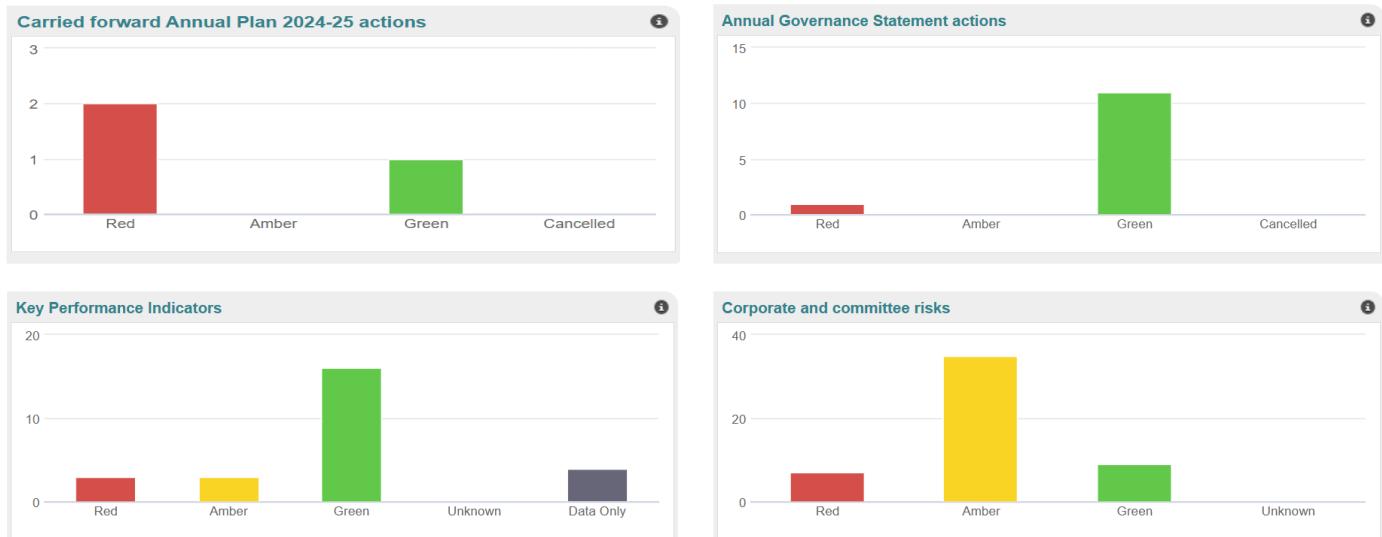
1 Reason for Recommendation

- 1.1 The terms of reference for this committee includes the responsibility for reviewing the performance of the council and the application of the Risk Management Strategy.

2 Background

- 2.1 The report in Appendix 1 provides the Quarter 2 2025-26 progress update. It consists of the outstanding annual plan actions from 2024-25, the latest key performance indicators, the corporate risk register, the policy committee risk registers, and the annual governance statement (AGS) actions. The AGS actions include both outstanding actions from 2023-24 and those approved by the Audit and Scrutiny Committee on 17 July 2025.

3 Quarter 2 Performance Report (July 2025 – September 2025)



3.1 Carried forward Annual Plan 2024-25 actions

3.1.1 Two of the four actions are red (ie more than 3 months behind schedule): deliver the ICT Strategy's 2024/25 road map objectives and implement a programme of 'modular homes'. For the remaining two actions: one is completed and the other one is on schedule. For the latest detailed updates see Appendix 1.

3.2 Annual Governance Statement (AGS) actions

3.2.1 Two of the four 2023/24 AGS actions are completed and the remaining two are on schedule.

3.2.2 One of the eight 2024/25 AGS action is completed and the remaining seven actions are on schedule.

3.3 Key Performance Indicators

3.3.1 The majority of the indicators are on or close to target. However, three indicators are off target:

- 3.3.1.1 *Forecast outturn v budget*
- 3.3.1.2 *Number of households living in nightly paid accommodation*
- 3.3.1.3 *Long-term staff sickness absence*

3.3.2 For the latest updates see Appendix 1.

3.4 Corporate Risks

3.4.1 Three risks are assessed as Red/High.

- 3.4.1.1 *Failure to balance the budget annually & MTFS*
- 3.4.1.2 *Risk of homelessness expenditure exceeding budget provision*

3.4.1.3 *Failure or interruption to IT services*

3.5 Committee Risks

3.5.1 Four risks are assessed as Red/High.

3.5.1.1 Failure to deliver services within agreed budget envelope (S&R Committee).

3.5.1.2 Inadequate budget for homelessness over medium-long term (C&W Committee).

3.5.1.3 Lack of affordable housing in the Borough (C&W Committee).

3.5.1.4 Property Portfolio (S&R Committee).

3.6 Key

3.6.1 Actions:

- *Red – Behind schedule by more than 3 months*
- *Amber - Behind schedule by up to 3 months*
- *Green – On schedule*
- *Blue – Completed*

3.6.2 Key Performance Indicators:

- *Red – Significantly off target*
- *Amber – Marginally off target*
- *Green – On target*
- *Note: The definition for red and amber levels is set for each indicator individually.*

3.6.3 Risks:

- *Red / High – Risk score of 12-16*
- *Amber / Medium – Risk Score of 4-9*
- *Green / Low – Risk score of 1-3*

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 No direct risks.

4.2 Crime & Disorder

4.2.1 No direct risks.

4.3 Safeguarding

4.3.1 No direct risks.

4.4 Dependencies

4.4.1 The production of this report is dependent on the capacity of other service areas and committees to consider and contribute to its content.

4.5 Other

4.5.1 Corporate and committee risks are included in Appendix 1.

4.5.2 If committee members have a detailed question(s) on particular elements of this report (including its appendices), it is requested that these be submitted in advance of the meeting where possible, to enable officers time to prepare complete answers in consultation with the relevant service manager.

5 Financial Implications

5.1 There are no direct financial implications arising from this report.

5.2 **Section 151 Officer's comments:** Overall, while the majority of indicators and actions are progressing well, the areas highlighted above warrant close attention to ensure that financial risks are managed effectively and that budgetary pressures are addressed in a timely manner.

6 Legal Implications

6.1 There are no direct financial implications arising from this report.

6.2 **Legal Officer's comments:** None arising from the contents of this report.

7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- N/A

7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:** No direct implications arising from this report.

7.4 **Sustainability Policy & Community Safety Implications:** No direct implications arising from this report.

7.5 **Partnerships:** No direct implications arising from this report.

7.6 **Local Government Reorganisation Implications:** No direct implications arising from this report.

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Epsom and Ewell Borough Council, *Qtr 1 2025-26 Corporate Performance Report*, Audit & Scrutiny Committee, 30 September 2025 Online available: <https://democracy.epsom-ewell.gov.uk/documents/s37380/Performance%20and%20Risk%20Report%20-%20September%202025.pdf> [last accessed 03/12/2025].

Other papers:

- None.

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Corporate Performance Report

Quarter 2 2025-2026

Annual Plan Progress

The four actions below have been carried forward from the **Annual Plan 2024/5**.

RAG Status*

Red/off track: Behind schedule, more than 3 months **Amber/Slippage:** Behind schedule, up to 3 months

Green/On track: On schedule **Blue:** Completed

* Note: Council and policy committees can agree to revise schedules.

Action Expected Outcome	
Completed	1
Off track	2
On track	1

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	RAG Status	Commentary	Latest Update
Page 192 AP24/5.3	ICT Service; Strategy & Resources Committee	Deliver ICT Strategy objectives	Deliver the ICT Strategy's 2024/25 road map objectives	31-Mar-2025	●	Off track	<ul style="list-style-type: none"> Work on the revised hybrid infrastructure estate is well advanced, with procurement activities for replacement servers, switches, and firewalls now in progress. Responses from bidders are awaited, with contract awards expected in November. Decision has been reached on the Softphone solution and project planning meetings are now taking place with the departments to re-confirm the previously agreed requirements. 	17-Oct-2025
AP24/5.15	Community & Wellbeing Committee; Housing and Communities Service	Implement the Homelessness and Rough Sleeper Strategy	<ul style="list-style-type: none"> In year objectives complete, including updating empty homes policy. Quarterly reports to the Community & Wellbeing Committee Chairs meeting. Housing event held and network operational. 	31-Mar-2025	●	Completed	The final actions have now been completed as part of the Housing Service Review and will next be updated at C&W in November.	30-Sep-2025 Agenda Item Appendix 1 11

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	RAG Status	Commentary	Latest Update
AP24/5.17	Community & Wellbeing Committee; Housing and Communities Service	Implement a programme of "modular homes"	<ul style="list-style-type: none"> Report submitted to Strategic Leadership Team and agreed at with relevant Policy Committee Chairs by "Completion Date". 	31-Jul-2024	●	Off track	Fairview Road has been further delayed as the access issue will now be heard by the land tribunal. Completion unknown.	10-Oct-2025
AP24/5.23	Crime & Disorder Committee; Housing and Communities Service	Adopt and deliver the Community Safety Action Plan	<ul style="list-style-type: none"> In year objectives delivered. 	31-Dec-2025	●	On track	The Plan was approved in January 2024 by the Crime and Disorder Committee. It runs to December 2025. 75% of the Plan has been completed and the remainder is on track to be completed by the end of 2025. Please note the due date for this action has been amended to the end of December to align with its two year implementation.	02-Sep-2025

Summary of Key Performance Indicators

Key*

Red/Alert: Off target - significant
 Amber/Warning: Off target - marginal
 Green/Ok: On target

*For KPIs the definition for red/warning, amber/alert and green/ok is set for each KPI individually.

PI Status	
	Alert
	Warning
	OK
	Unknown
	Data Only

Long Term Trends	
	Improving
	No Change
	Getting Worse

Short Term Trends	
	Improving
	No Change
	Getting Worse

Community & Wellbeing Committee

Key Performance Indicator	Status
Number of Households Living in Nightly Paid Accommodation	
Number of Successful Preventions From Homelessness	

Environment Committee

Key Performance Indicator	Status
Car Park Visitor Numbers	
Car Park Revenue (£k)	
Parking Penalty Charge Notice Appeals Responded to in 10 Working Days	
Waste Collected	
Waste Sent for Recycling	

Licensing & Planning Policy Committee

Key Performance Indicator	Status
Major Planning Applications Decided in Time	✓
Minor Planning Applications Decided in Time	✓
Other Planning Applications Decided in Time	✓
Planning Appeals Against the Council's Refusal of Planning Dismissed by the Inspector	✓

Strategy & Resources Committee

Key Performance Indicator	Status
Council Tax Collected	✓
Non Domestic Rates Collected	✓
Forecast Outturn vs Budget (£m)	⚠
Forecast Income from Treasury Management Investment (£k)	✓
Number of Stage 1 Complaints Received	↗
Number of Stage 2 Complaints Received	↗
Average Time Taken (days) to Process Stage One Complaints	✓
Average Time Taken to Process Stage Two Complaints	✓
Average Number of Days of Staff Sickness	⚠
Short-term Staff Sickness (Av. no days)	✓
Long term sickness absence (Av. no.of days)	⚠
Staff Turnover (voluntary)	✓
Council Owned Vacant Property Rate (%)	✓
Completion Rates for ALL Property Maintenance Works	✓

Key Performance Indicator	Status
Completion Rate for PRIORITY 1 Property Maintenance Works	

Corporate Key Performance Indicator Charts

Traffic Light	
Red	3
Amber	3
Green	16
Data Only	4

Community & Wellbeing Committee

Number of Households Living in Nightly Paid Accommodation

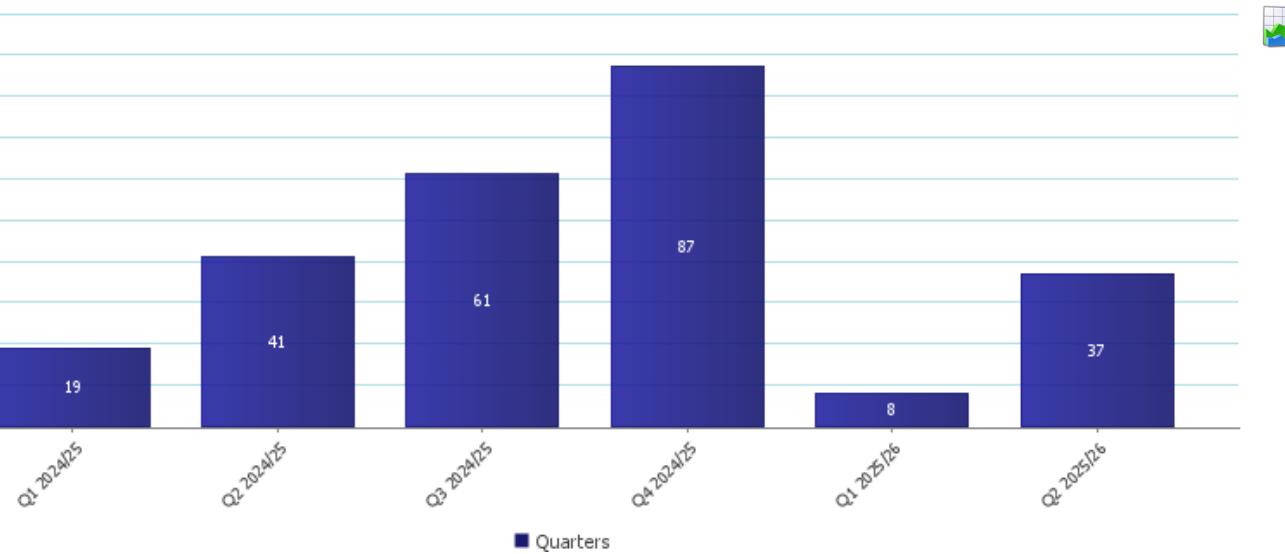


28-Oct-2025

There has been a 46.5% increase in homelessness application in Q1 & Q2 as compared to same periods in 2024/25. Whilst number in nightly paid accommodation are above target of 70 the numbers have remained consistent.

Number of Successful Preventions From Homelessness

24-Oct-2025



The cumulative number for successful interventions for Q1 & Q2 is 251. This comprises of 37 cases where homelessness has been prevented or relieved and a further 214 where Housing Services have been successful in preventing homelessness at an earlier stage by providing advice and early prevention assistance.

In addition, there was a 46.5% increase in homelessness applications in Q1 & Q2 as compared to the same periods in 2024/25.

Car Park Visitor Numbers

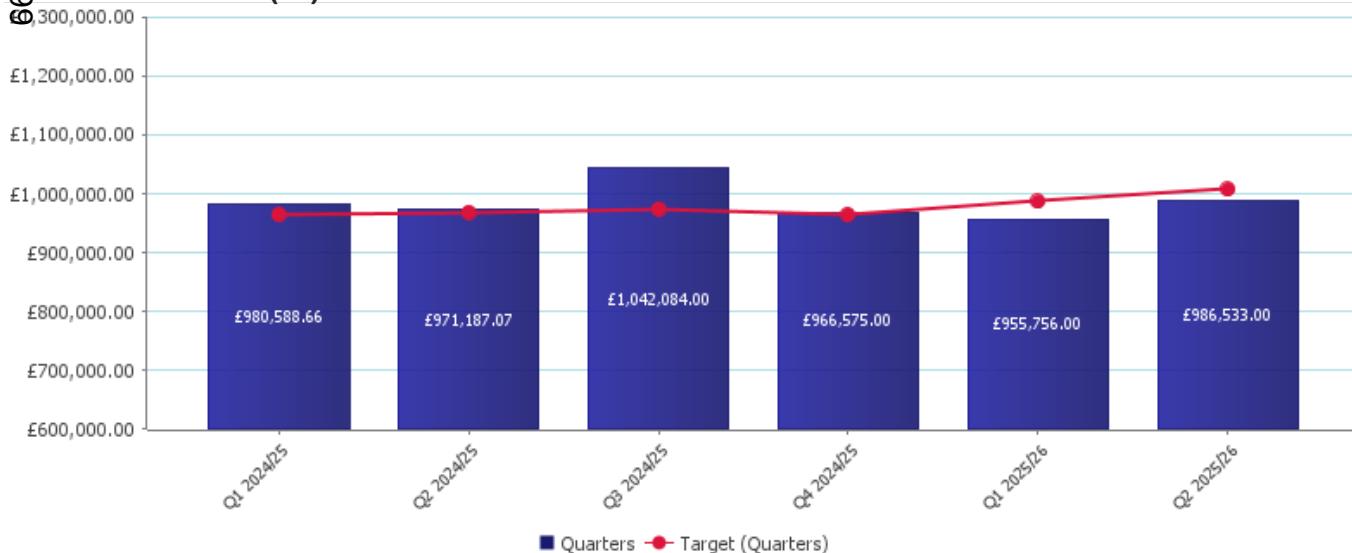


04-Nov-2025

It is worth noting that whilst the visitor numbers provided in these statistics appear to show a decline based on the previous year this is largely down to the change in parking system at Hook Road car park. Whereas season permit holders would previously have left a footprint by swiping their parking cards in and out each day there is now no footprint left as they park with a paper permit. Based on previous data this could equate to at least 2,000 users per month.

Page

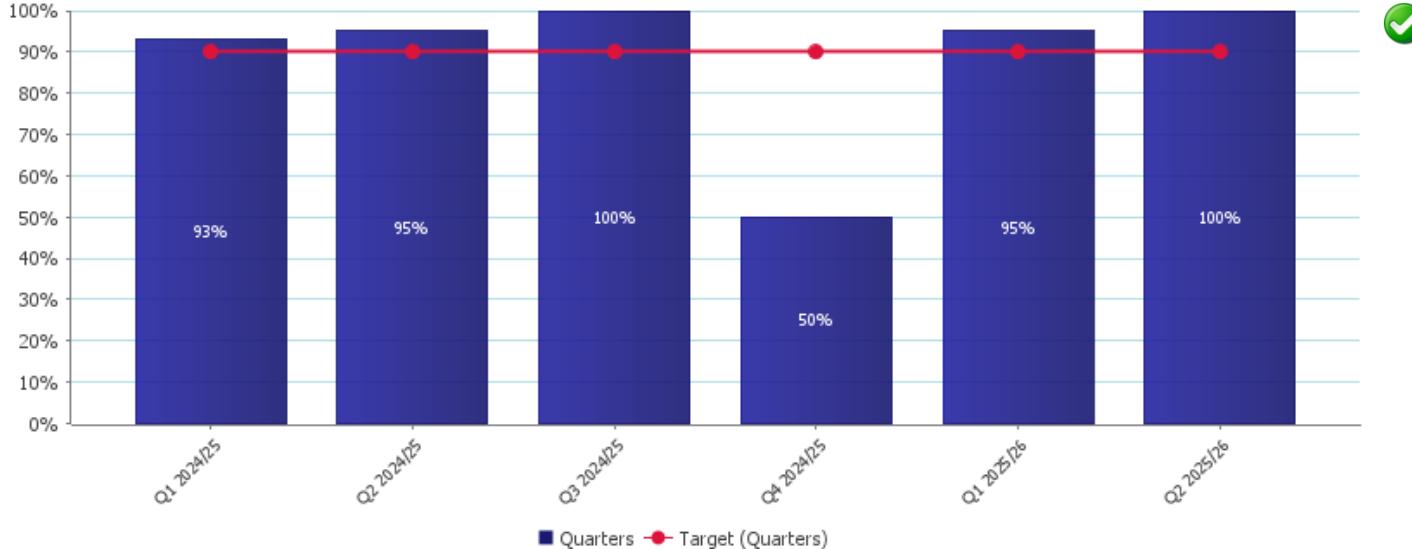
Car Park Revenue (£k)



04-Nov-2025

The car park income has increased in comparison to q2 in 2024/25 however with the budgetary targets increasing by a further 6% in April, the income generated to date now falls below the new target.

