



# Sefton Council

## Audit Progress Report and Sector Update

February 2024



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# 1. Introduction & headlines

This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a reference tool to use, if helpful, rather than formal questions requiring responses for audit purposes).

Members of the Audit and Governance Committee can find further useful material on our website where we have a section dedicated to our work in the public sector. Here you can download copies of our publications - <https://www.grantthornton.co.uk/en/services/public-sector-services/>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either Georgia or Liz.

You will also have access to our annual Chief Accountant Workshops and any other networking opportunities we create for the various stakeholders.



## 2. Key Grant Thornton team members

### Georgia Jones

#### Engagement Lead & Key Audit Partner

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T +44(0) 0151 224 7200

Georgia will have ultimate responsibility for the delivery of your audit service. Specifics of the role include:

- leading our relationship with the Council, ensuring you have access to Grant Thornton's full service offering,
- being a key contact for the Chief Executive, the s151 Officer and the Audit and Governance Committee, meeting frequently with key members of management,
- taking overall responsibility for delivering a high quality audit which meets professional standards,
- agreeing with you the annual audit plan, and a timetable for delivering the work,
- reviewing the audit file, giving particular focus to any key areas of risk or critical judgements exercised during the audit,
- reviewing and signing off all audit reports,
- attending Audit and Governance Committee to discuss key issues arising from our work and any recommendations,
- acting as a 'sounding board' on key decisions relevant to our responsibilities as your auditors, and
- sharing good practice identified at other organisations.

### Liz Luddington

#### Engagement Senior Manager

E [liz.a.luddington@uk.gt.com](mailto:liz.a.luddington@uk.gt.com)

T +44 (0)161 953 6410

Liz will ensure that all work allocated is carried out on a timely basis in accordance with the firm's professional standards and to the satisfaction of clients and engagement lead.

As the key contact they will be responsible for building and maintaining good working relationships with all colleagues and clients.

To support delivery of the testing strategy they will:

- assist the engagement lead in establishing audit objectives and overall scope,
- ensure key matters which arise during the audit which were not identified at the planning stage are properly assessed and dealt with,
- review the work of Jobelle and the wider fieldwork team,
- finalise our draft report to management.
- manage, motivate and coach team members, and
- control the audit in relation to timescales, budgets and risk management procedures.

### Jobelle Bongato

#### Engagement In-charge Auditor

E [Jobelle.bongato@uk.gt.com](mailto:Jobelle.bongato@uk.gt.com)

T +44 (0)161 214 6364

Jobelle will work as part of the team, leading the day-to-day oversight of the audit team, providing a service which meets or exceeds client expectations and supports Georgia and Liz. Specifics of the role include:

- taking an active part in the audit planning discussions to identify audit risks and appropriate audit strategy,
- communicating any issues relating to the audit with Liz and Georgia,
- overseeing all aspects of audit fieldwork and completion,
- addressing and discussing queries in respect of technical and audit issues identified during the course of the audit,
- maintaining good working relationships with client staff, and
- delegating work to other members of the audit team, ensuring they understand their responsibilities and have received appropriate on-the-job training / coaching.

# 3. The auditor's statutory responsibilities

## Opinion on the audited body's financial statements

We are delighted to have been appointed as your external auditors and very much look forward to working with you.

Our work enables us to give an opinion as to whether the financial statements:

- give a true and fair view of the financial position of the audited body and its expenditure and income; and
- have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards and other directions.

Our planning will document our understanding of your key risks, your control environment and inform our testing strategy. This will continue until we begin our final accounts testing in summer 2024.

As part of our introductory meetings with the Council, to date we have met with the s151 officer, deputy s151 officer and strategic finance manager. We will continue to engage with key management on a regular basis throughout our time as your external auditors.

In our recent meeting with management, we discussed issues identified in previous audits, and emerging themes which are expected to impact on the current audit. We will continue these discussions on a regular basis over the coming months as we continue to get to know senior members of the finance team and the wider Council.

