

Oadby and Wigston Borough Council

Interim Auditor's Annual Report
Year ending 31 March 2025

4 September 2025



Contents

01	Introduction and context	03
02	Executive summary	07
03	Opinion on the financial statements and use of auditor's powers	11
04	Value for Money commentary on arrangements	14
	Financial sustainability	16
	Governance	20
	Improving economy, efficiency and effectiveness	26
05	Summary of Value for Money Recommendations raised in 2024/25	28
	Appendices	30
A	Responsibilities of the Council	31
B	Value for Money Auditor responsibilities	32
C	Follow-up of previous improvement recommendations	33

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.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 8 Finsbury Circus, London, EC2M 7EA. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for Oadby and Wigston 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.

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.

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.

Local government – context

Local government has remained under significant pressure in 2024/25

National		Present		Future	
Past					
 <p>Funding Not Meeting Need</p> <p>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.</p>		 <p>Financial Sustainability</p> <p>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.</p>		 <p>Funding Reform</p> <p>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.</p>	
 <p>Workforce and Governance Challenges</p> <p>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.</p>		 <p>External Audit Backlog</p> <p>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.</p>		 <p>Reorganisation and Devolution</p> <p>Many councils in England will be impacted by reorganisation and / or devolution, creating capacity and other challenges in meeting business as usual service delivery.</p>	

Local

The Council is located to the south-east of the city of Leicester and shares boundaries with Harborough and Blaby district councils. There are just under 58,000 residents living in Oadby and Wigston within an area of around nine square miles which is predominantly urban. The annual budget is just under £8m. The Council is restricted by its size and existing housing density. It has a limited capacity to host additional housing compared to most other districts and boroughs. This means the Council has limited capacity to increase its funding by growing its Council Tax base and attracting New Homes Bonus and is also limited in attaining Business Rates growth. As part of the Government plans for Local Government Reorganisation, the Council is working with the other Leicestershire councils and Rutland County Council to agree a proposal. Please see the next page.

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

Grant Thornton Insights – Local Government Reorganisation (LGR)

National perspectives – devolution and LGR

In December 2024, the English Devolution White Paper set out the government's vision for a simpler form of local government. The intention is to produce better outcomes, save money for reinvestment in local services and to improve local accountability. All councils with a two-tier county and district system of local government (together with neighbouring small unitary councils) were required to set out the plans for a programme of devolution and local government reorganisation.

On 5 February 2025, the government's Devolution Priority Programme was announced to establish six new regional Mayoral Strategic Authorities. Those selected for the programme submitted plans by May 2025 with the ambition of holding Mayoral elections in May 2026.

On the same date, all remaining councils with a two-tier system were required to develop proposals to reconfigure county and district services into one or more new unitary councils. Plans are required to be submitted by 28 November 2025 with the ambition of establishing the new Unitary Councils from April 2028.

Local perspectives – LGR in the Leicestershire and Rutland region

The seven district councils in Leicestershire and Rutland County Council have proposed creating three unitary councils to govern the region. This would see the creation of three unitary councils: one for North Leicestershire and Rutland, one for South Leicestershire, and one for Leicester City, based on existing boundaries.

Under these proposals, Oadby and Wigston BC would be part of the South Leicestershire unitary which would also cover the areas currently served by Blaby DC, Harborough DC and Hinckley & Bosworth BC.

Leicestershire County Council and Leicester City Council believe that the best option for Leicester and Leicestershire is a two unitary model, one City, one County, although existing boundaries may change.

Our discussions with the councils in the region indicate there has been collaboration between officers to progress the LGR agenda but there is currently no consensus around a single model.



Grant Thornton insight

What the Council is already doing

- Active participation of Officers in the governance and options appraisal process.
- Consideration of LGR compatibility in contract renewal and capital investment decisions.
- Safeguarding responsible financial decisions in the medium-term including use of reserves.