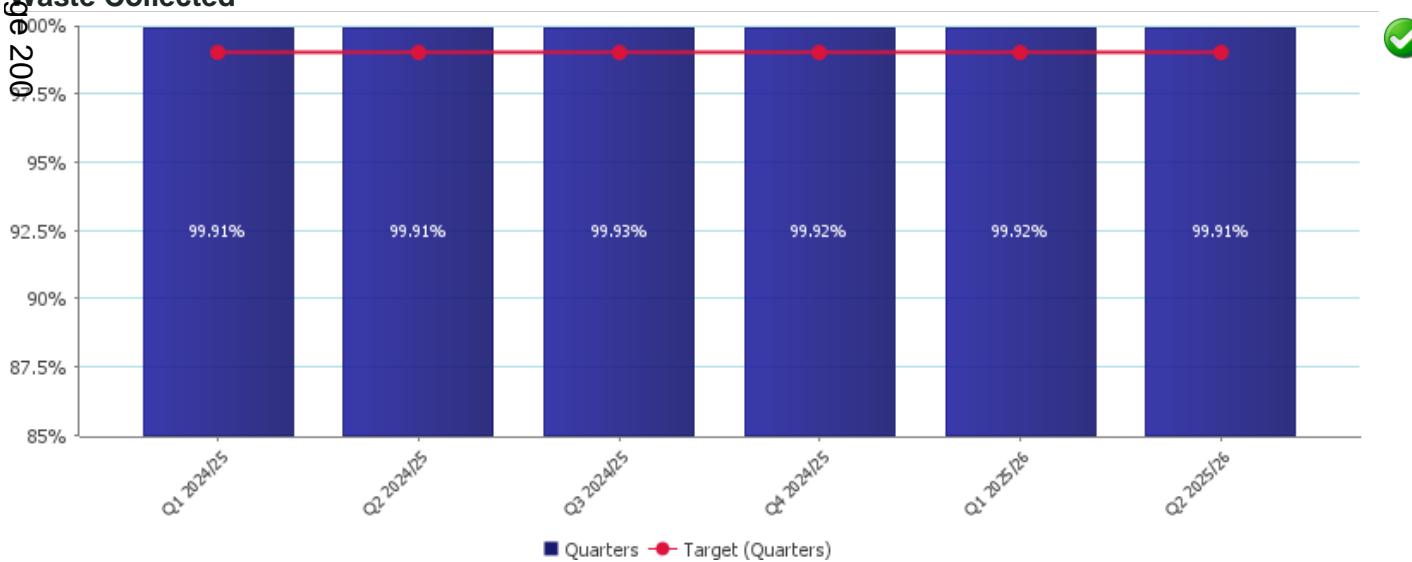
Parking Penalty Charge Notice Appeals Responded to in 10 Working Days



21-Oct-2025

The team have worked hard to stay on top of paper and online appeals.

Waste Collected

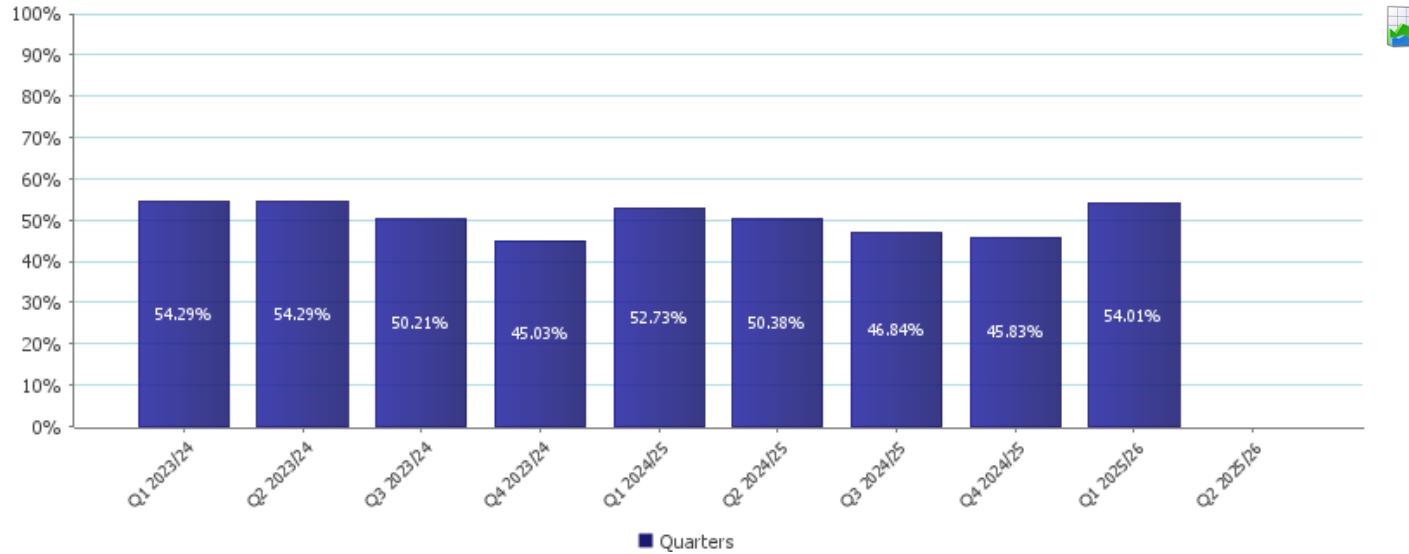


21-Oct-2025

Slight slippage in Q2 due to garden waste service disruptions in July and September. However, still well above target.

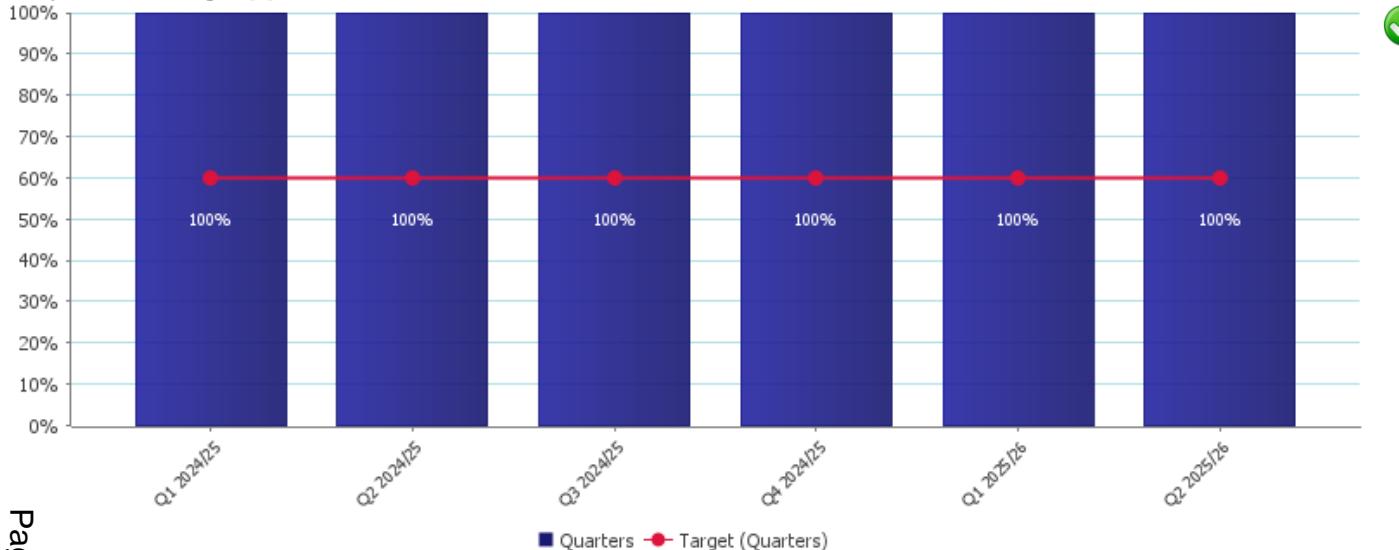
Waste Sent for Recycling

21-Oct-2025



Q2 figures not yet available.

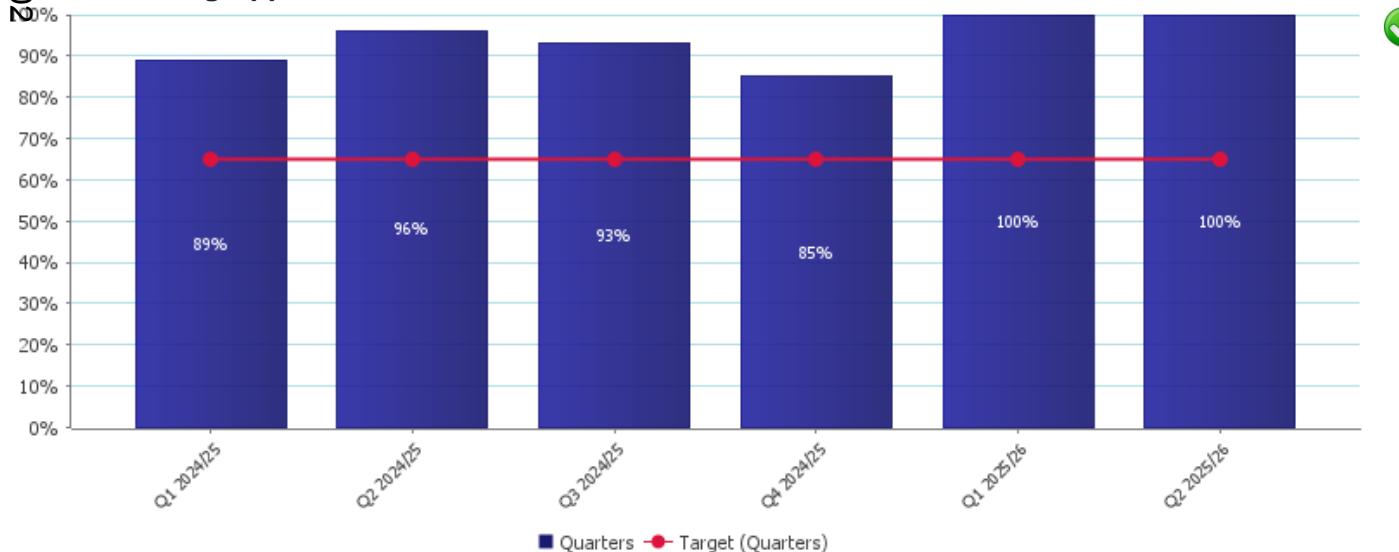
Seasonal variations are evident in the collection of waste (e.g. higher garden waste in summer than winter) so it is better to make comparisons with the same quarter last year rather than the last quarter.

Major Planning Applications Decided in Time

17-Oct-2025

3 of 3 decisions decided in time.

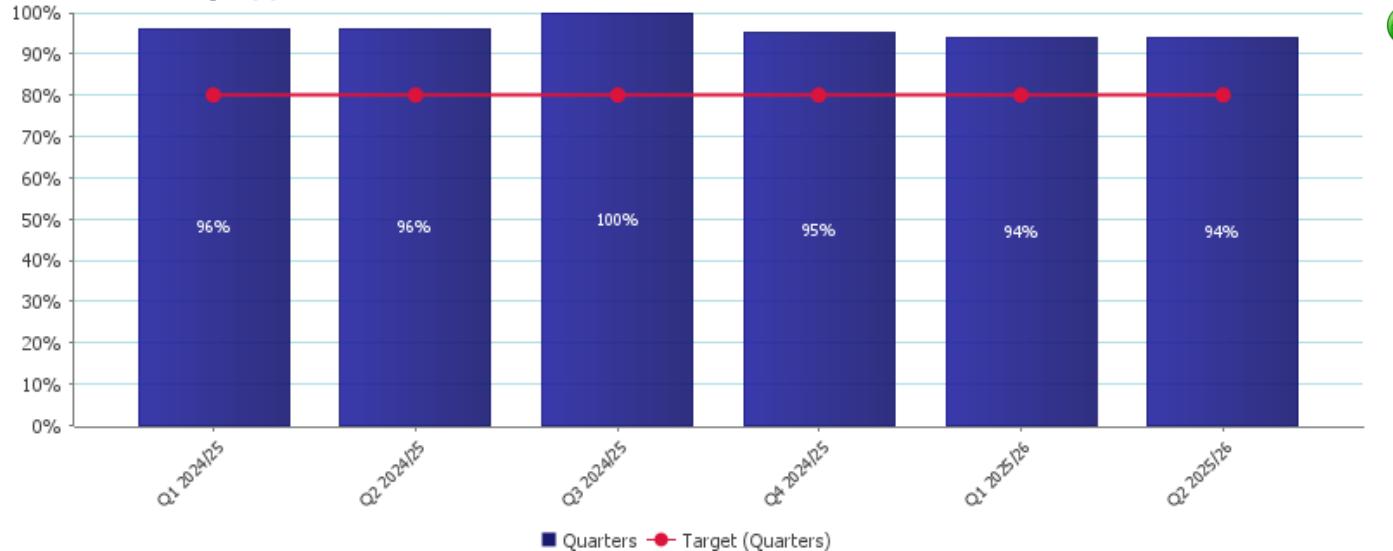
Page 12

Minor Planning Applications Decided in Time

17-Oct-2025

36 of 36 applications were decided in time, with 6 applications subject to extensions of time. Performance remains strong.

Other Planning Applications Decided in Time

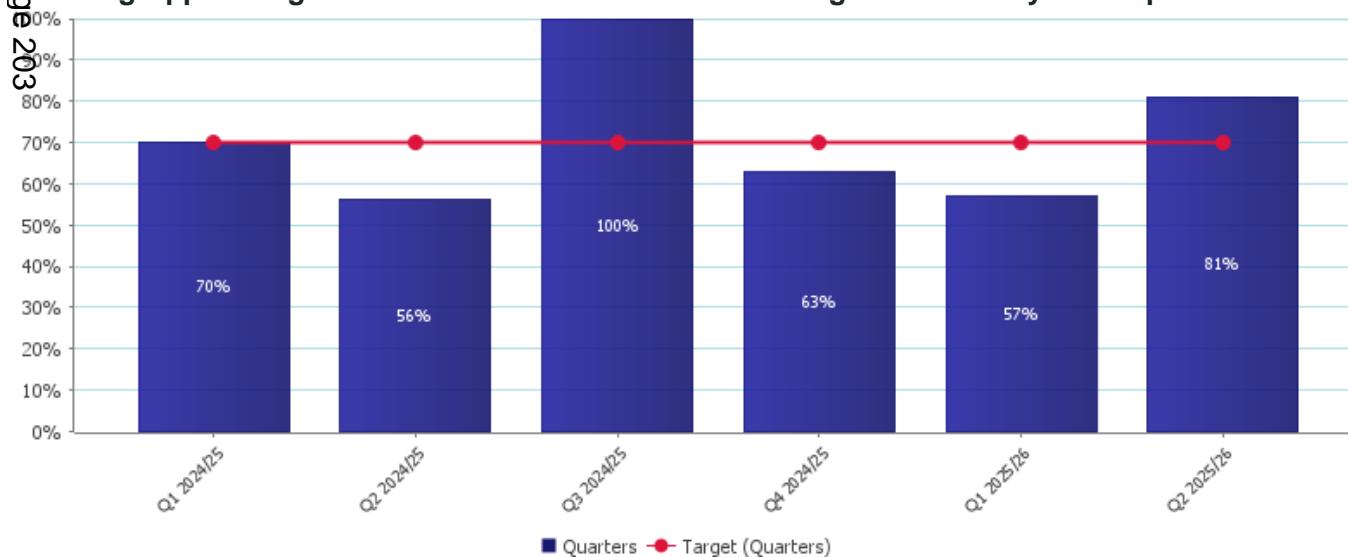


17-Oct-2025

134 of 142 applications were determined in time,



Planning Appeals Against the Council's Refusal of Planning Dismissed by the Inspector

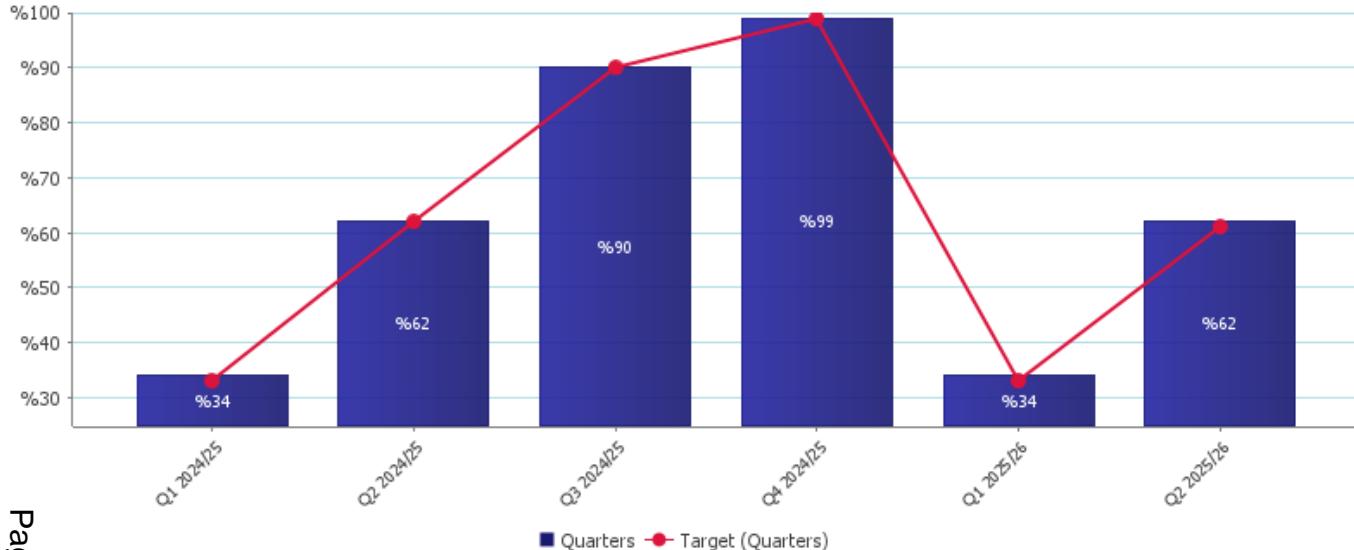


17-Oct-2025

9 of 11 appeals were dismissed for the most recent quarter, an improvement on the previous quarter. There was also one appeal for the award of costs made against the Council that was dismissed. There were no 'major' appeals for the quarter.