We expect to issue our Audit Plan summarising our approach to key risks on the audit, at your next Audit and Governance Committee meeting in June 2024. We will report any key findings from the planning and interim audit visit in our progress reports to Audit and Governance Committee. The timing of this reflects the changing landscape of local government as well as updating our audit approach and VFM work to reflect the findings from internal and external quality reviews.

We will plan to deliver our final accounts audit in line with the local government accounts timetable and summarise our work in the Audit Findings (ISA260) Report.

## Work on value-for-money arrangements

Under the 2020 Audit Code of Practice, we are required to undertake sufficient work to satisfy ourselves that the Council "has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources."

Our initial risk assessment will build on our understanding of your arrangements, taking into account any findings from your previous auditor's work on value for money. We will report our risk assessment to you at your June Audit and Governance Committee against the following reporting criteria:

- 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; and
- 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.

We will keep our risk assessment under continuous review. Where appropriate, we will update our risk assessment to reflect emerging risks or findings and report this to you. Our final commentary in the Auditors' Annual Report will include:

- a summary of our findings on any risks identified during our work;
- our judgements on the adequacy of the Council's arrangements for each of the three reporting criteria, as set out above;
- any recommendations made to management as a result of our work; and
- a follow up of progress against any recommendations raised in previous audits.

# The auditor's statutory responsibilities

## Other responsibilities

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.

We consider our other duties under legislation and the Code, as and when required, including:

- Giving electors the opportunity to raise questions about your 2023/24 financial statements, consider and decide upon any objections received in relation to the 2023/24 financial statements.
- Issuing a report in the public interest or written recommendations to the Authority under section 24 of the Local Audit and Accountability Act 2014 (the Act).
- Application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act.
- Issuing an advisory notice under section 29 of the Act.

We certify completion of our audit.

## Added value

Grant Thornton has a large Public Sector practice and is a key supplier to the market. As a valued audit client, you will have access to a range of workshops, along with network events for members and publications to support the Authority. Your officers are scheduled to attend our Accounts Workshop in February 2024, where we will be highlighting financial reporting requirements for local authority accounts and giving insight into elements of the audit approach.

Further details of the publications that may be of interest to the Authority are set out in our Sector Update section of this report.



# 4. 2023-24 deliverables

2023-24 Deliverables	Planned Date	Status
<p><b>Accounts Audit Plan</b></p> <p>We are required to issue a detailed audit plan to the Audit and Governance Committee setting out our proposed approach in order to give an opinion on the Council 2023-24 financial statements.</p>	19 June 2024 TBC	Not due yet
<p><b>Audit Findings (ISA260) Report</b></p> <p>The Audit Findings Report, summarising the key matters arising from our audit of your 2023-24 accounts, will be reported to the June Audit and Governance Committee.</p>	TBC	Not due yet
<p><b>Auditor's Report</b></p> <p>This will include our opinion on your financial statements and our other reporting requirements, as set out in 'The auditor's statutory responsibilities' section of this report.</p>	TBC	Not due yet
<p><b>Auditor's Annual Report on the Council's VFM arrangements</b></p> <p>This report communicates the key outputs of the audit, including our commentary on the Authority's value for money arrangements.</p>	TBC	Not due yet
2021/22 Audit-related Deliverables or 2022/23 Audit related Deliverables	Planned date	Status
<p><b>Teachers Pensions Scheme – certification</b></p> <p>This is the report we submit to Teachers Pensions based upon the mandated agreed upon procedures we are required to perform.</p>	TBC	Not due yet



# 5. Audit approach

## Use of audit, data interrogation and analytics software

### LEAP



- A globally developed ISA-aligned methodology that re-engineers our audit approach to focus on quality and effectiveness
- LEAP empowers our engagement teams to deliver even higher quality audits, enables our teams to perform effective audits which are scalable to any client, enhances the work experience for our people and develops further insights into our clients' businesses
- The LEAP approach allows us to tailor the audit programme to help engagement teams respond quickly to any changes as they occur, keeping quality high through responsiveness and flexibility



### Inflo



Cloud based software which uses data analytics to identify trends and high risk transactions, generating insights to focus audit work and share with clients.