What the Council should consider

- Continuing to engage constructively with the LGR process
- Working with partners towards a single proposal which maximises Value for Money for Leicester, Leicestershire and Rutland.
- Modelling potential outcomes to discuss with members and establish political priorities.
- Making advance preparations for member and public engagement within a tight timeframe.
- The potential cost of transition for the council and how this will be funded.

02 Executive Summary

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	A No significant weaknesses identified; one improvement recommendation retained and one new one raised in respect of addressing budget gaps.	One risk of significant weakness identified in relation budget gaps and reserve levels.	A No significant weaknesses identified; one improvement recommendation refreshed in respect of addressing budget gaps.
Governance	A No significant weaknesses identified; one improvement recommendations carried forward in respect of budget setting.	No risks of significant weakness identified.	G No significant weaknesses identified nor improvement recommendations raised.
Improving economy, efficiency and effectiveness	A No significant weaknesses identified; no improvement recommendations raised. However “Amber” in relation to commissioning and procurement from Internal Audit findings.	No risks of significant weakness identified.	A No significant weaknesses identified or improvement recommendations raised, but one criterion rated “Amber” in respect of the Internal Audit Financial Management “Moderate Assurance” report.



No significant weaknesses or improvement recommendations.



No significant weaknesses, improvement recommendation(s) made.



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

In 2024/25 the Council achieved an underspend of £0.15m on a budget of £7.68m, despite an overspend of £0.55m in regard to homelessness. The Council achieved £0.81m of its planned savings of £1.00m (81%). The 2025/26 budget includes reasonable assumptions for growth and cost increases, and is balanced without the need to make any savings. However, pressures in homelessness demand continue and the Council is taking steps to manage this.

The Council's Medium Term Financial Plan indicates that, without further action, the General Fund balance will decrease from a forecast £1.36m at the end of 2025/26 to £0.20m at the end of 2029/30. The Council recognises that further work is needed in this area and that this will include difficult decisions. We have retained our improvement recommendation in this area.



Governance

The Council has appropriate arrangements in respect of risk management, internal audit and counter fraud. The budget setting process is robust, but could be further strengthened to reflect best practice by including consultation feedback in the report to Council.

The Committee system supports effective scrutiny and challenge.

Arrangements are in place to support compliance with ethical standards and conduct. In June 2025 the Council strengthened its contract management and oversight arrangements.




Improving economy, efficiency and effectiveness

Quarterly Integrated Performance reports and Budget Monitoring reports provide appropriate information to monitor performance and identify any corrective action required.

The Council uses benchmarking to identify areas for further improvement and has sound arrangements for working with a variety of partners, some of whom deliver key services.

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	Our audit of your financial statements is currently in progress. On completion, we will issue a final version of this report, which will include a summary of our audit opinion and findings.	
Use of auditor’s powers	<p>We have not made any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.</p> <p>We have not made an application to the Court or issued any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014.</p> <p>We have not made an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.</p> <p>We have not identified any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.</p>	

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 financial statements is currently in progress. On completion, we will issue a final version of this report, which will include a summary of our audit opinion and findings.

The full opinion will be included in the Council's Financial Statements 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 in line with the national deadline of 30 June 2025.

Draft financial statements were of a reasonable standard and supported by detailed working papers. Our financial statement audit work is currently ongoing.

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 Committee. 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 work in this area is ongoing.