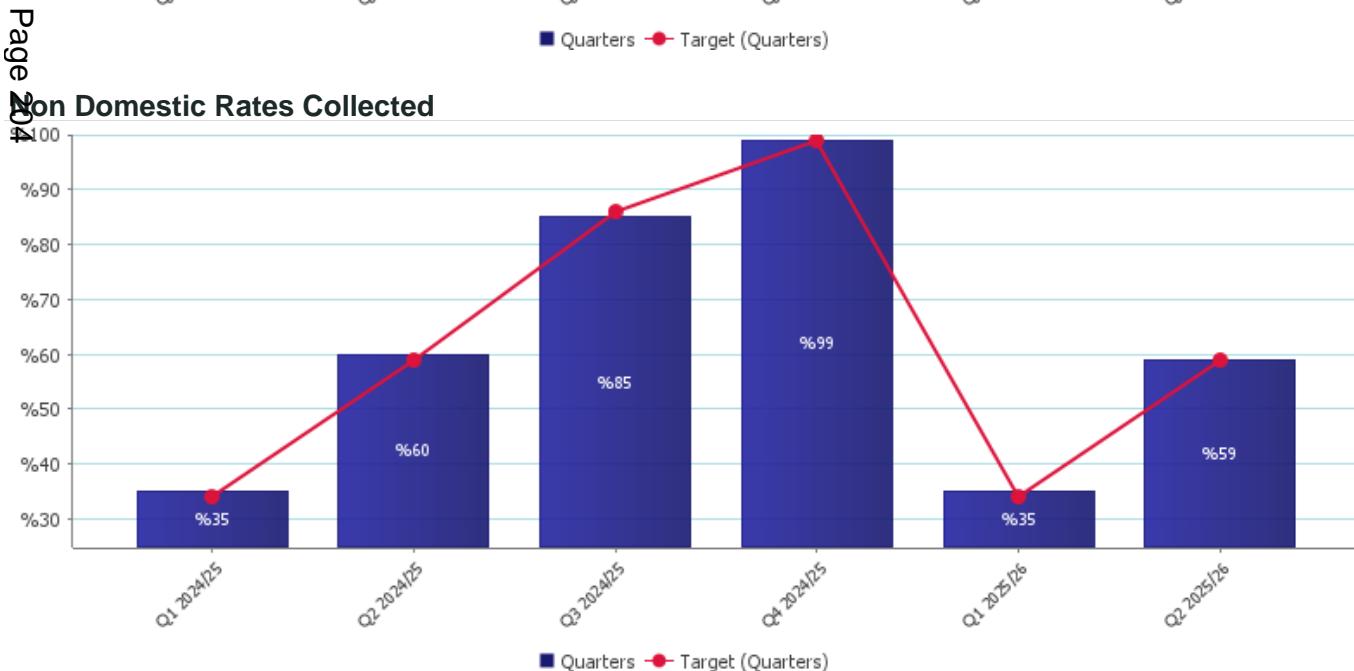


Council Tax Collected



16-Oct-2025

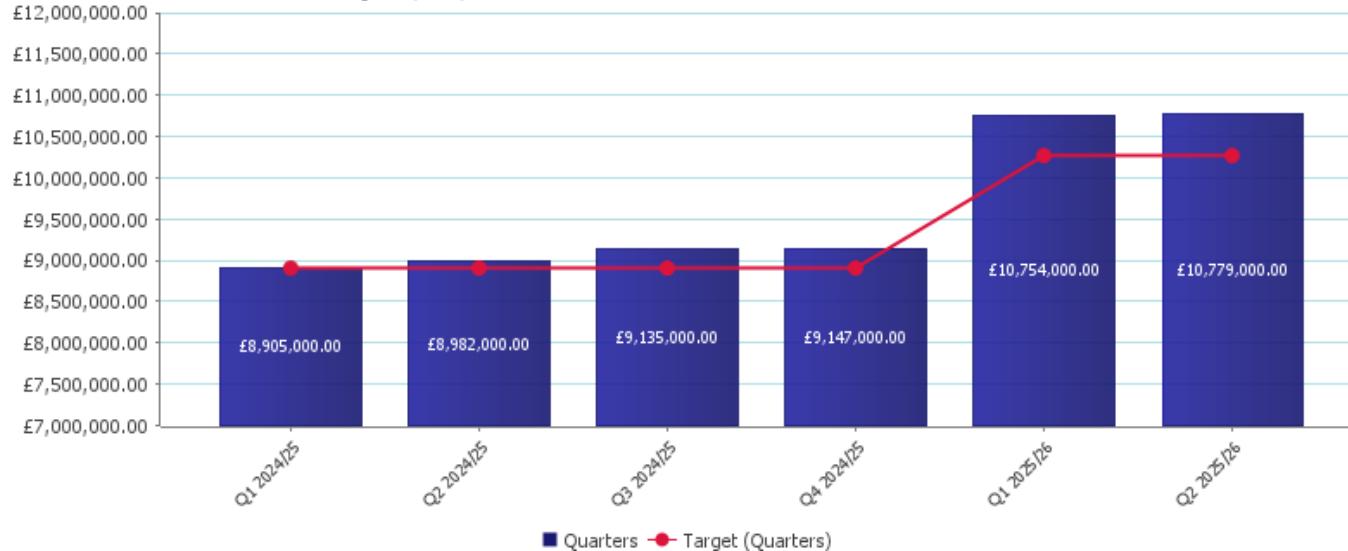
Target achieved for Quarter 2.



16-Oct-2025

Target achieved for Quarter 2.

Forecast Outturn vs Budget (£m)



28-Oct-2025

We are currently reporting an overspend of £510k in Q2 mainly driven by TA which is unsustainable.

Forecast Income from Treasury Management Investment (£k)

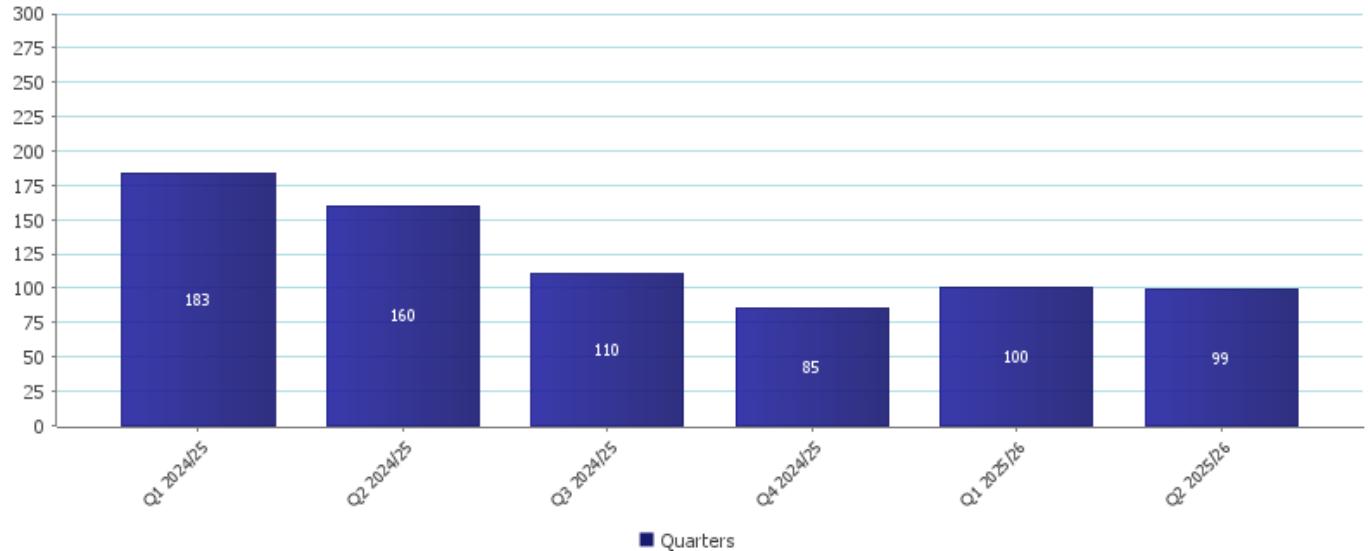


17-Oct-2025

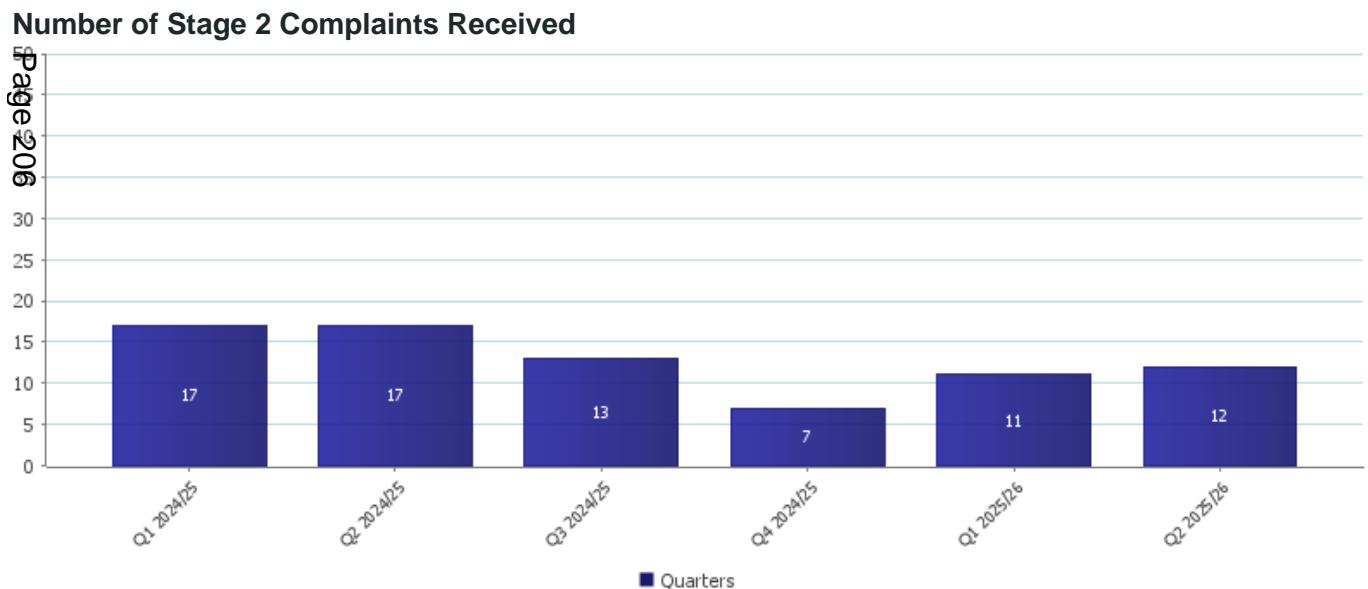
Interest rates are falling but not as quickly as previously forecast, updated forecast of £1.1m interest income for 2025/26

Number of Stage 1 Complaints Received

10-Oct-2025



In September there were more complaints specifically for waste than usual as the garden waste service was cancelled on separate days, and as a result residents logged complaints.

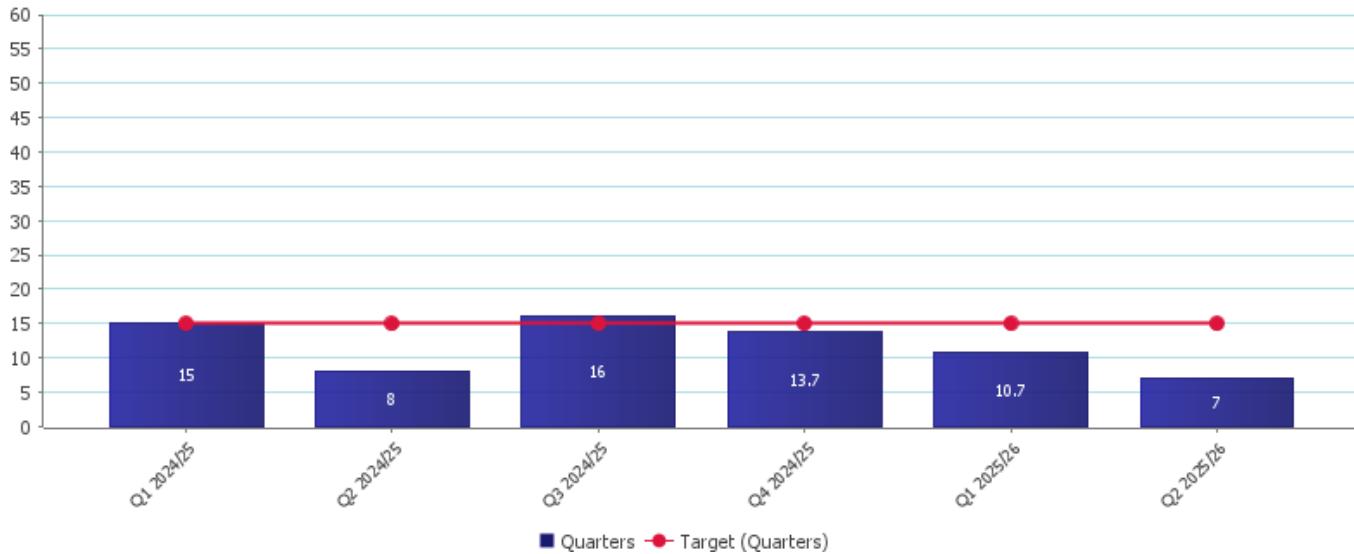


15-Oct-2025

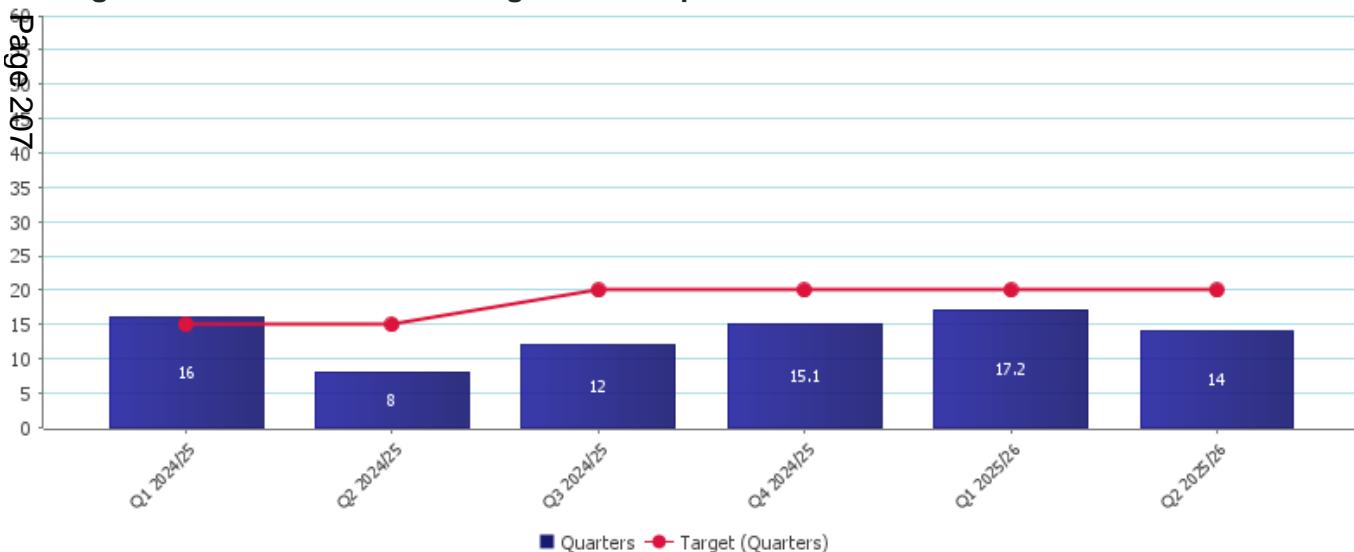
There were 12 stage 2 complaints in this period, compared to 11 in the previous quarter. All of which were due to either no stage 1 response provided (2) or not happy with the stage 1 response given (10).

Average Time Taken (days) to Process Stage One Complaints

24-Oct-2025



Average Time Taken to Process Stage Two Complaints



Average Number of Days of Staff Sickness

Many of the refuse and recycling complaints were due to the cancellation of garden waste.

We have a standard complaint response template for this type of complaint that has been provided by the Waste Services Management team, which meant we could respond to complaints the next day, which has helped the average stage 1 response time.

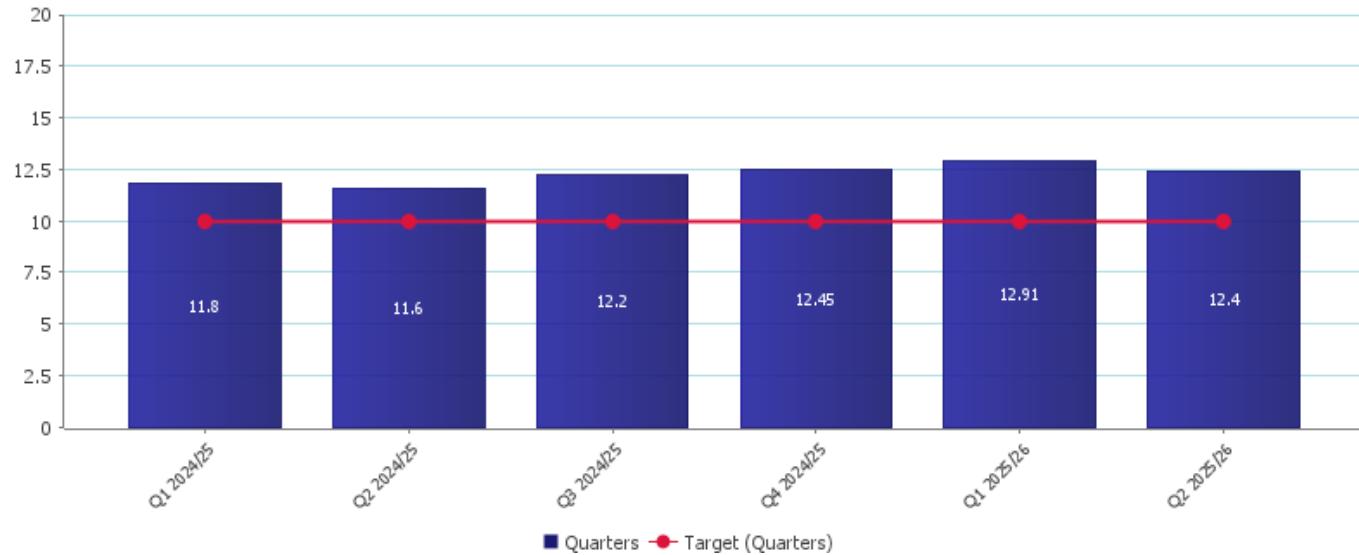


24-Oct-2025

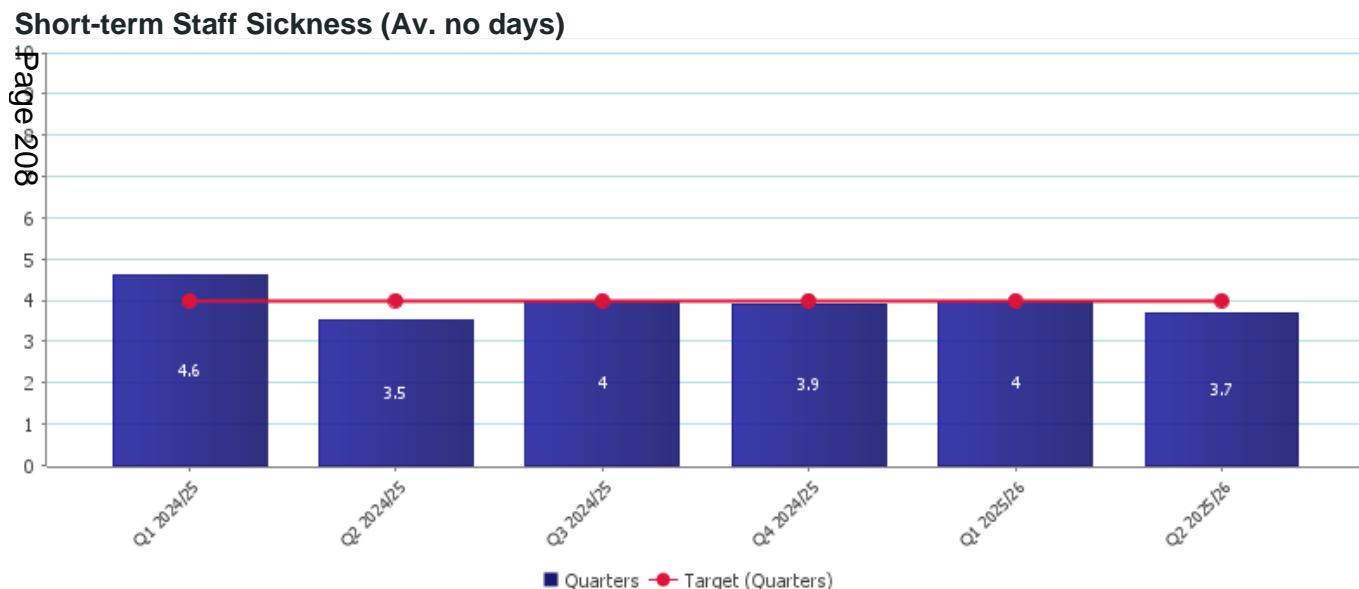
Quarter 2 target achieved.