#### REQUEST AND SHARE

- Communicate and transfer documents securely
- Extract data directly from client systems
- Work flow assignment and progress monitoring



#### ASSESS AND SCOPE

- Compare balances and visualise trends
- Understand trends and perform more granular risk assessment



#### VERIFY AND REVIEW

- Automate sampling requires
- Download automated work papers



#### INTERROGATE AND EVALUATE

- Analyse 100% of transactions quickly and easily
- Identify high risk transactions for investigation and testing
- Provide client reports and relevant benchmarking KPIs



#### FOCUS AND ASSURE

- Visualise relationships impacting core business cycles
- Analyse 100% of transactions to focus audit on unusual items
- Combine business process analytics with related testing to provide greater audit and process assurance



#### INSIGHTS

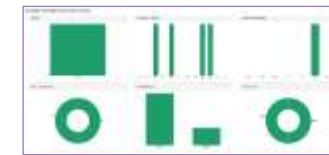
- Detailed visualisations to add value to meetings and reports
- Demonstrates own performance and benchmark comparisons



# 6. Our digital audit experience

A key component of our overall audit experience is our comprehensive data analytics tool, which is supported by Inflo Software technology. This tool has a number of key functions within our audit process:

Function	Benefits for you
<b>Data extraction</b>	Providing us with your financial information is made easier. A step-by-step guide walks you through the system back ups or reports that we need and provision of these will reduce the number of requests that we will make during the course of the audit. Where you choose to provide us with access, the tool enables us to use API (Application Programming Interface) connectors to provide us with access to your financial reporting data at any point in time. This provides us with the ability to share real time insight into your business with you throughout the year and negates the need for your input in obtaining transactional data going forward.
<b>File sharing</b>	An easy-to-use, ISO 27001 certified, purpose-built file sharing tool. We provide a secure cloud environment in which data can be shared. Rather than being a blank file sharing space, requests are set out by task and this provides structure to files uploaded, providing clarity on the location of documents and reduces duplication of requests. Comments can be added to individual tasks, which ensures that communications are tracked and can be seen by all team members, providing visibility on all information associated with your audit.
<b>Project management</b>	Easy management and oversight of requests and responsibilities. Information being shared on a task-by-task basis results in the tool being a live outstanding list at all times. Requests are allocated to an individual and the tool therefore provides a way of establishing and tracking responsibilities. Due dates are also set to each task.  The tool also provides dashboards and summaries, which provide a comprehensive overview of the status of requests to be obtained at any time.
<b>Data analytics</b>	Enhanced assurance from access to real-time data analysis. You will be provided with data analytics findings, where we see fit, and we will be able to highlight any anomalies that we identify, providing you with an additional layer of assurance. Our tool gives you the ability to run visual reports on all areas of transactions, providing you with an effective means of monitoring them.  A great example of this, is the 'Revenue Analyser', a relationship mapping tool that provides a visual reflection of the general ledger accounts that each revenue transaction posted has impacted, providing an overview of the revenue cycle.



**Benchmarking and insights** We aim to benchmark your financial data against other NHS bodies going forward.



Grant Thornton's Analytics solution supported by Inflo Software technology

# Using Inflo Software to improve your audit

A suite of tools to smooth the process

01

## Collaborate

Information requests are uploaded by the engagement team and directed to the right member of your team, giving a clear place for files and comments to be uploaded and viewed by all parties.

### What you'll see

- Individual requests for all information required during the audit
- Details regarding who is responsible, what the deadline is, and a description of what is required
- Graphs and charts to give a clear overview of the status of requests on the engagement



02

## Ingest

The general ledger and trial balance are uploaded from the finance system directly into Inflo. This enables samples, analytical procedures, and advance data analytics techniques to be performed on the information directly from your accounting records.

### What you'll see

- A step by step guide regarding what information to upload.
- Tailored instructions to ensure the steps follow your finance system.