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

We considered how the Council:	Commentary on arrangements	Rating
<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>In 2024/25 the Council achieved an underspend of £0.15m on a budget of £7.68m. The main overspend was £0.55m in regard to homelessness. Areas of overspend have been offset by, amongst others, additional National Non Domestic Rates (NNDR) income of £0.25m. Demand for homeless accommodation remains volatile and was particularly high in the first part of 2025/26. The Council is taking appropriate steps to manage this challenge.</p> <p>At 31 March 2025 total General Fund reserves are nearly £3.30m, which comprises a General Fund reserve of £1.54m and £2.14m earmarked reserves. The Council also holds a £1.76m Housing Revenue Account (HRA) reserve and a Useable Capital Receipts reserve of £1.78m. The Council has responded positively to our 2022/23 key recommendation around reserves and is, overall, controlling expenditure within budget and delivering anticipated savings.</p> <p>The 2025/26 budget of £7.73m is based on the 2024/25 budget, with known changes reasonable. It includes permanent service growth of £0.86m and salary growth of £0.44m. There are no savings included as the budget is balanced without them. Early indications are that homelessness will again be the key pressure, but the Council is taking reasonable steps to increase capacity and reduce demand.</p> <p>Looking further ahead, the Council's Medium Term Financial Plan (MTFP) shows a forecast surplus of £0.13m in 2025/26, with deficits in subsequent years of £0.17m; £0.29m; £0.33m and £0.37m in 2029/30. The General Fund balance decreases from £1.36m at the end of 2025/26 to £0.20m at the end of 2029/30. The Council is aware that more needs to be done to balance the budget, but there is scope to do this through additional savings schemes and income generation. We have retained our prior year improvement recommendation. Please see page 18.</p>	<p>A</p>

G

A

R

No significant weaknesses or improvement recommendations.

No significant weaknesses, improvement recommendations made.

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

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
plans to bridge its funding gaps and identify achievable savings	For 2024/25 the Council had a savings plan of £1.00m. Savings achieved were £0.81m, being 81% of the target. Reasons for schemes under and over achieving are set out in reports to the Policy, Finance and Development Committee. The 2025/26 budget is balanced without the need for a savings programme, but the Council recognises that additional savings or increased income is needed to balance the budget in subsequent years. Officers are engaging with Members at an early stage to support them in making difficult decisions. The Council is looking more towards income generation and commercialisation rather than cost cutting.	G
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The 2025/26 budget-setting and MTFP report explains how capital schemes are evaluated and prioritized. Criteria include whether there is statutory and legislative support and compliance with the Council's corporate objectives. The Council has made improvements based on our prior year recommendation to better demonstrate how capital or revenue investments will contribute to achieving the Council's priorities, and now includes a descriptive narrative that outlines how the capital funds will be spent and how it links back to the core objectives. The budget-setting and MTFP report also highlights how the Council aims to ensure a balanced budget and that spending is reasonable in allocating resources to statutory or priority areas. We have closed our prior year recommendation.	G



No significant weaknesses or improvement recommendations.



No significant weaknesses, improvement recommendations made.



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

Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
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>The People Strategy 2023-26 is aligned to the Council's five strategic objectives and four vision areas. The Council has an ambition of achieving net zero emissions by 2030 and has calculated that this is likely to cost £13.30m. Given its financial challenges, the Council intends to access available funding to support this, and avoid borrowing where possible, and has already been successful in a number of areas.</p> <p>In-year financial reporting provides appropriate information and is consistent with the year end position. Movements are clearly explained and are reasonable.</p>	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	<p>The budget setting report, quarterly finance reports, and the risk register clearly outline the key financial risks facing the Council and action being taken. The Council no-longer includes scenario analysis in its budget setting report. While we consider that including sensitivity analysis is good practice, its absence will not lead to a significant weakness, so we have not raised an improvement recommendation.</p>	G

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.

Financial sustainability (continued)

Area for Improvement identified: identifying and delivering recurrent savings

Key Finding: The Council has made significant progress in moving itself to a more sustainable financial position, but recognises that it needs to retain focus on bridging the annual gaps forecast in its Medium Term Financial Plan (MTFP).

Evidence: The Council's MTFP shows a forecast surplus of £0.13m in 2025/26, with deficits in subsequent years of £0.17m; £0.29m; £0.33m and £0.37m in 2029/30. The General Fund balance is forecast to decrease from £1.36m at the end of 2025/26 to £0.20m at the end of 2029/30.

Impact: To support the Council in moving to a recurrently balanced financial positions, without the need to draw on reserves, we have retained our prior year improvement recommendation.