21-Oct-2025



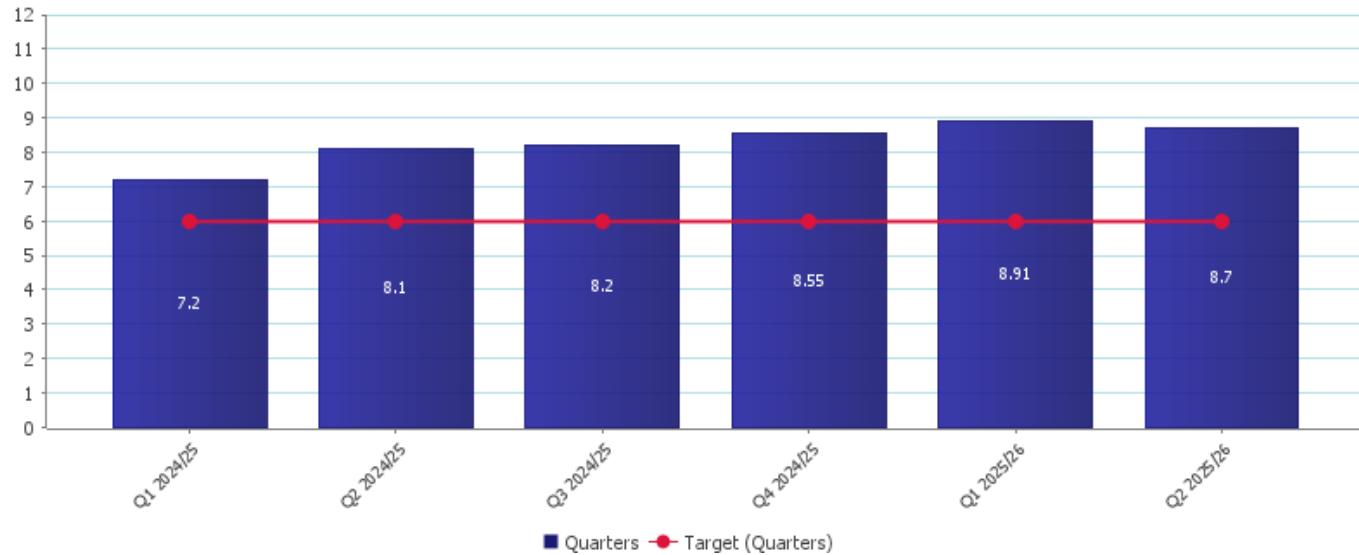
The People and OD team continues to support staff and managers with sickness absence. Organisational Stress Risk Assessment will be rolled out in Q3 to assist the organisation with implementing preventative measures with regards to work related stress.



21-Oct-2025



Slight decrease on Q1 and within target.



In the rolling 12 months to 30 September 2025 there was a total of 34 staff who had episodes of long term sickness absence. These 34 staff totalled 2364 days lost, an average of 69.5 days per staff member.

Reasons: 16 staff and 1200 days lost for Stress/Depression/Anxiety is the highest sickness absence reason hence our focus on the organisational stress risk assessment. 11 staff and 902 days lost for back pain/musculoskeletal is the second highest sickness absence reason.

6 staff were on long term sickness absence as of 30 September 2025. All cases are being managed with HR support.

Staff Turnover (voluntary)



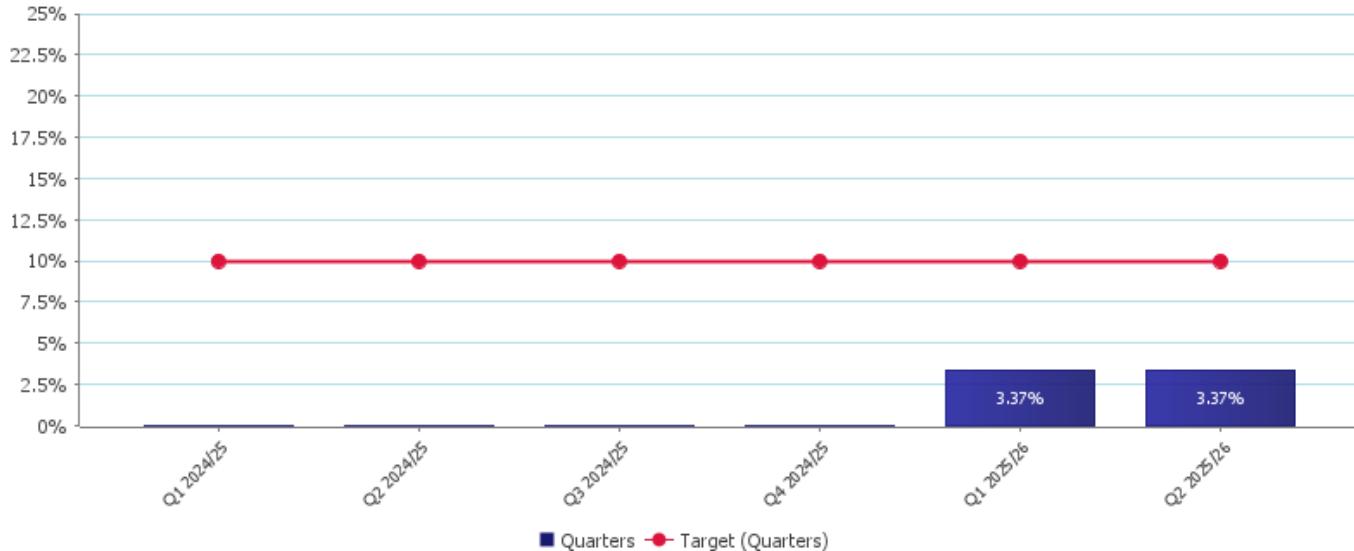
21-Oct-2025

Slight reduction from Q1 and well within target.

Workforce planning meetings are taking place to review risk associated with LGR and retention strategies.

Council Owned Vacant Property Rate (%)

23-Oct-2025



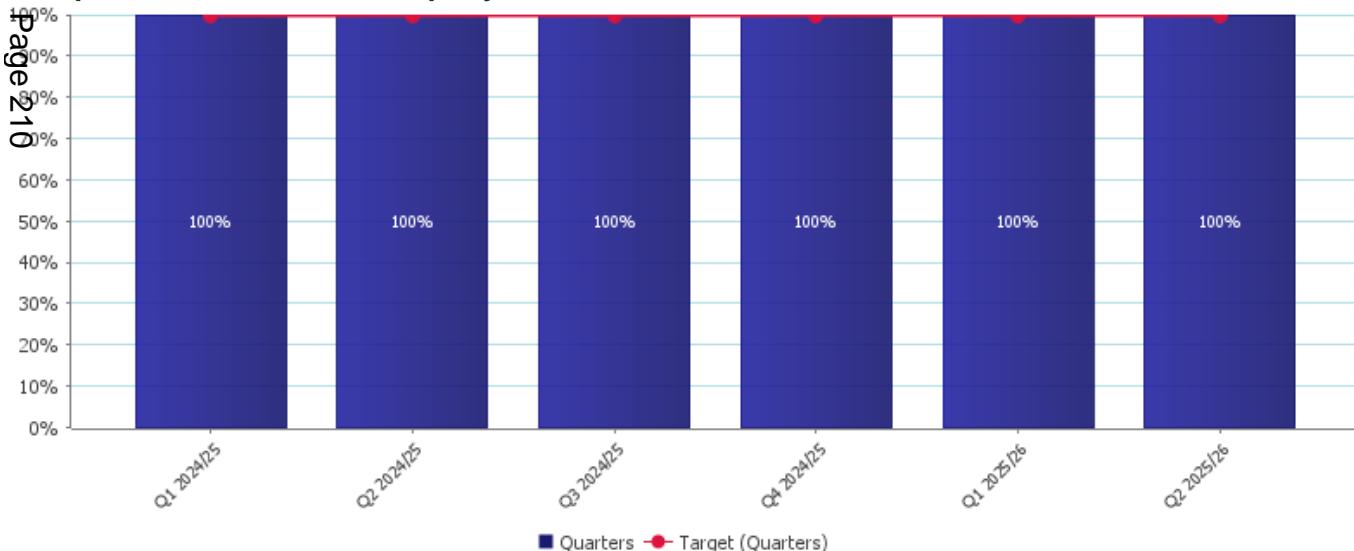
- This KPI is for all council owned commercial/investment properties only.



Completion Rates for ALL Property Maintenance Works

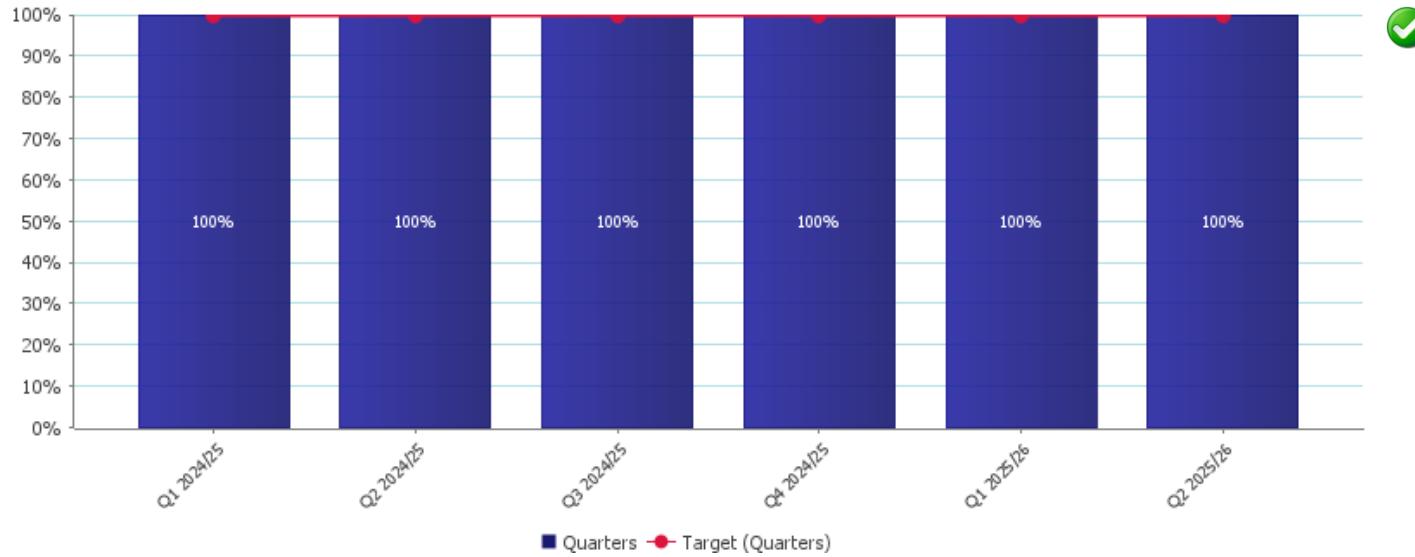
06-Oct-2025

All required statutory and planned maintenance and servicing were completed on time and as per schedule.



Completion Rate for PRIORITY 1 Property Maintenance Works

06-Oct-2025



All priority maintenance items were completed on target.

Corporate Risk Register

Our corporate risk register contains our most strategic risks, those that may have a significantly detrimental effect on our ability to achieve our key objectives and delivery of core services. We assess our risks as follows:

Step 1: Score the **inherent** risk using the matrix below = the expected **impact** of the risk **multiplied** by the **likelihood** of the risk occurring (with no mitigations or controls).

Step 2: Consider how we mitigate the risk and any controls in place.

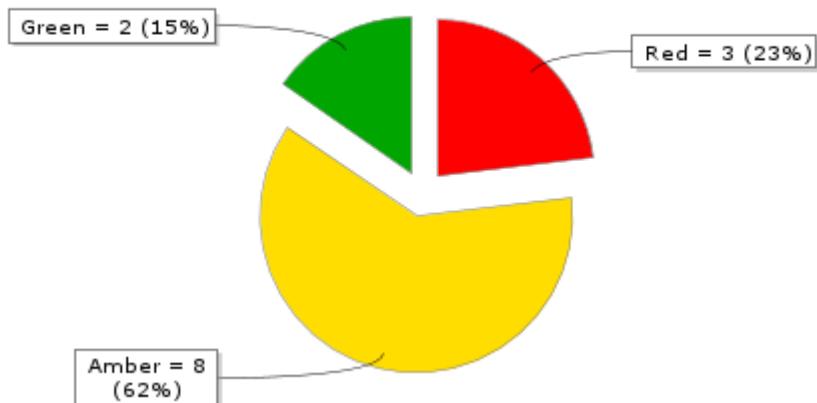
Step 3: Score the **residual** risk = impact x likelihood (taking into account the controls and mitigations we have in place).

Step 4: Review final risk score against the **risk tolerance boundary** (yellow line). If High (red), seek to further mitigate the risk to reduce it to Medium (amber) or Low (green); or acknowledge why it cannot be lowered at this time.

Likelihood Probability	Impact				
	4 Very likely	8	12	16	
	3 Likely	3	6	9	12
	2 Possible	2	4	6	8
	1 Remote	1	2	3	4
Multiplier	1	2	3	4	
	Insignificant	Medium	High	Severe	

Red	High risks
Amber	Medium risks
Green	Low risks
Yellow	Risk tolerance boundary

Traffic Light



ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
HPagC9 213	Risk of homelessness expenditure exceeding budget provision	<ul style="list-style-type: none"> • Unable to meet statutory duties. • Pressure to increase spending on accommodation in locations further outside of Borough. • Need to source funding from outside current budget and knock-on reductions to other budgets. • Potential damage to reputation 	4	4	16	Fraud team investigation Additional staff Working Group Strategy in place Housing First funding in place Additional Government Funding Homelessness Action Plan	4	4	16	■	Treat	The numbers in nightly paid accommodation remain high, despite falling slightly from a peak during the summer months. The Strategic Housing Manager has undertaken a service review to consider actions which can be taken to reduce expenditure. Community & Wellbeing Committee will receive an expenditure update report at November's committee.	22 Oct 2025

F2	Failure to balance the budget annually & MTFS	<ul style="list-style-type: none"> Fail to perform statutory duty and issue of Section 114 notice allowing potential Government intervention and potential cuts to services. Reduced assurance over the Council's financial sustainability. Reliance on commercial property income. Significant damage to reputation. Additional budget requirement for energy and EPC mitigation reduces budgets available for service delivery. 	4	4	16	Budget Monitoring Annual Budget Setting Competitive Procurement of Utilities Manage financial reserves Savings targets Discretionary service review Asset review	3	4	12		Treat	<p>We are currently forecasting an overspend of £510k as at Q2 for 25/26. This is driven by TA costs which is currently forecasting an overspend by more than £1m but is reduced by underspend in other parts of the council. Hence, we need a collaborative approach to address the rising costs in TA which is unsustainable.</p>	24 Oct 2025
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Page 215	IT6	Failure or interruption to IT services	<ul style="list-style-type: none"> • Damage caused by successful cyber-attack. • Loss of data. • Service delays. • Reputational damage. • Staff satisfaction. 	4	4	16	<table border="1"> <tr><td>Business Continuity Plan</td></tr> <tr><td>Budget</td></tr> <tr><td>IT Strategy</td></tr> <tr><td>IT processes and procedures</td></tr> <tr><td>Security Operations Centre</td></tr> <tr><td>Cyber Security Strategy</td></tr> </table>	Business Continuity Plan	Budget	IT Strategy	IT processes and procedures	Security Operations Centre	Cyber Security Strategy	3	4	12	■	Treat	<ul style="list-style-type: none"> • Significant progress has been made in upgrading and replacing hardware and servers that are approaching end-of-support. This work has been followed by an ITHC assessment, which identified further areas for improvement. The team is actively addressing these findings. • Specialist support has been engaged from our security partners, and remediation efforts are now at an advanced stage. A follow-up infrastructure check is expected to take place in the coming weeks, followed by a visit from the Cabinet Office to review the progress made. • The current risk assessment remains unchanged, reflecting the impact of the few remaining areas still undergoing final remediation. Once the PSN Assessor has approved all implemented changes, it is anticipated that the risk rating will shift to the Medium category of the matrix, indicating our awareness of the evolving threat landscape. 	20 Oct 2025
Business Continuity Plan																				
Budget																				
IT Strategy																				
IT processes and procedures																				
Security Operations Centre																				
Cyber Security Strategy																				
EO3	Implications of local government reorganisation	<ul style="list-style-type: none"> • Turnover of staff. • Financial uncertainty. • Disruption to BAU. • Capacity to deliver. • Staff morale/motivation. • Strategic uncertainty. 	4	4	16	<table border="1"> <tr><td>Communications Campaigns</td></tr> <tr><td>Working Group</td></tr> <tr><td>Stakeholder group</td></tr> <tr><td>Collaboration with other councils</td></tr> <tr><td>Learning from other new unitary authorities</td></tr> </table>	Communications Campaigns	Working Group	Stakeholder group	Collaboration with other councils	Learning from other new unitary authorities	3	3	9	■	Tolerate	Unchanged - awaiting proposal decision mid October.	24 Sep 2025		
Communications Campaigns																				
Working Group																				
Stakeholder group																				
Collaboration with other councils																				
Learning from other new unitary authorities																				