Improvement Recommendation 1

IR1: In order to ensure that it remains financially sustainable in the medium term and is able to balance its annual budget without the need to use reserves, the Council needs to develop further income generation or savings schemes to address the forecast gap in its Medium Term Financial Plan. Members will need to continue to take difficult decisions when necessary.

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	The Council has established strong systems for monitoring and assessing risks, underpinned by a comprehensive risk management framework and ongoing reviews. The Strategic Risk Register and Strategic Risk Update facilitate the identification of key risks, aligning them with corporate objectives and ensuring proper monitoring. Internal Audit, provided in 2024/25 by 360 Assurance, provides appropriate assurance on both strategic and operational risks, ensuring that audits are focused on significant risks and that governance and control measures are effective. A Progress Report is presented to each Audit Committee, covering a wide range of the Council's activities. The Head of Internal Audit Opinion is "significant assurance", with only three "Moderate" assurance opinions provided. Internal Audit note that one high risk action, relating to effective monitoring of the grounds maintenance contact, remains outstanding. In terms of fraud prevention, whistleblowing mechanisms reinforce a zero-tolerance policy. Regular assessments and reviews conducted by the Audit Committee play a crucial role in detecting and managing fraud risks. Additionally, breaches of internal controls, particularly those related to the workforce, are tracked through corporate complaints and whistleblowing procedures, allowing for swift detection and resolution.	G

- 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.

Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
approaches and carries out its annual budget setting process	<p>The Council has a robust approach to budget setting. An initial budget setting report to Members in September each year outlines key approaches and principles, such as measuring inflation, reviewing budgets for savings, and implementing sustainability programmes. The "Star Chamber" process requires Heads of Service to present their budget needs to key stakeholders, who then provide feedback and challenges to the proposed budget. The Council engages in external budget consultation, but there was no evidence that the results were available to Members as part of the budget setting process. This is good practice and we have highlighted this as an opportunity to further improve on page 23. As it will not lead to a significant weakness we have not raised an improvement recommendation.</p> <p>In our 2022/23 report we raised an improvement recommendation that the Council needs to ensure that both revenue and capital budgets are realistic and achievable to avoid significant revenue overspend or capital underspends. This recommendation was carried forward into 2023/24 as at the time we were unable to conclude on the effectiveness of the enhanced arrangements. Review of the 2024/25 outturn reports indicates that the revenue budget was sufficiently accurate. The outturn for the General Fund capital programme is expenditure of £1.90m with slippage of £1.10m. Explanations for this include long lead-in times for replacement vehicles (£0.31m) and £0.48m on a sport facility owing to funding issues that have since been resolved. The outturn for the HRA capital programme is £3.00m expenditure with slippage of £2.33m due to a delay on the New Housing Initiatives scheme as further funding options and housing options were being investigated. These explanations are reasonable and not indicative of a weakness in arrangements. We have therefore closed the recommendation.</p>	G

- 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.

Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
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 finance reports and the annual financial statements provide clear explanations of the overall position of the General Fund and Housing Revenue Account for both revenue and capital. Variances exceeding £0.03m are highlighted and accompanied by explanations. Any changes to budgets during the year are also clearly outlined.</p> <p>Treasury management is supported by adequate reporting, including both an annual and a mid-year report. These reports highlight the objectives, requirements, current position, borrowing and debt strategy, and performance indicators for the year. Additionally, the Constitution emphasises the Council's responsibility regarding the adoption of its budget and policy framework.</p>	<div>G</div>

- 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.

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	<p>The Council has established comprehensive arrangements to support informed and transparent decision-making. Key oversight is provided by the Policy, Finance, and Development (PFD) Committee, which conducts thorough scrutiny of decisions through detailed reporting, and the Audit Committee, which offers independent assurance. Scrutiny is embedded within the committee system, promoting challenges across financial and operational decisions. The involvement of the Senior Leadership Team, particularly the active role of the Section 151 Officer, in financial oversight, further enhances this process. The Council demonstrates a constructive 'Tone from the Top' within its committee-based governance, prioritising transparency, inclusiveness, and strong oversight.</p> <p>The government has announced plans to legislate to abolish the committee system, requiring those councils currently operating this model to transition to the leader and cabinet model. This will impact Oadby and Wigston Borough Council, although primary legislation will be required. How this will be impacted by Local Government Reorganisation is unclear.</p>	G

- 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.

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 has robust mechanisms in place to ensure adherence to legislative and regulatory requirements, supported by the roles of the statutory officers—the Section 151 Officer, Head of Paid Service, and Monitoring Officer. These officers oversee governance and ensure compliance with legal requirements, supported by the Constitution, Codes of Conduct, and regular training on ethical behaviour, including managing conflicts of interest, gifts, and hospitality. Regular reports, such as the Standards and Ethical Indicators, ensure that compliance is monitored and enforced.</p> <p>The updated Contracts Register provides a transparent and up-to-date record of all active contracts. This register is an essential tool for monitoring and managing contracts, enabling the Council to "<i>track contractor performance against expected standards</i>" and ensure adherence to legislative requirements, thereby promoting accountability and transparency. In June 2025 the Council adopted a comprehensive Contract Management Framework to support it in managing the nearly 30% of its expenditure it incurs with suppliers. Additionally, the Fraud and Corruption Policy helps safeguard ethical standards.</p>	G

- 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.

Grant Thornton insights – learning from others

The Council has the arrangements we would expect to see in respect of budget consultation, but could challenge itself to go further, based on the best arrangements we see across the sector



What the Council is already doing

- The Council website indicates inviting residents, tenants, businesses, and organisations to comment on the draft budgets. The feedback will be relayed to the elected Councillors responsible for setting the budget, for their consideration before the budget is approved. This demonstrates that the Council is engaging appropriately with external stakeholders. The website states *"The feedback will be relayed to the elected Councillors responsible for setting the budget, for their consideration before the budget is approved."*
- The Council has collated and analysed the 113 responses. However, there is no evidence that this was included in the budget setting reports.



What others do well

- At other councils we see a summary analysis of consultation responses included in the public budget setting reports.



The Council could consider

- Including a summary of the consultation responses in public reports would demonstrate transparency and that the views expressed have been relayed for consideration before the budget is agreed.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	<p>The Council uses financial and performance information to monitor service delivery, workforce, and operational performance through quarterly Integrated Performance reports and Budget Monitoring reports.</p> <p>Internal Audit has provided 'Moderate Assurance' regarding financial management and reporting. Internal Audit has stated it was not provided with evidence to confirm that finance reports are derived directly from the ledger. Internal Audit noted a lack of segregation of duties concerning journal authorization, delays in timely completion and management review of control account reconciliations. An action plan has been agreed upon following the Internal Audit investigation to address areas for improvement. We have not repeated the recommendation, but have assessed this criterion as "Amber".</p> <p>The Council undertakes benchmarking with the other Leicestershire districts to identify opportunities for further improvement. Examples include customer services and council tax collection.</p>	A
evaluates the services it provides to assess performance and identify areas for improvement	<p>The Council has not received any inspections or reviews in 2024/25. Following the Peer Review in 2022 the Council remains in contact with the Local Government Association, but has not needed to provide further updates or reports. The Council continues to have appropriate arrangements in place to evaluate services and identify areas for improvement.</p>	G

- 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.