PD14	Failure to deliver a local plan / Local plan found unsound at inspection	<ul style="list-style-type: none"> • Unable to provide robust planning policy for development in the Borough. • Impact on other council activities that link to the local plan, e.g. housing. • Unable to demonstrate value for money on investment in developing the plan. • Government intervention. 	4	4	16	Budget	3	3	9	■	Treat	Local Plan examination hearings undertaken in August / October 2025. Awaiting a letter from the Planning Inspector as to how the examination should proceed. There remains a risk that the Local Plan will be found unsound.	17 Oct 2025
						Local Plan Risk Register							
						Report to Stakeholders							
						Member briefing							
						Project Critical Path Established							
						Project Plan							
						Full staffing in place							
						Partners fully engaged							
						Political support to fund and deliver							
EO5 Page 216	Failure in key statutory services	<ul style="list-style-type: none"> • Poor customer service. • Legal challenge. • Reputational damage. 	2	4	8	Risk Register	2	4	8	■	Treat	Environmental Health Food Inspections are currently under pressure due to shortage of resources.	24 Sep 2025
						Performance Monitoring							
						Risk Management Strategy							
						Budget Monitoring							
						Annual Budget Setting							
						Governance Framework							
						Performance Benchmarking							
LS9	Shadow Authority Election						2	4	8	■		Under further consideration by L&DS team following SLT feedback that they are not sure if this our risk as the returning officer for the next election will be with Reigate and Banstead.	04 Nov 2025

PCR16	Failure to comply with GDPR/Data protection	<ul style="list-style-type: none"> • Harm to, and breach of rights of, owners of the personal (inc. sensitive) data that has been breached. • Reputational damage • A range of sanctions from Information Commissioner's Office (ICO), including prosecution and unlimited fines. 	4	4	16	Internal Audit eLearning Data protection policies and processes Staff training Working Group Information Governance Working Group Breaches log Data Protection Officer Data/information management prep for building movationalsation programme Email warnings and checks	2	4	8	■	Treat	Levels here remain as they were.	24 Oct 2025
PD1 Page 217	Failure to deliver the climate change strategy	<ul style="list-style-type: none"> • Unable to deliver the Council's climate change objectives. • Fail to reduce the Council's carbon emissions. • Damage to reputation. 	4	4	16	Budget Additional staff Working Group Climate Change Action Plan Member Working Group	2	3	6	■	Treat	• Risk remains the same	17 Oct 2025

HC5	Non-compliance with safeguarding legislation, internal policies, and best practice.	<ul style="list-style-type: none"> • Negative impact on resident and staff health & safety. • Legal challenge. • Financial penalty. • Reputational damage 	4	4	16	Staff Update Intranet Site (The Hub) Staff training Safeguarding Policy Knowledge sharing Register of vulnerable residents Internal safeguarding group	2	2	4	■	Treat	No change	23 Sep 2025
PCR13	Failure to successfully prevent a significant health and safety incident	<ul style="list-style-type: none"> • Harm to staff, visitors, members of the public and / or contractors. • HSE fine. • Reputational damage. • Unable to maintain service delivery. 	2	4	8	Staff Update Assurance Checks Undertaken Health & Safety Officer Health & Safety Group Health & Safety Risk Register Health & Safety Policies Intranet Site (The Hub) Budget SLT Reporting eLearning Performance Monitoring Guidance Documents	1	4	4	■	Treat	Focus group formed to look at additional mitigations to protect staff from ongoing incidents relating to verbal abuse and unacceptable behaviour towards staff, which continue to rise. The Stress Indicator Tool is now being rolled out to all teams (in phases).	24 Oct 2025

EO13	Failure to deliver a safe/compliant working environment at the Town Hall	<ul style="list-style-type: none"> • Wasted resources used to progress the project. • Reputational damage. • Negative staff moral. • Unable to achieve benefits associated with the move. 	4	4	16	Internal Audit	1	3	3	⬇	Treat	Description updated following SLT feedback.	04 Nov 2025
						Full Council Approval							
						Corporate Procurement process							
						Steering Group appointed							
						Business case							
						Project Plan							
PCR18	Failure to respond effectively to a major incident or civil emergency	<ul style="list-style-type: none"> • Loss of business continuity. • Health and wellbeing of residents. • Reputational damage. • Unable to support strategic and operational / service deliver partners. 	4	4	16	Applied Resilience	1	3	3	➡	Tolerate	No change at this assessment, the emergency planning work programme is progressing on track.	10 Oct 2025
						Emergency Plans							
						Business Continuity Plan							
						Council responders							
						Internal Audit							

Committee Risk Registers

The following committee risk registers contain risks identified for the budget Policy Committees in accordance with our Risk Management Strategy. An overview of the individual committee risks is summarised on the next two pages. These risk registers are reviewed by the various policy committee Chairs on a regular basis.

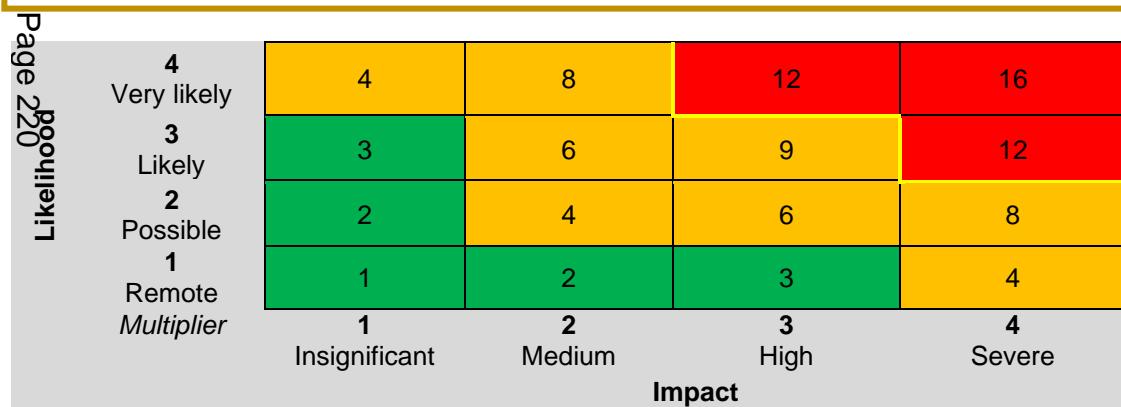
In this register, the inherent risk score (before any mitigations or controls) and the residual risk score (with mitigations and controls in place) have been derived from using the risk matrix below. The matrix is included in the Risk Management Strategy. We assess our risks as follows:

Step 1: Score the **inherent** risk using the matrix below = the expected **impact** of the risk **multiplied** by the **likelihood** of the risk occurring (with no mitigations or controls).

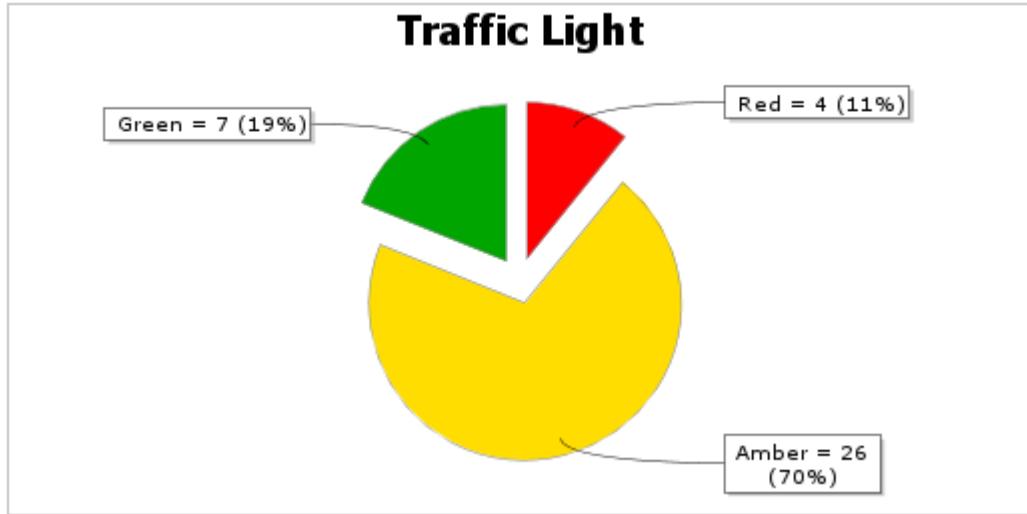
Step 2: Consider how we mitigate the risk and any controls in place.

Step 3: Score the **residual** risk = impact x likelihood (taking into account the controls and mitigations we have in place).

Step 4: Review final risk score against the **risk tolerance boundary** (yellow line). If High (red), seek to further mitigate the risk to reduce it to Medium (amber) or Low (green); or acknowledge why it cannot be lowered at this time.



Red	High risks
Amber	Medium risks
Green	Low risks
Yellow	Risk tolerance boundary



Community & Wellbeing Committee

Page	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
C13 Page 221	Inadequate budget for homelessness over medium-long term	<ul style="list-style-type: none"> Unbudgeted expenditure. Pressure on statutory service. Need to source funding from outside current budget envelope. 	4	4	16	Anti-Fraud & Corruption Strategy and Response Plan RBBC Counter-Fraud Service Service/Function Review Medium Term Financial Strategy Responded to Government Consultation Strategic Housing Manager New Units for Accommodation Secured Government Funding - Additional	4	3	12	■	Treat	The numbers in nightly paid accommodation remain high, despite falling slightly from a peak during the summer months. The Strategic Housing Manager has undertaken a service review to consider actions which can be taken to reduce expenditure. Community & Wellbeing Committee will receive an expenditure update report at November's committee.	22 Oct 2025

Agenda Item
Appendix 1

HC14	Lack of affordable housing in the Borough	<ul style="list-style-type: none"> Changes to Borough demographics. Homelessness. Provision for key workers. 	4	3	12	Partnership Working Strategic Housing Manager Strategic Housing Group	4	3	12	■	Treat	<ul style="list-style-type: none"> The Strategic Housing Manager (SHM) continues to work with planning colleagues and Registered Providers to increase delivery. 	11 Nov 2025
HC6	Non-delivery of annual plan objectives, Housing and Community Service, due to our response to refugee crises	<ul style="list-style-type: none"> Unable to deliver strategic objectives in the annual plan / Four Year Plan. Reputational damage. 	4	4	16	Performance Management Recruited Additional Team Members Partnership Working	2	3	6	■	Tolerate	SLT (31/10) support proposal to retire risk. Suggest risk is removed as 4 year plan now superseded by Members priorities.	04 Nov 2025
OS20	Not maximising commercialisation opportunities at council venues and parks / open spaces	<ul style="list-style-type: none"> Less income to the council, leading to service pressures. Financial sustainability of assets. 	4	3	12	Project Management Governance Bourne Hall Cafe Project Management Resource Revenue Assessment Required for Change of Land Use	2	3	6	⬇	Treat	Commercial opportunities at Bourne Hall continue to grow, with the Artisan Market operating successfully from the venue. The number of stallholders participating has increased significantly, contributing to a rise in footfall. This uplift in visitor numbers has also led to increased activity and revenue in the café on the Artisan Market days.	23 Oct 2025

HC15	Health and wellbeing worsen in the Borough due to increases in the costs of living	<ul style="list-style-type: none"> Less income to the council, leading to service pressures. Financial sustainability of assets. 	3	3	9	NHS Provide Services Community & Wellbeing Centre Health Liaison Panel Voluntary Sector Provide Services Epsom & Ewell Employment Hub Household Support Fund Funding Provided to Voluntary Organisations Epsom & Ewell Food Pantry Bourne Hall Cottage - PCN Using	2	2	4	■	Treat	The Community Development Plan (that supports the Health and Wellbeing Strategy) has now been drafted and therefore the community projects that seek to support the boroughs most vulnerable residents have commenced.	16 Oct 2025
BS26 Page 223	Playhouse lighting failure	<ul style="list-style-type: none"> Playhouse closure. Reputational damage. 	4	4	16	CIL Bid Submitted Capital Bid Submitted	1	1	1	⬇	Treat	<ul style="list-style-type: none"> Propose to drop this risk as new lights fitted to the Playhouse as of August 2025. 	04 Nov 2025

Crime & Disorder Committee

ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
HC31	Upcoming changes to the Criminal Justice Bill	<ul style="list-style-type: none"> Misunderstand the changes. Legal challenge. Unable to effectively meet our obligations. Unbudgeted expenses. 	3	4	12	Watching Brief Maintained Access to legal advice	2	3	6	■	Treat	No change since last quarter.	29 Aug 2025
HC33	Ineffective governance regarding PREVENT and PROTECT	<ul style="list-style-type: none"> Unable to meet objectives of PREVENT and PROTECT. Legal challenge. Health and safety. Unbudgeted expenses. 	4	4	16	Budget Monitoring Community Safety Action Plan	2	3	6	■	Tolerate	All management, supervisors, and other venue staff have been tasked to complete the Protect awareness course online. It is also considered within our events risk assessments and we are now asking all departments to add it to any bookings to hire our venues. It was also discussed at our Operational Services health and safety meeting in May 2025.	05 Jun 2025
HC30	Ineffective Public Space Protection Order (PSPO) governance	<ul style="list-style-type: none"> Ineffective PSPOs. Lack of evidence for PSPOs. Ineffective relationships with key partners, e.g. the Police. Partial records. Delayed enforcement. 	4	3	12	Partnership Working Information Published on Website Policy in place Knowledge sharing Service Manager Review	1	3	3	■	Tolerate	SLT (31/10) support proposal to retire risk. Not a significant risk. Can be retired.	04 Nov 2025

HC29	Failing to maintain adequate governance over Crime & Disorder Committee's budget	<ul style="list-style-type: none"> • Delays to the committee fulfilling its obligations and decision making. • Interruption to the recruitment (when necessary) of the community safety / safeguarding officer. 	1	3	3	Budget Monitoring	1	2	2	■	Tolerate	No change.	29 Aug 2025
						Constitution							
						Ringfenced budget							
HC32	Ineffective partnership working on anti-social behaviour case reviews	<ul style="list-style-type: none"> • Ineffective outcomes for victims. • Undeliverable actions assigned to the council. 	3	3	9	Partnership Working	1	2	2	■	Tolerate	SLT (31/10) support proposal to retire risk. No change but suggest this risk is removed	04 Nov 2025

Environment Committee

ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
HC10	Significant decrease in parking revenue from car parks	• Increased budgetary pressures.	3	4	12	Annual Budget Setting Medium Term Financial Strategy Revenue Assessment Required for Change of Land Use Budget Profile Exercise	3	3	9	↑	Treat	This risk was originally put in place due to the impact of COVID-19. As the risk abated it was reduced accordingly. However the revenue generated from car park does continue to play a significant part in maintaining a balanced budget for the Council. Future car parking income will depend future patterns of use and availability of Council provided car parking spaces, which could be reduced if the proposed actions outlined in the Local Plan are carried out.	22 Aug 2025
HC24 Page 226	Lack of officer capacity related to environmental health work	• Statutory duties not completed. • Increased costs incurred when appointing an external company to conduct statutory checks. • Poor performance. • Decrease in staff morale. • Reputational damage.	3	4	12	Internal Audit Additional staff	3	3	9	↓	Treat	• Assessment revised following further update on staffing to Policy Chairs. team having now secured additional resource. • Risk increased owing to long term sickness compounding with vacant positions partly covered by agency staff. Team is at 66% of minimum capacity.	21 Nov 2025

OS21	Climate change - Fleet emissions	<ul style="list-style-type: none"> Increased costs related to adapting / purchasing new vehicles. Reduced efficiency. Costs related to staff retraining. Costs related to depot adaptions. 	4	3	12	Climate Change Group SEP Green Fleet Working Group Grant Funding Secured - Electric MealsOnWheels Vehicles	3	2	6	■	Tolerate	Working on new specifications to incorporate hybrid engines wherever practicable. Waste vehicle no option for hybrids so diesel will be ordered, expected order by end of October 2025. Other vehicles will be ordered during mid-2026: working on specifications now, to include hybrid engines wherever that is an option.	16 Oct 2025
OS5	Outcome of national waste strategy	<ul style="list-style-type: none"> Budget implications. Service delivery implications. Operational management implications. Stakeholder management. 	4	3	12	Monitoring for Government Announcements Simpler Recycling	2	3	6	■	Tolerate	Reviewed with SLT July 2025.	16 Oct 2025
D31 Page 227	Unable to meet costs associated with the Tree Management Plan (e.g. unplanned maintenance, Ash dieback)	<ul style="list-style-type: none"> Budgetary pressures. Public health and safety. Increased tree planting leads to increased ongoing maintenance costs. Reputational damage. 	4	3	12	Budget Monitoring Financial Due Diligence Tree Management Plan Tree Maintenance Contract Policy in place New Policy and fees and charges approved for third party tree planting requests to cover council's costs Epsom & Walton Downs Conservators contribute to the maintenance of trees on the Downs.	2	3	6	■	Treat	Funding streams have opened up via a successful CIL bid (£200,000 over two years) and promised funding from the Forestry Commission (amount TBD), thus easing budgetary pressures and overall risks in this area. Longer term funding still imperative due to the longer term issue of ash dieback and tree planting where necessary.	15 Oct 2025

Licensing & Planning Policy Committee

ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
PD19	Macro-economic factors (inc. lack of development) lead to reduced planning income e.g. related to planning applications and CIL fees	<ul style="list-style-type: none"> Reduced income to the Council. Reduction in the LPPC's budget. Unable to achieve national housing targets. Unable to deliver CIL projects. 	3	4	12	Budget Monitoring Ability to Alter Discretionary Service Fees	2	3	6	■	Tolerate	Planning application fee income for two of three months of the quarter was well above average with YTD income above budget. Overall risks remain unchanged on this basis.	15 Oct 2025
PD2	Planning breaches are not enforced	<ul style="list-style-type: none"> Negative impact on neighbouring residents. Legal challenge. Reputational damage. 	4	4	16	Enforcement Trainer Actioning Cases Development Management Project	2	3	6	■	Treat	Risk score remains unchanged. The number of complaints received is still high and the downward trajectory of open cases has stalled in recent months. Current workload commitments will ease towards the end of Q2 2025 with the filling of the vacant Planning Officer position. The Internal Audit on Enforcement has been completed, which had overwhelmingly favourable conclusions.	04 Nov 2025

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PD20	Not preparing for legislative changes related to planning	<ul style="list-style-type: none"> Inappropriate governance. Reduced service performance. Legal challenge. Reputational damage. 	4	4	16	Watching Brief Maintained	2	3	6	➡	Tolerate	<p>There is some degree of flux in this area due the Government's review of BNG legislation. Nonetheless, the risks remain unchanged due to the ongoing need to implement local policies and procedures to accompany legislative requirements.</p> <p>To note this risk also captures the risk of 'Failure to implement the Bio-diversity net gain policy' which had previously been proposed as a separate risk.</p>	22 Oct 2025
						Monthly briefing to Chair and Vice-Chair							
HC27	Out of date licensing policies	<ul style="list-style-type: none"> Gaps in governance framework. Reputational damage. 	4	4	16	Additional staff	2	2	4	⬇	Treat	<p>Risk downgraded following increase in staffing. This has bought capacity to resume policy work and consultation will commence in Q3 2025.</p>	24 Oct 2025
						Access to legal advice							
						Committee training							
PD29 Page 229	Planning policy officers leaving the council	<ul style="list-style-type: none"> Knowledge and experience leaves the council. Increased timings to produce the Local Plan. 	2	4	8	Managers working closely with staff	1	4	4	➡	Tolerate	<p>Remains a risk.</p> <p>One full time Planning Policy has left the organisation to take up a role elsewhere that will not be impacted by LGR</p>	17 Oct 2025
PD3	Decline in development management performance i.e. threat of designation	<ul style="list-style-type: none"> Poor customer service. Legal / governmental challenge. Reputational damage. Staff dissatisfaction. 	3	4	12	Development Management Project	1	4	4	➡	Tolerate	No change. Performance remains excellent in terms of planning applications, and is continually monitored in terms of appeal decision overturns.	30 Jul 2025
HC16	Not preparing for legislative changes related to licencing	<ul style="list-style-type: none"> Inappropriate governance. Reduced service performance. Legal challenge. Reputational damage. 	4	4	16	Watching Brief Maintained	1	3	3	➡	Treat	<p>SLT (31/10) support proposal to retire risk.</p> <p>No longer a risk, recommend retiring this risk</p>	04 Nov 2025

HC23	Non-recovery of licencing fees	<ul style="list-style-type: none"> Reduced Council income. Misalignment of resource costs and income generation. Reputational damage. 	4	3	12	Budget Monitoring	1	3	3	■	Tolerate	No change but LGR progressing will make this redundant	23 Sep 2025
HC25	Reduced demand for licensing services due to increased fees/charges	<ul style="list-style-type: none"> Reduced income to the Council. Reduced LPPC budget. 	3	3	9	Reports submitted to committee for approval Budget Monitoring Service Manager Review	1	3	3	■	Tolerate	SLT (31/10) support proposal to retire risk. Income continues to be buoyant. Risk can be retired.	04 Nov 2025

Strategy & Resources Committee

ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
F10	Failure to deliver services within agreed budget envelope (e.g. increase in operational costs, staffing, energy etc.)	• Negative impact on council budget. • Service changes.	3	3	9	Budget Monitoring Annual Budget Setting Competitive Procurement of Utilities	4	3	12	■	Treat	Currently overspending on TA and we are able to counter some of the variances but needs full forensic analysis of Housing data to control / manage the variances	02 Sep 2025
PR3	Property Portfolio	• Significant loss of income. • Costs associated with replacing a tenant. • Budgetary pressures.	3	4	12	Tenant Sustainability Checks Commercial Property Acquisition Criteria Reports submitted to committee for approval Engagement w/ Finance Service Reported to EEPIC Board	3	4	12	■	Treat	Risk remains high while UK Economy remains sluggish.	23 Oct 2025

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Page 232	D21	Declining economic vitality in the Borough	4	3	12	BID Support Local Enterprise Partnership Working w/ Neighbouring Authorities	3	3	9	➡	Tolerate	Risk remains unchanged	22 Oct 2025	Agenda Item 11 Appendix 1
F27	Insufficient funding to implement Local Government Reorganisation	<ul style="list-style-type: none"> Funding promised by gov is not enough to cover costs. Impacts on current day to day spending. Confirmation from Government that the costs of elections will not be covered. Implementation of LGR not effective. Lack of capacity to deliver. 	4	4	16	Engagement w/ Surrey County Council Manage financial reserves Partners fully engaged Lobby Government Share capacity across partner authorities Reduce council spending	3	3	9	⬇	Treat	<p>The £0.380 million recently announced by government to 'cover the cost' of proposals (for the whole of Surrey) was woefully inadequate but an indication of the level of funding that may be available for Councils in Surrey to address LGR. It is for this reason the council will review its reserves to ensure it has funds to cover unexpected costs during a time of such uncertainty.</p>	21 Oct 2025	

PR14	Not delivering a value for money result regarding the future of the current Town Hall site	<ul style="list-style-type: none"> Loss of significant (future) income / capital receipts. Unable to deliver corporate and Borough objectives. Reputational damage. 	3	4	12	Member Working Group Appoint external consultant	2	4	8	⬇	Treat	Being reported to Strategy & Resources Committee on 11 November 2025.	23 Oct 2025
HR11	Lack of leadership and skills to deliver strategies objectives	<ul style="list-style-type: none"> Do not meet financial targets. Unable to implement corporate strategies and plans. Unable to implement revenue generating initiatives / opportunities. 	2	3	6	Recruitment Strategy Retaining Talent Policy Succession Planning Performance Management My Performance Conversations Risk Management Strategy Project Management Governance	3	2	6	➡	Treat	<p>Retention rate currently well within target and has not been negatively impacted by LGR to date. Succession plans have been executed in response to a HoS resignation.</p> <p>Workforce planning meetings are taking place between the Head of People and OD and all Heads of Service to assess risks of staff leaving key roles and retention and succession plans that are in place.</p> <p>A memorandum of understanding with regard to sharing staff and skills across Surrey councils is being developed encompassing statement of works, S113 agreements and secondment agreements.</p>	13 Oct 2025
PCR21	Retendering of leisure centre contract	<ul style="list-style-type: none"> Reputational damage. Health and wellbeing of residents compromised. Loss of business continuity. Financial impact due to reduction of management fee. 	3	4	12	SLT sign-off - Feasibility Contract Management Procurement Strategy Contract Standing Orders Project Contingency Time Corporate Procurement process	2	3	6	➡	Treat	No change to the overall score. There are a few, relatively minor issues to resolve ahead of signing the new contract (a 'side letter' is in place).	10 Oct 2025

PR16	Reduction in car parking capacity	<ul style="list-style-type: none"> Reduced income Damage to Epsom's vitality and viability eg Harder for visitors to find space Overspill of parking into roads. 	3	2	6	Engagement w/ Surrey County Council Car Park monitoring	2	3	6	■	Treat	Being assessed as part of 6 May 2025 approval of 2025-2027 Strategic Priority 5.	23 Oct 2025
DST10	Failing to respond to complaints effectively	<ul style="list-style-type: none"> Poor customer experience. Reputational damage. Increased costs related to officer time required to rectify complaints after initial response. Costs related to any financial settlements / restitutions. Public interest for non-compliance report issued by the Local Government and Social Care Ombudsman (LGSCO). 	3	4	12	Staff training Information Published on Website Complaints Management Governance Complaints Meetings	2	2	4	■	Tolerate	the risk has not changed	22 Oct 2025

EO8	Ineffective communication to key stakeholders	<ul style="list-style-type: none"> Audiences and stakeholders are unaware of information and updates that are important and/or relevant to them. Negative impact on Council reputation if we are seen not to be communicating and engaging effectively with audiences. 	3	3	9	Service/Function Review Communications Strategy Regular review of communication channels Communications Campaigns Internal Client - Account Manager Process Comms standards	2	2	4	■	Tolerate	<p>The level of risk remains the same, nothing has significantly changed since the last assessment.</p> <p>Local government reorganisation has changed some of our priorities but we continue to work to the 2024-28. Communications Strategy and annual communications planner.</p> <p>There are currently no staffing issues and planned campaigns and Business As Usual work continues to be delivered.</p> <p>The team continue to mitigate reputational risk by managing both proactive and reactive messaging.</p>	17 Oct 2025
F26 Page 235	Incorrect administration of Housing Benefit payments to a provider	<ul style="list-style-type: none"> Financial impact to the council which could affect the budget / reserves. 	3	3	9	Quarterly monitoring of subsidy position Regular liaison meetings with DWP Allocate contingency funds to cover potential financial impacts	2	2	4	⬇	Treat	<p>The risk is being closely monitored, and there is ongoing engagement with the DWP.</p>	17 Sep 2025

Annual Governance Statement Actions

Every year we publish our Annual Governance Statement, which outlines the effectiveness of our overall governance framework. As part of this review, we identify key actions which we feel will improve our corporate governance.

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
2023/24 - Review and enhance recruitment and retention policies and procedures for key roles across the council	31-Mar-2024	30-Sep-2025	<p>The Senior Leadership Team has weekly discussion to ensure that we have a range of retention measures in place, and this is particularly the case in light of the uncertainty of LGR.</p> <p>The Head of People and OD is working with the other Heads of HR across Surrey to take a joined up approach to the potential risk of retention challenges particularly of those in leadership roles ahead of LGR.</p> <p>In addition, the Surrey Chief Executives are building a collective study of retention measures to bring forward for discussion at Surrey Leaders in October 2025.</p>	●	Completed	01-Aug-2025
2023/24 - Review and update IT policies as necessary	31-Mar-2024	31-Dec-2025	<ul style="list-style-type: none"> • ICT Password policy has been reviewed by internal audit and agreement reached that an updated version with minor changes will be presented to SLT for approval. • Updated IT Sec and AUP will be presented to SLT for approval. 	●	On track	17-Oct-2025
2023/24 - IT AGS action	31-Mar-2024	31-Dec-2025	<ul style="list-style-type: none"> • ITHC has been completed and remedial actions are significantly underway. • Post remediation health check is now expected to be completed before the end of November and results will be shared and reviewed by the Cabinet Office PSN Inspector. 	●	On track	17-Oct-2025
2023/24 - Councillor Training - review and enhance the councillor training and development programme	31-Mar-2025	31-Oct-2025	This action has been postponed further to consultation with the CEO and Leader of the Council; refocused strategic priorities agreed on 6 May 2025 that supersede this action.	●	Completed	24-Oct-2025
Management capability -to enhance management capability to lead through change, by delivering a new development programme.	31-Mar-2026	31-Mar-2026	Corporate Leadership Team programme ending on 15th October. Planning for manager training will take place on conclusion of this programme.	●	On track	13-Oct-2025

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	Agenda Item 11	
					APAC Status	Latest Update
Review our cyber security response plans - to review to see if added value can be achieved through consolidation of existing plans	31-Dec-2025	31-Dec-2025	• Draft CSRP has been returned and is currently under review.	●	On track	17-Oct-2025
Staff resourcing across all teams - to Review level of resilience of staff resourcing.	31-Dec-2025	31-Dec-2025	LGR Workforce Planning meetings are taking place between the Head of People and OD and all Heads of Service. These meetings will review current establishment lists, vacancies, retention and succession planning, training and development of staff.	●	On track	13-Oct-2025
Manual processes in Place team- to Replace manual processes in the Place Development team with automation.	31-Mar-2026	31-Mar-2026	AI tools in very early trial phase in summering reports and objections.	●	On track	15-Oct-2025
Appeals related to the Local Plan - to review appeals related to the Local Plan to ensure they do not relate to the governance of the Plan.	30-Sep-2025	31-Mar-2026	• Local Plan remains at examination stage with the scheduled hearings completed in mid October. • We are awaiting a letter from the Inspector as to how the examination will proceed. • The due date has been amended from September 2025 to March 2026 to reflect the current estimation of when the Plan could be adopted.	●	On track	24-Oct-2025
Corporate priorities - in light of LGR, management will consider having a focussed set of corporate priorities for the coming year / 2 years	31-Oct-2025	31-Oct-2025	Corporate priorities for 25-27 were taken to full council on 6th May 2025 and approved as the councils priorities for the next two years ahead of LGR	●	Completed	08-Aug-2025
Performance appraisals of the manual workforce - to Develop a suitable My Performance Conversation process for our manual workforce	30-Sep-2025	30-Nov-2025	Waste Services and Streetcare has developed MPC forms for their teams.	●	On track	25-Sep-2025

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	Agenda Item 11	
					APAG Status	Latest Update
Open, transparent and timely discussions with key stakeholders: external auditors, internal auditors and members on key decisions affecting council affairs	31-Mar-2026	31-Mar-2026	Regular meetings have already been scheduled with external auditors to address weaknesses raised around the way the constitution was updated. Member communications will be reviewed, and training needs assessed.		On track	21-Oct-2025

CODE OF CORPORATE GOVERNANCE ANNUAL REVIEW 2025/26

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Will Mace, Corporate Governance and Strategy Manager; Ian Wood, Performance and Risk Officer
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 - Code of Corporate Governance 2025/26

Summary

The Council's Code of Corporate Governance - 'the Code' - was updated and brought to the Committee in November 2024. The Code sets out the principles of good governance, and the arrangements the Council has in place to demonstrate its compliance with them. As part of best practice, the Code is reviewed annually by officers and submitted to the Audit and Scrutiny Committee. Attached at Appendix 1 is an updated Code, representing changes since last year's edition.

Recommendation (s)

The Committee is asked to:

- (1) Note the updated Code of Corporate Governance attached at Appendix 1.

1 Reason for Recommendation

- 1.1 To ensure the Committee remains regularly appraised of the contents of the Code of Corporate Governance, and have an opportunity to review and feedback on its efficacy.

2 Background

- 2.1 In addition to setting out the council's key governance arrangements, the Code acts as a foundational document in the production of the Annual Governance Statement ('AGS'). The AGS assesses the effectiveness of the Council's governance arrangements based on the contents of the Code. The AGS is also brought to the committee annually, and published alongside the council's statement of accounts.

2.2 The Code has been reviewed and updated to reflect changes since last year's edition. The updates are available to view in Appendix 1 as track changes. Following the Committee's review, a 'clean' version of the document will be produced and published on the council's website.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 No direct implications arising from this report.

3.2 Crime & Disorder

3.2.1 No direct implications arising from this report.

3.3 Safeguarding

3.3.1 No direct implications arising from this report.

3.4 Dependencies

3.4.1 The production of the AGS relies in part on the Code of Corporate Governance.

3.5 Other

3.5.1 If Members have a detailed question(s) on particular elements of the report, it is requested that these be submitted in advance where possible, to enable officers the time to prepare full and complete answers.

4 Financial Implications

4.1 No direct implications arising from this report.

4.2 **Section 151 Officer's comments:** None arising from this report.

5 Legal Implications

5.1 No direct implications arising from this report.

5.2 **Legal Officer's comments:** None for the contents of this report.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- N/A

- 6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** No direct implications arising from this report.
- 6.4 **Sustainability Policy & Community Safety Implications:** No direct implications arising from this report.
- 6.5 **Partnerships:** No direct implications arising from this report.
- 6.6 **Local Government Reorganisation Implications:** No direct implications arising from this report.

7 Background papers

- 7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- *Code of Corporate Governance Annual Review*, Audit and Scrutiny Committee, 14th November 2024. Online available: [Epsom and Ewell Democracy](#) [last accessed 01/12/2025].

Other papers:

- None.

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Code of Corporate Governance

Version number: 2.32

Date: NovDecember 20254

Version control

No.	Date	Author	Change description	Approved by
1	04/04/2017	Head of Corporate Governance	2017 Version.	Strategy &and Resources Committee
2	21/10/2022	Business Assurance Manager	Review and update, including changes to the structure and format of the document.	Audit &and Scrutiny Committee (17/11/2022)
2.1	25/09/2023	Business Assurance Manager	Minor updates made, inc. references to the Operating Framework.	Audit &and Scrutiny Committee (16/11/2023)
2.2	08/10/2024	Business Assurance Manager	Updated to reflect changes in the governance framework since last year.	Strategic Leadership Team (17/10/2024)
2.3	01/12/2025	Corporate Governance and Strategy Manager	<u>Updated to reflect changes in the governance framework since last year, inc. review of CIPFA's governance framework addendum document (May 2025), and other descriptive updates.</u>	<u>Strategic Leadership Team (03/12/2025)</u>
Next review date: November-December 2026				

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Governance structure	<u>2119</u>
Governance Assurance Channels	<u>2320</u>

Introduction

Corporate governance is a term used to describe the way that organisations direct and control what they do. For local authorities, it includes the systems, policies and processes as well as the cultures and values that underpin a council's arrangements for effective:

- Leadership
- Management
- Performance
- Delivery of positive customer outcomes
- Community engagement
- Stewardship of public money

Epsom and Ewell Borough Council (the council) is responsible for ensuring a sound system of governance: ensuring its business is conducted in accordance with the law and proper standards; that public money is safeguarded, properly accounted for and used; and that it exercises its functions efficiently and effectively. Councillors and officers are responsible for putting in place proper arrangements for the council's governance and the stewardship of its resources, and for regularly reviewing those arrangements.

The council is committed to demonstrating that it has the necessary corporate governance arrangements in place. It has developed and adopted a local Code of Corporate Governance which brings together in one document, all the governance and accountability arrangements the council currently has in place.

Principles of good corporate governance

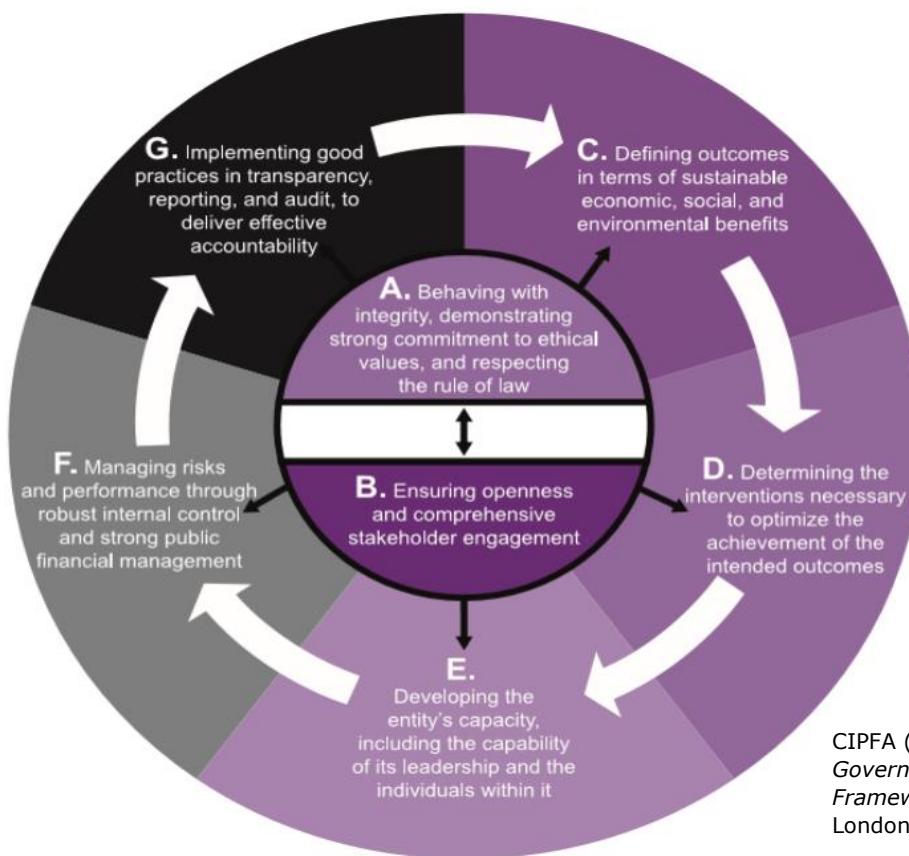
This document is based upon the CIPFA/SOLACE Framework: Delivering good governance in local government.¹ The aim of the principles is to help local authorities achieve their intended outcomes, while acting in the public interest at all times. The principles are as follows:

- A.** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B.** Ensuring openness and comprehensive stakeholder engagement.
- C.** Defining outcomes in terms of sustainable economic, social, and environmental benefits.