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

We considered how the Council:	Commentary on arrangements	Rating
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 has solid arrangements to work with a wide variety of partners to deliver services. This is underpinned by engagement with key stakeholders and partners when developing strategic priorities. Where appropriate, partnership performance is reported to Members. For example, the leisure contract and Lightbulb (Disabled Facilities Grant).</p> <p>In terms of Local Government Reorganisation (LGR), the Council along with the other district councils in Leicestershire and Rutland County Council have submitted an interim proposal for three unitary councils – North, South and City. The County Council and City Council have expressed a preference for different proposals. From our discussions, we are aware that Members and officers are cognisant of the importance of maintaining “business as usual” service delivery throughout the LGR process. The Council is not entering into new contracts that are more than two years and is actively involved in Officer group meetings. We would encourage the Council to continue to maintain this collaborative approach and work with partners to agree a single proposal for Leicestershire and Rutland.</p>	G
commissions or procures services, assessing whether it is realising the expected benefits	<p>The Council has appropriate arrangements in place to enable it to identify and manage key ongoing contracts. This includes a contracts register that is accessible via the website. The register is split between general contracts and software contracts, and each entry highlights the title, description, value over the life of the contract, start and end dates, and renewal dates.</p> <p>The risk register includes key supplier failure with comprehensive actions taken and arrangements in place to mitigate risks clearly set out. In June 2025 the Council adopted a comprehensive Contract Management Framework to support it in managing the nearly 30% of its expenditure it incurs with suppliers.</p>	G

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.

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

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR1	In order to ensure that it remains financially sustainable in the medium term and is able to balance its annual budget without the need to use reserves, the Council needs to develop further income generation or savings schemes to address the forecast gap in its Medium Term Financial Plan. Members will need to continue to take difficult decisions when necessary.	Financial sustainability (page 19)	<p>Actions: Meetings are held with the Leader and Members on a regular basis to discuss the budget and the budget gap. This is then reinforced through Quarterly Monitoring to ensure that everyone is informed of the current position. SLT has a Sustainability Plan in place which was last updated 30 June 2025.</p> <p>In September 2024 a meeting was held with all Members to discuss budget setting, the budget gap and proposals to close the gap, including restructures, income generation and fees and charges increases. The same meeting will be held again on 30 September 2025 to encourage Members to be engaged in the budget setting process and to generate solutions.</p> <p>Responsible Officer: Colleen Warren</p> <p>Due Date: January 2026</p>

07 Appendices

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	In order to ensure that it remains financially sustainable in the medium term and is able to balance its annual budget without the need to use reserves, the Council needs to develop further income generation or savings schemes to address the forecast gap in its Medium Term Financial Plan. Members will need to continue to take difficult decisions when necessary.	2023/24	The Council has made significant progress in moving itself to a more sustainable financial position, but recognises that it needs to retain focus on bridging the annual gaps forecast in its Medium Term Financial Plan. This shows a forecast surplus of £0.126m in 2025/26, with deficits in subsequent years of £0.17m; £0.29m; £0.33m and £0.37m in 2029/30. The General Fund balance decreases from £1.359m at the end of 2025/26 to £0.2m at the end of 2029/30. To support the Council in moving to a recurrently balanced financial position we have retained our prior year improvement recommendation.	Improvement Recommendation is retained.	Continue to implement the recommendation.

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR2	The Council should enhance public budget setting reporting to clearly demonstrate how major investments – capital or revenue – will contribute to achieving the Council's priorities.	2022/23	The Council now displays each capital bid separately, along with a descriptive narrative that outlines how the capital will be spent and how it links to the corporate objectives. The Council can now more clearly demonstrate how major investments will contribute to achieving the Council's priorities. However, it should be noted that not all schemes have a direct link to a strategy or scheme, but the descriptive narratives provided are not unusual and are within our expectations of the normal scope of the Council, and therefore link back to the Council's priorities. We therefore consider that there is sufficient and appropriate evidence to close the prior year recommendation.	Closed	No
IR3	The Council needs to ensure that both revenue and capital budgets are realistic and achievable to avoid significant revenue overspends or capital underspends.	2022/23	The 2024/25 outturn report shows a General Fund revenue outturn underspend of £0.15m on a budget of £7.68m. General Fund capital programme saw expenditure of £1.90m with slippage of £1.10m. The Housing Revenue Account Capital expenditure was £3.00m with slippage of £2.33m. Review of the 2024/25 outturn reports indicates that the revenue budget was sufficiently accurate and that the level of slippage and explanations on the capital programme are reasonable. The recommendation is closed.	Closed	No



© 2025 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.