¹ CIPFA (2016) *Delivering Good Governance in Local Government Framework*, 2016 Edition. CIPFA: London. [This has been latterly supplemented by the "Delivering Good Governance in Local Government: addendum" \(CIPFA \(2025\)\)](#).

- D.** Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E.** Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F.** Managing risks and performance through robust internal control and strong public financial management.
- G.** Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The diagram below illustrates how the seven principles of good governance relate to each other: principles A and B permeate through the implementation of principles C to G. Hence, good governance is dynamic and requires a commitment to continually improve by developing positive outcomes for services users and other stakeholders.



Putting the principles into practice at the Council

The overarching aim of the CIPFA/SOLACE Framework is to support local authorities in taking responsibility for developing an informed approach to governance and achieve the highest standards in a measured and proportionate way. In reviewing and accounting for their own unique approaches in line with the CIPFA/SOLACE framework, local authorities look to ensure that:

- Decision making is inclusive and sound.
- Agreed priorities and policies direct resources, and there is clear accountability for their use.

The council's **constitution** sets out how the council operates, how decisions are made and the procedures which are followed to ensure transparency and accountability. Some of these processes are required by law, while others have been adopted at the council's discretion. Much of the council's approach to addressing the principles of good governance is contained within it. More specific details of the way that the council applies the principles in practice are set out below.

Monitoring and reporting

Regulation 6 of the Accounts and Audit Regulations 2015 and the Accounts and Audit (Coronavirus) (Amendment) Regulations 2021 require an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published statement of Accounts. This is known as an Annual Governance Statement.

The council will continuously monitors its governance arrangements for their effectiveness in practice. This monitoring is formalised through the production of the Annual Governance Statement and the annual review of this Code. This Code is reviewed by the Corporate Leadership and Corporate Governance and Strategy teams on an annual basis, to ensure it remains up to date. Each annual edition is brought to the Audit and Scrutiny Committee for review and feedback. ~~and will review them on a continuing basis to ensure that they are up to date and working effectively. Where monitoring reviews of the corporate governance arrangements have revealed gaps, actions will be planned to enhance the governance arrangements accordingly.~~

The council will submit an its Annual Governance Statement to its the Audit and Scrutiny Committee each year for consideration. The Statement will assess how the council has complied with this local code of corporate governance, and detail how governance improvements will be achieved.

Following approval at committeeCommittee, the Annual Governance Statement is published with the Ecouncil's Statement of Accounts, on the council's website. Progress updates on the implementation of actions arising from the annual governance statements are provided to the Audit and Scrutiny Committee throughout the year.

Certification

We hereby certify our commitment to this local Code of Corporate Governance and will ensure that the council continues to review, evaluate and develop its governance arrangements and ensure continuous improvement of its systems.

TO BE SIGNED

**Chair of Strategy and Resources
Committee**

Date: TBC

Note: the signed original copy is kept at the council offices.

TO BE SIGNED

Chief Executive

Date: TBC

Applying the principles of good governance

The table below shows examples of documents and practices that the council has in place to ensure effective governance. The information is presented in line with the CIPFA/SOLACE framework.²

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

What this means in practice:

The council is accountable not only for how much it spends, but also how it uses the resources under its stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes it has achieved. In addition, it has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, the council can demonstrate the appropriateness of all its actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and respect the rule of the law.

Supporting principles	Examples of the council's commitment to achieving good governance in practice
Behaving with Integrity	<ul style="list-style-type: none">The council's Constitution and Operating Framework contain a code of conduct for councillors, roles and functions of statutory officers and other key posts, to ensure the high standards of conduct are maintained.In addition, the Operating Framework includes codes for councillor / officer relations, the Monitoring Officer, conduct and practice in licensing procedures and hearings, and practice in respect of planning matters.A code of conduct and expected behaviours for officers is are in place, and the former is under review at present.Contract Standing Orders, Procurement Strategy and Financial Regulations in place. The contract standing orders are currently being updated in light of the Procurement Act 2023; the update of the Procurement Strategy will follow this.New 'People Framework' for officers being implemented. Part 3/3 is being implemented in late 2022-23 / early 2023-24.Registers of councillors' interests are published on the council's website.Councillors' declarations of disclosable pecuniary interests and other disclosable interests are recorded in the minutes of committee meetings.

² The table below contains content modified from: CIPFA (2016) *Delivering Good Governance in Local Government Framework*, 2016 Edition. CIPFA: London.

	<ul style="list-style-type: none"> The council's has <u>an</u> Anti-Fraud and Anti-Corruption Strategy <u>&and</u> Fraud Response Plan and associated policies which seek to prevent fraud and corruption, <u>are</u> in place. An annual fraud report is submitted to Audit <u>&and</u> Scrutiny Committee <u>(from 2022-2023 onwards)</u> and fraud e-learning is also mandatory for all new starters <u>and part of the refresher programme</u>. A Whistleblowing Policy is in place to enable staff to raise issues of concern and report wrongdoing. Standard decision-making reporting format is in place to ensure that all those responsible for taking decisions have the necessary information on which to do so. Key decisions are supported by various different assessments e.g. finance, legal, equalities, climate change etc. depending on the decision. The <u>procedure to make complaints</u> to the council or local government and social care ombudsman is provided on the council's website. A <u>customer charter</u> is published on the council's website, detailing the standards of service customers can expect from the council. Induction programmes <u>are</u> in place for new staff and councillors.
Demonstrating strong commitment to ethical values	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> Councillors' code of conduct includes specific reference to upholding the "General principles of councillor conduct", and a direct reference is made to the- <u>Committee on Standards in Public Life's seven principles of conduct</u>. Terms of reference <u>are</u> in place for all committees and working groups. Internal and External audit reports are discussed in committee meetings and published publicly. <u>A Diversity, Equity and Inclusion Framework</u> <u>is</u> adopted and <u>an</u> annual report on equality, diversity and inclusion <u>is</u> submitted to <u>the Audit &and Scrutiny Committee (from 2022-2023 onwards)</u>. <u>The</u> Publication of an <u>Annual Governance Statement, which is shared with the Full Council</u>. <u>The</u> Public petition scheme <u>is</u> included in the <u>Operating Framework</u>. The council participates in <u>and Chairs its the</u> local <u>community safety partnership</u><u>Community Safety Partnership</u>.
Respecting the rule of the law	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> <u>All Statutory Officers Statutory Monitoring Officer and Section 151 Officer</u> <u>both</u> work with councillors and officers to ensure that the law is adhered to, and a balanced budget is achieved. Internal and External auditors provide independent and objective reviews of the council's systems of internal control, governance and finances.

	<ul style="list-style-type: none"> The council's political structure and roles are available on the council's website and includes membership details and functions of all major committees. The Transparency page on the council's website publishes key documents and council information, including how freedom of information requests can be submitted. All committee decisions made by the council are published on the council's website, and meeting agendas are published publicly ahead of each committee meeting. The Data Protection Policy requires applicable data breaches to be reported to the Information Commissioner's Office. Health and safety processes, policies and procedures have senior management oversight.
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Principle B – Ensuring openness and comprehensive stakeholder engagement

What this means in practice:

The council is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens, and service users, as well as institutional stakeholders.

Supporting principles	Examples of the council's commitment to achieving good governance in practice
Openness	<ul style="list-style-type: none"> Adoption of a clear and consistent reporting format in relation to committee reports. Agendas, reports (and minutes) are published on the council's website in advance. Meetings are open to the public except in relation to exempt items. In the instance of any exempt items being discussed at committee, the rationale for why the item is exempt is explained and vote is taken by the committee to discuss the item as a restricted item. The Transparency page on the council's website provides a range of information that is freely available to the public under its publication scheme, including senior staff pay and procurement card spends. Regular budget monitoring reports are submitted to all Policy committees and also the Audit &and Scrutiny Committee. The Council's corporate priorities illustrate where the council is directing resources up to April 2027. Four Year Plan illustrates where the council is directing its resources; preparing a new 5 year corporate plan is underway. Regular meetings are held with committee Chairs to discuss developments in their service area and any of issues of concern, which is supplemented by regular all member briefings on areas of interest to elected councillors. Corporate performance reports are taken quarterly to Audit and Scrutiny Committee, and published on the council's website.

	<ul style="list-style-type: none"> • <u>A process is</u> in place to respond to freedom of information requests, which is also published on the council's website. • <u>The Scheme of Delegation is detailed in place in the Council's Constitution.</u> • <u>The council has a Video Surveillance System (VSS) policy in place and published on its website.</u>
Engaging comprehensively with institutional stakeholders.	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> • A number of priority partnerships have been identified and are supported to ensure that outcomes are achieved efficiently and effectively, such as the Community Safety Partnership and the local Business Improvement District. • <u>A partnerships framework is being developed</u> <ul style="list-style-type: none"> • The council's 2023-2024 Annual Governance Statement includes an action to "Develop a corporate record of the Council's resident engagement activities." • The council's Procurement Strategy <u>and 'how to do business with us' document</u> makes provision for engagement with a breadth of suppliers and ensures that they are chosen according to the council's requirements and deliver value to residents. A Procurement Board is also in place. • <u>Regular performance / contract management / partnership meetings are scheduled with key partners.</u> • The council plays a significant part in the management of multi-agency arrangements for planning, responding to, and recovery from emergency and major incidents. The coordination of such actions takes place through the Local Resilience Partnership which is a statutory body established under the Civil Contingencies Act 2004. Membership is drawn from a range of statutory partners including all local authorities across Surrey.
We will engage stakeholders effectively, including citizens and service users.	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> • Engaging with customers before planning and commissioning services is encouraged by the council: <u>examples include, For example, new engagement approaches were used for consultation on the Epsom masterplan the Local Plan and Phase 1 of the Community Governance Review.</u> • Social media platforms <u>are</u> utilised to engage and communicate with stakeholders. • Contact Centre <u>is</u> in place to triage resident and other customer enquiries (phone, reception and online) and complaints. • <u>The Communication Strategy was approved by Strategy &and Resources Committee in January 2024 and adopted. Staff surveys issued on key topics are being reviewed.</u> • A report detailing how we engage with residents was taken to the Community and Wellbeing Committee in October 2024

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits	
What this means in practice:	
<p>The long-term nature and impact of many of the Council's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the Council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.</p>	
Supporting principles	Examples of the council's commitment to achieving good governance in practice
Defining outcomes	<ul style="list-style-type: none"> The council's overall outcomes are put forward in its Strategic Priorities 2025-2027 vision is reflected in the Four Year Plan; a new 5 year corporate plan is currently being prepared. Supporting the main corporate plan are annual plans, the Medium-Term Financial Strategy, and service delivery plans. Several corporate strategies and frameworks are in place that cover specific policy areas, such as climate change, homelessness, culture and equalities. Progress on annual plansPerformance and risk information is reported regularly to Policy Committees and the Audit &and Scrutiny Committee. A corporate performance report, and actions produced to addressProgress against actions observations raised in Internal and External Audit reports are reported to Audit and Scrutiny Committee. Project management arrangements are in place. A Procurement Strategy is in place, which includes reference to social value. A Corporate Peer Challenge Action Plan is in place. <ul style="list-style-type: none"> A Productivity Plan was submitted to the Government's Ministry of Housing, Communities and Local Government.
Sustainable economic, social and environmental benefits	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> A Climate change strategy and equality framework are in place. An Environment and Sustainability Officer <u>is</u> in post. Climate change and equalities implications are included in the standard committee report template.

	<ul style="list-style-type: none"> • Social value included in the council's Procurement Strategy; this will be updated following the implementation of the Procurement Act 2023 (currently expected in February 2025). • Grant funding secured for community enhancements <u>is</u> awarded and allocated. <ul style="list-style-type: none"> • <u>A</u> Health and wellbeing neighbourhood Board <u>is</u> in place • , and there is an action to "Draft and agree a revised <u>A</u> Health &<u>and</u> Wellbeing Strategy 2025-28 is in place. and deliver the 2024-2025 objectives" in the Annual Plan 2024-25. • <u>An updated Community Infrastructure Levy (CIL) Protocol</u> in place.
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Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

What this means in practice:

The Council achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. It needs to ensure that its defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Page 254	Supporting principles	Examples of the council's commitment to achieving good governance in practice
	Determining and planning interventions	<ul style="list-style-type: none"> • <u>A corporate service delivery</u> Corporate planning process in place, including vision Future 40 and Four Year Plan (development of a new corporate plan is underway. • Robust budget planning and monitoring <u>is</u> in place, including <u>a</u> Medium Term Financial Strategy. • A Corporate Peer Challenge Action Plan is in place. <ul style="list-style-type: none"> • The Annual Plan 2024-25 includes the action: "Deliver a plan in conjunction with Budget Policy Chairs and Vice Chairs that will have a multi-year programme of prioritised service reviews as part of the budget making process in successive years with the aim of delivering sustainable budgets through the MTFS 2024-28. Consider opportunities for collaborative work with other organisations." • Governance <u>and scrutiny</u> of decision making <u>and determining interventions in place, is undertaken by councillors and officers in forums</u> such as: <u>Policy</u> <u>Policy committees</u> Committees, <u>Audit and Scrutiny Committee</u>, Strategic Leadership Team, Corporate Leadership Team, divisional team meetings, <u>and</u> project boards. • Committee reports include objective and rigorous analysis of options in reports, indicating how intended outcomes would be achieved and associated risks. • Corporate strategies <u>are</u> in place, such as for procurement, homelessness, climate change, equalities and counter fraud.

	<ul style="list-style-type: none"> Decisions for committees are presented in a standard format, which ensures that proper professional advice on matters that have legal or financial implications is available, recorded and used appropriately. Audit reports and the production of the Annual Governance Statement are used to form governance improvement actions. Project boards and Project and a Programme Management Toolkit are in place. Put in place effective arrangements are in place to deal with a failure in service delivery and explore options for improving service delivery and outcomes for our residents. Emergency and business continuity plans are in place. Through the council's enforcement functions we take action to ensure compliance with regulations.
Optimise achievement of intended outcomes	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> Financial reporting processes which include budget setting processes and budget monitoring are clearly defined to highlight budget pressures where intervention may be required. Ensuring the Medium Term Financial Strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. The annual budget is prepared for scrutiny and approval by councillors and published in line with agreed priorities and the medium term financial strategy. A Risk Management Strategy (reviewed annually), and corporate risk registers (reviewed quarterly) are in place. Corporate performance reports are published regularly. A Scheme of Delegation is in place. A Whistleblowing Policy which details key officers and processes is in place.

Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it

What this means in practice:

The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. It must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual Officers. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Supporting principles	Examples of the council's commitment to achieving good governance in practice
Developing the entity's capacity	<ul style="list-style-type: none"> Key councillor and officer roles and responsibilities are set out in the Constitution and Operating Framework. <ul style="list-style-type: none"> The Corporate Peer Challenge Action Plan includes the action: "As part of the Workforce Transformation project, focus on creating officer capacity through new ways of working and ensuring leadership roles at all levels are operating in the optimal way. Continue to explore succession planning and development opportunities for all staff. Link these actions to the Corporate Transformation Programme". <u>The</u> Councillor / officer relations protocol is in place to ensure effective communication. Management meetings, <u>and a Managers' Network</u>, are in place, and can be used by service managers to escalate issues. Corporate planning <u>is</u> aligned with financial planning. Support arrangements are in place to allow deployment of interim capacity where required. <u>An</u> Employee Assistance Programme, mental health first aiders, and occupational health services support for staff health and wellbeing <u>are in place</u>. Roles of councillors and officers are set out in the Council's constitution, Operating Framework, and in officer job descriptions. <u>An</u> Annual pay policy statement <u>is prepared and approved by Full Council</u>. <u>A</u> Members' Allowance Scheme is in place. <u>The</u> Scheme of Delegation is available in the Constitution. <u>The</u> Corporate performance report <u>is</u> taken to <u>Policy Committees and the</u> Audit and Scrutiny Committee. Regular service performance and county benchmarking <u>is</u> in place. Internal Audit <u>is</u> in place as a third line of defence regarding officer skills and training. Improving resource use through appropriate application of techniques such as business process reviews <u>is in place</u>. <u>The</u> Corporate management structure <u>is</u> available to all staff and published in the Constitution. Recognising the benefits of partnerships and collaborative working where added value can be achieved, such as with Building Control. ICT Strategy <u>is</u> in place. Succession planning is considered for key roles.

	<ul style="list-style-type: none"> The My Performance Conversation framework is used to discuss performance with officers and take action where performance is not meeting expectations. <u>Pay benchmarking and job evaluation is undertaken.</u> <u>All the senior leadership team have attended management development training during 2025.</u>
We will develop the capability of the entity's leadership and other individuals.	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> Councillor induction programme and additional training provided, such as for planning and finance. Training available to staff and included within the My Performance Conversations framework. <u>Permanent</u> Statutory officers <u>are</u> in posts.
Principle F - Managing risks and performance through robust internal control and strong public financial management	
What this means in practice:	<p>The Council needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the achievement of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.</p>
Supporting principles	Examples of the council's commitment to achieving good governance in practice
Managing risks	<ul style="list-style-type: none"> <u>The</u> Audit and Scrutiny Committee has overall responsibility for the council's governance and risk management arrangements, and relevant reports are reviewed by the committee through the year, such as those listed below. Corporate performance reports taken to Audit and Scrutiny Committee regularly. Risk Management Strategy and Guidance in place and training undertaken. <u>Multi-level risks registers are used, i.e. for Corporate and Committee and service level risk management</u> <u>level Risk registers maintained and published.</u> Internal Audit reports and an annual audit plan are reviewed and approved by Audit and Scrutiny Committee. External Audit reports are taken to Audit and Scrutiny Committee.

	<ul style="list-style-type: none"> Procurement Strategy, and Contract Standing Orders, and Procurement Board are in place. Both documents are being updated as part of implementation of the Procurement Act 2023 (expected February 2025). A Procurement Board is also in place. Business Assurance<u>Corporate Governance and Strategy</u> Team ensure consistency and challenge to corporate performance process. Senior Strategic Leadership Team meetings in place. Policy committee meetings held, which enable risk discussions within each committee's remit. Risk assessments are included in committee reports. Corporate Health and Safety Officer in post. A corporate <u>Corporate</u> health and safety group is operational and meets quarterly. <u>Outsourced Data Protection</u> resource in place, <u>inc. provision of Data Protection Officer</u>. Mandatory e-learning on a variety of topics is in place for new starters <u>and is refreshed annually by all staff</u>. Councillor induction programme and training workshops in place. Divisional Assurance Statements are signed by Heads of Service each year. <u>A corporate fraud report is taken to Audit and Scrutiny Committee annually.</u> <u>Emergency and Business Continuity plans in place, and also support from a third party resilience consultancy.</u> <u>Shared Procurement Service commissioned to provide expert procurement advice.</u> <u>Dedicated staff intranet site on Safeguarding, including the council's responsibilities and how to report concerns.</u>
We will manage performance.	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> Service Delivery Plans <u>agreed each year and overseen by senior management.</u> Business Assurance<u>Corporate Governance and Strategy</u> team oversee corporate performance management. Quarterly Business Performance Packs produced for <u>scrutiny by</u> Policy Committee <u>Chairss</u> and <u>Audit &and Scrutiny</u> Committee. <u>The Annual Governance Statement considers performance related to the council's governance.</u> <u>My Performance Conversations in place for all staff.</u> <u>A workplace stress risk assessment exercise is currently underway.</u>

We will have robust internal control.	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> • The Chief Internal Auditor produces an Annual Report and Opinion on the council's governance and systems of internal control. • Anti-Fraud and Corruption Strategy is in place<ins>place</ins>, and an annual corporate fraud report is taken to Audit and Scrutiny Committee.
We will manage data.	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> • Data Protection Policy is in place. • ICT Acceptable Use Policy in place. • Process for reporting and recording data breaches is available to council staff and councillors. • Records of the council's data processing activities are being reviewed and updated. • Data protection clauses are included in contracts. • Mandatory data protection e-learning in place for new starters. • Password policy in place. • ICT penetration testing takes place. • Information sharing agreements are used where required. • Information Management Governance Group in place.
We will implement strong public financial management.	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> • Financial regulations are available in the Constitution and regular budget reporting and monitoring takes place. • Medium Term Financial Strategy adopted. • <ins>Permanent</ins> Section 151 Officer in post. • Financial audits are regularly scheduled within every annual audit plan. • Star chambers take place to review potential savings opportunities<ins>Budget review meetings held for Heads of Service and Finance.</ins>
Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability	
What this means in practice:	

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Supporting principles	Examples of the council's commitment to achieving good governance in practice
Implementing good practice in transparency and reporting	<ul style="list-style-type: none"> • <u>Committee Agendas</u>, reports and minutes are published on the council's website. • Committee reports adopt a standard template and utilise bespoke software to enable effective feedback from key stakeholders and to be published on time. • Committee meetings are webcast live. • <u>Transparency page</u> on the council's website includes procurement card and supplier spend details, <u>senior staff</u> pay details, how freedom of information requests can be made and <u>other information required as part of the Government's transparency guidelines so forth</u>. • Annual Pay Policy Statement and Gender Pay Gap report published on the council's website. • Audit and Scrutiny Committee in place. • The Constitution and Operating Framework are available on the council's website. • ICT monitor and publish website accessibility to staff. • <u>A new Staff intranet hub</u> is in place which enables departments to publish information relevant to other teams internally. • Corporate Performance Report published publicly and reviewed by Audit and Scrutiny Committee. • External and internal audit reports are published publicly and reviewed by Audit and Scrutiny Committee. • There is an Internal Audit Charter which sets out the purpose, authority and responsibility for the internal audit function and clearly defines councillors' and officers' roles, responsibilities and relationship. • <u>Annual report on the Community Safety Partnership published and reviewed by Audit and Scrutiny Committee</u>. • Budget reports and Medium Term Financial Strategy published publicly and reviewed by multiple committees. • Member News used to disseminate key information / briefings to elected councillors. • Whistleblowing Policy in place. • Corporate and committee risk registers published within the Corporate Performance Report.

Assurance and effective accountability	<p>In addition to the relevant points above:</p> <ul style="list-style-type: none"> • External Audit provides an annual opinion on the Council's financial statements and value for money arrangements. • To mitigate any potential risks observed by Internal Audit, improvement actions are formulated by senior officers - which include a priority rating and date for completion - and are signed off by the Chief Internal Auditor. These are tracked through to completion via regular Internal Audit progress reports, which are brought to Audit and Scrutiny Committee. • Progress with the Internal Audit annual plan culminates in the Chief Internal Auditor's Annual Report and Opinion, which provides assurance on the council's overall governance arrangements and systems of internal control. • The Annual Governance Statement (AGS) is prepared in accordance with CIPFA guidance. The AGS sets out the council's governance framework and the results of the annual review of the effectiveness of the council's arrangements. The AGS includes areas for improvement, which are tracked within the Corporate Performance Report. • Procurement strategy, contract standing orders and partnership contracts, memorandums and agreements are used for each formal partnership.
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Responsibilities

Good corporate governance is everyone's responsibility. There are however several specific responsibilities in relation to the implementation, monitoring and review of the council's governance practices and the production of the Annual Governance Statement, as outlined below:

The council and its committees	The council's political structure is based on the committee system. The Constitution shows how the council makes decisions and how they are delegated to policy, regulatory and sub-committees, and to officers. The full council agrees the budget and major plans. Elected councillors and the chairs of committees should champion and be role models for good governance, in the spirit of this Code.
Head of Paid Service (Chief Executive)	<p>The Chief Executive (as Head of Paid Service) is responsible for coordinating the different functions of the Council, staff appointment, organisation, and management. They also have responsibility for championing and role modelling good governance, in the spirit of this Code <u>has overall responsibility for the effective leadership and management of the council's workforce and organisational arrangements. They are responsible for ensuring that the authority staffing structures, officer deployment, and managerial systems are efficient, properly resourced and capable of delivering the council's priorities. They provide professional and impartial advice to elected members, promotes high standards of governance and works closely with the Section 151 Officer and Monitoring Officer to ensure lawful, transparent and effective decision-making. They are accountable for ensuring that, through the above, the council delivers value for money in the public interest.</u></p>
Monitoring Officer	<p>Ensures that decisions taken comply with all necessary statutory requirements and are lawful. Ensures decisions are taken in accordance with the Council's budget and policy framework. Provides advice and scope of powers and authority to take decisions as well as support councillors with their code of conduct. <u>The Monitoring Officer is responsible for ensuring the lawfulness and fairness of the council's decision making and for promoting and maintaining high standards of conduct across the authority. They provide authoritative advice to the Council, its committees and officers on legal powers, governance requirements, constitutional matters and ethical standards. They have a statutory duty to report to the Council on any proposal, decision or omission that may give rise to unlawfulness or maladministration and ensures that the council's constitution is kept up to date and fit for purpose. Working collaboratively with the Head of Paid Service and the Section 151 officer they safeguard the integrity of the council's governance framework and supports transparent, accountable and ethical decision making in the public interest.</u></p>

<p>Section 151 Officer</p>	<p><u>Leading the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.</u> The Section 151 Officer has statutory responsibility for the proper administration of the <u>Local Council's</u> financial affairs and for ensuring strong financial management, prudent stewardship of public funds and compliance with all financial, audit and accounting requirements. They provide authoritative advice to members and officers on the <u>Local Council's</u> financial strategy, the robustness of budgets, the adequacy of reserves and the financial implications of policy and operational decisions. They have a duty to report on any unlawful or imprudent financial activity and to ensure that effective systems of internal control, risk management, financial planning and value for money are in place. Working in partnership with the Head of Paid Service and Monitoring Officer, they play a critical role in safeguarding the <u>Local Council's</u> governance framework and ensuring sound, transparent and sustainable decision-making in the public interest.</p>
<p>Internal Audit function (Southern Internal Audit Partnership)</p>	<p>Provides independent and objective assurance and an annual opinion on the overall adequacy and effectiveness of the council's governance, risk management and control framework. Delivers an annual programme of risk-based audit activity, and reports to the Audit and Scrutiny Committee on audit activities during the year.</p>

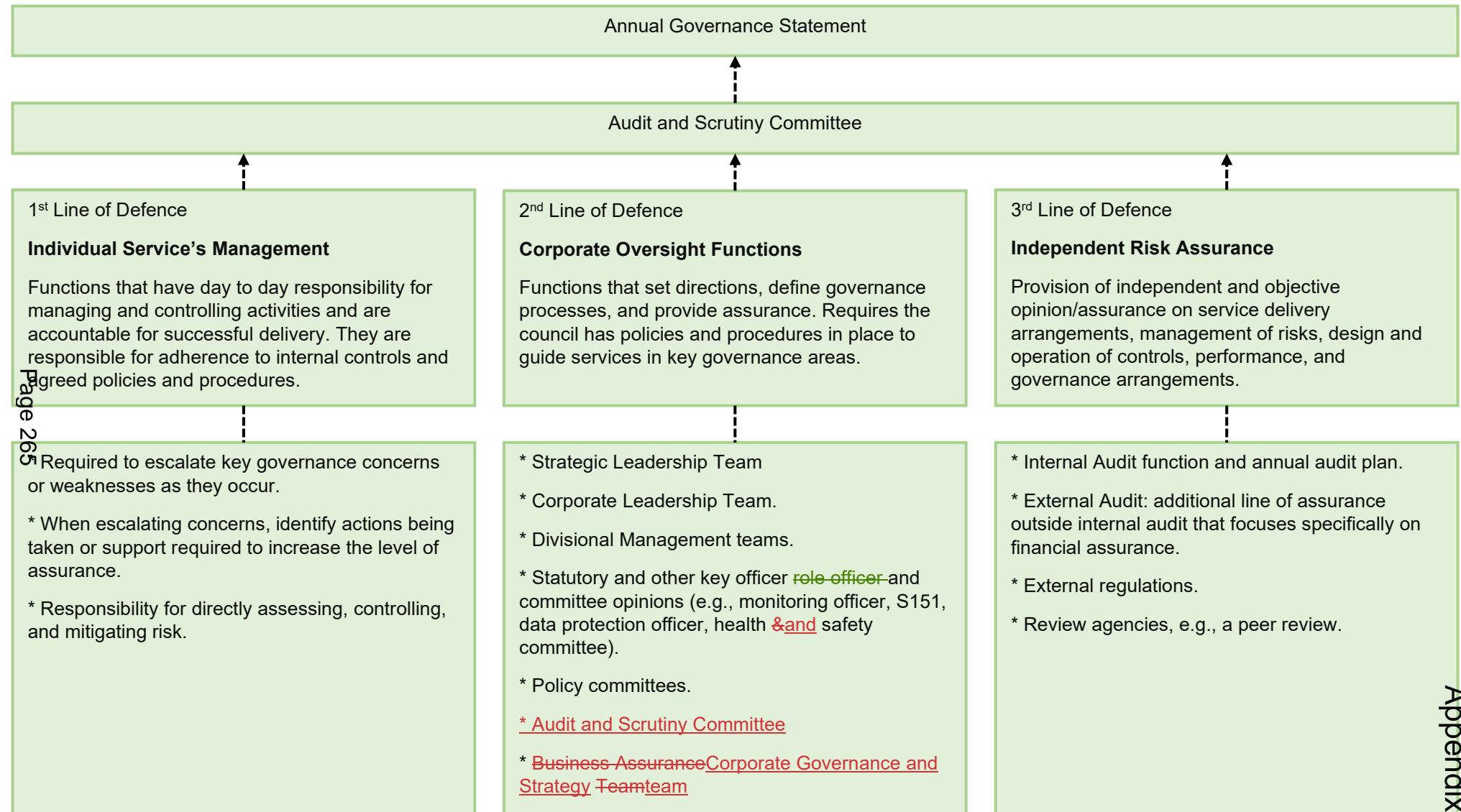
Governance structure

<p>The Council</p> 	<ul style="list-style-type: none"> • Consists of 35 elected councillors. • Approves the Constitution and Operating Framework. • Appoints committees and sub-committees. • Sets council tax. • Set budget framework
<p>Policy Committees</p> 	<ul style="list-style-type: none"> • Main decision-making function of the council. • Comprises five committees who have responsibilities for particular areas. • Subject to political oversight of the council. • Membership is politically balanced.
<p>Audit &and Scrutiny Committee</p> 	<ul style="list-style-type: none"> • Provides assurance to the council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. • Approves the <u>Local Code of Governance</u>, Annual Governance Statement and the Statement of Accounts. • Review and scrutinise decisions and performance of the council and audit arrangements.

Agenda Item 12 Appendix 1

Other regulatory committees 	<ul style="list-style-type: none">Licensing: deals with all aspects of local licensing for which the council is responsible.Planning: makes decisions on certain planning applications and deals with other development control issues such as enforcement.Standards and Constitution Committee: promoting and maintaining high standards of conduct by councillors and co-opted councillors, and maintaining oversight of the Constitution and Operating Framework.
Strategic Leadership Team 	<ul style="list-style-type: none">Implements the policy and budgetary framework set by the council, and provides advice to policy committees and the council on the development of future policy and budgetary issues.Oversees the delivery of the council's corporate strategies, statutory and discretionary services, and implementation of policy.Responsible for developing, maintaining and implementing the council's governance, risk, performance and control framework.Contribute to the effective corporate management and governance of the council.

Governance Assurance Channels



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COMMITTEE WORK PROGRAMME – FEBRUARY 2026

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author:	Will Mace, Corporate Governance & Strategy Manager
Wards affected:	(All Wards)
Appendices (attached):	None

Summary

This report presents the Committee with its rolling annual Work Programme.

Recommendation (s)

The Committee is asked to:

- (1) Note and agree the ongoing Work Programme as presented in Section 2.

1 Reason for Recommendation

- 1.1 Paragraph 4.6 of the Constitution states that the Committee “can scrutinise decisions made by the Full Council or policy committees”¹. Paragraphs 1.3(i) and 1.3(iii) of Annex 4.6 of the Council Operating Framework also states that the Committee “will be responsible for arranging the overview and scrutiny functions on behalf of the council” as well as “approving an annual overview and scrutiny Work Programme”². Therefore the Committee is able to maintain oversight of its Work Programme and make any additions or adjustments it wishes.

2 Background

- 2.1 The committee Work Programme is presented below. The programme includes reports that relate to the committee’s areas of responsibility, as stipulated in its terms of reference.³

¹See *Constitution of Epsom and Ewell Borough Council*, p.3. Online available: <https://democracy.epsom-ewell.gov.uk/ieListMeetings.aspx?CId=205&info=1&MD=Constitution> [Last accessed 29/08/2025]

² See *Council Operating Framework*, Annex 4.6: Overview, Audit and Scrutiny, p.1. Online available: <https://www.epsom-ewell.gov.uk/council/about-council/governance/council-operating-framework> [Last accessed 28/11/2025].

³ See *Constitution of Epsom and Ewell Borough Council: Appendix 3 – Terms of Reference for Full Council and Committees*. Online available: [Epsom and Ewell Democracy](https://www.epsom-ewell.gov.uk/council/about-council/governance/council-operating-framework) [last accessed 29/08/2025].

2.2 Work Programme:

Meeting		Agenda
Past	17 July 2025	<ul style="list-style-type: none"> • Annual Internal Audit Conclusion 2024-2025 • Internal Audit: Progress Report • Annual Governance Statement 2024-2025 • Performance and Risk Report: 2024-25 End of Year Report • Use of Urgent Decisions Annual Report • Management Responses to the External Auditors' Report (6 February 2025) • Placeholder: External Audit Update – 2025/26 Audit Plan • Placeholder: LGO & ICO Updates– July 2025 • Local Government and Social Care Ombudsman Annual Letter 2024-2025 • Work Programme
Past	30 September 2025	<ul style="list-style-type: none"> • AP24/5/3 Performance Report • ICT Audit Actions Progress Report • Revenue Budget Monitoring – Quarter 1 (2025-2026) • Capital Budget Monitoring – Quarter 1 (2025-2026) • Internal Audit: Audit Plan 2025-2026 (Q3/Q4) • Internal Audit: Revised Internal Audit Charter 2025-2026 • Internal Audit: Strategy • Internal Audit: External Quality Assessment • Internal Audit: Progress Report • Management Responses to the External Auditors' Report • Performance & Risk Report - September 2025 • Placeholder: External Audit Update – 2025/26 Audit Plan • Placeholder: LGO & ICO Updates – September 2025 • Work Programme
Past	13 November 2025	<ul style="list-style-type: none"> • Revenue Budget Monitoring - Quarter 2 (2025-2026) • Capital Budget Monitoring - Quarter 2 (2025-2026) • Internal Audit: Progress Report • Code of Corporate Governance Annual Review • Counter-Fraud and Whistleblowing Annual Report (inc. gifts and hospitality) • Placeholder: LGO & ICO Updates – November 2025 • Work Programme
Present	5 February 2026	<ul style="list-style-type: none"> • Revenue Budget Monitoring – Quarter 3 (2025-2026) • Capital Budget Monitoring – Quarter 3 (2025-2026) • Community Safety Partnership Annual Report • Equity, Diversity and Inclusion Annual Report • Performance and Risk Report – February 2026 • Code of Corporate Governance Annual Review • External Audit Update • LGO & ICO Updates – February 2026

		<ul style="list-style-type: none">• Work Programme
Future	19 March 2026	<ul style="list-style-type: none">• Internal Audit: Annual Plan 2026-2027 & Internal Audit Charter• Internal Audit: Progress Report• Internal Audit: External Quality Assessment – Results• FSAG Annual Treasury Management Report• Performance and Risk Report – March 2026• Committee Annual Report 2025-2026 (to be presented to Full Council)• Regulation of Investigatory Powers Act (2000) (RIPA) Annual Report• Annual Complaints Report• Annual Procurement Waiver Report 2025• Placeholder: External Audit Update• Placeholder: LGO & ICO Updates – March 2026• Placeholder: Priority Projects Update• Councillor Ames Report Request• Work Programme

2.3 It is proposed that the RIPA report for March 2026 is removed as the council does not currently carry out RIPA surveillance and in the previous years there has been nothing to report. Unless the situation changes between now and the March committee it is proposed that a report is not brought.

3 Call-in Requests

3.1 A Call-in request was received in January 2026, which at the time of writing, was under consideration by the Committee Chairs.

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 No direct implications arising from this report.

4.2 Crime & Disorder

4.2.1 See this meeting's agenda.

4.3 Safeguarding

4.3.1 No direct implications arising from this report.

4.4 Dependencies

4.4.1 The committee does rely on some of the council's partners, and other committees, such as internal and external audit, and the Community Safety Partnership to fulfil the Work Programme.

4.5 Other

4.5.1 No other direct implications arising from this report.

5 Financial Implications

5.1 None for the purposes of this report.

5.2 **Section 151 Officer's comments:** None arising from the contents of this report.

6 Legal Implications

6.1 None for the purposes of this report.

6.2 **Legal Officer's comments:** None arising from the contents of this report.

7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged: N/A

7.2 **Service Plans:** The report is not included within the current Service Delivery Plan, although several items contained within are.

7.3 **Climate & Environmental Impact of recommendations:** No direct implications arising from this report.

7.4 **Sustainability Policy & Community Safety Implications:** No direct implications arising from this report.

7.5 **Partnerships:** No direct implications arising from this report.

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Committee Work Programme, *Audit and Scrutiny Committee*, 13th November 2025. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1798> [last accessed 28/11/2025].

Other papers:

- None.