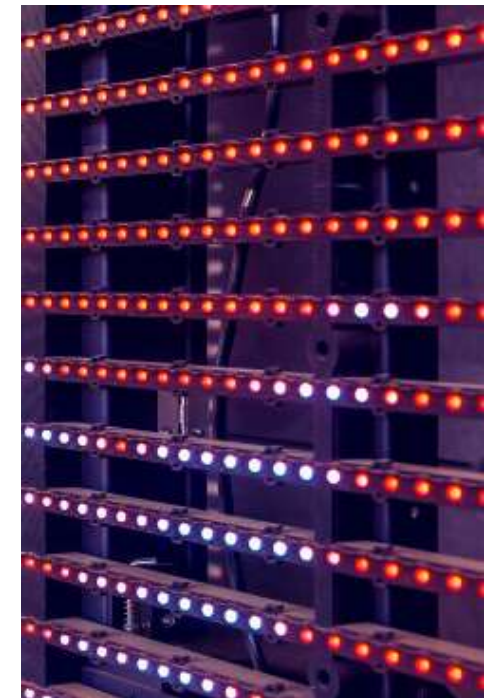
03

## Flux

The imported, mapped trial balance is used to calculate the variance from prior year on each financial statement line item. You are able to directly comment on the significant movements, enabling an efficient completion of planning analytics.

### What you'll see

- Your mapped TB set out in the format of the primary statements.
- Space next to each of the financial statement line items for you to include commentary.



# Using Inflo Software to improve your audit

A suite of tools to smooth the process

## 04

### Explore

The imported general ledger is analysed by user, period, document type, and frequency and value of account combinations posted to particular financial statement line items or trial balance codes. This enables focused conversations concentrating on the risks and processes specific to your business.

#### What you'll see

- Graphs and charts summarising your general ledger by user, document type, and effective date
- Queries directed at specific movements or patterns identified by the engagement team.



## 05

### Detect

Journals interrogation software which puts every transaction in the general ledger through a series of automated tests. From this, transactions are selected which display several potential unusual or higher risk characteristics.

#### What you'll see

- Journals samples selected based on the specific characteristics of your business.
- A focussed approach to journals testing, seeking to only test and analyse transactions where there is the potential for risk or misstatement.



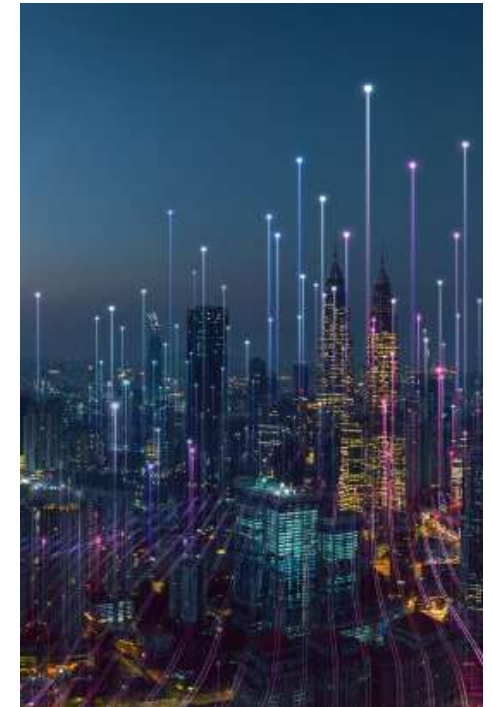
## 06

### Cascade

A data analytics tool which visualises every transaction impacting revenue or receivables and highlighting all those impacting general ledger accounts outside of the normal course of business.

#### What you'll see

- A visualisation of your process, highlighting potentially unusual transactions.
- Significant reductions in sample sizes, but testing focussed where there are potentially unusual transactions.



Sector update

# Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font, centered within the button.

Public Sector

A purple rectangular button with the text "Local government" in white, sans-serif font, centered within the button.

Local  
government

# Exploring the reasons for delayed publication of audited local authority accounts in England – Grant Thornton

Recent performance against target publication dates for audited local authority accounts in England has been poor. There are some reasons for optimism that there will be an improvement in the timeliness of publication of audited accounts as foundations are being laid for the future.

In this report we explore the requirements for publication of draft and audited accounts and look at some of the reasons for the decline in performance against these requirements over time. Only 12% of audited accounts for 2021/22 were published by the target date of 30 November 2022. There is no single cause for the delays in completing local authority audits, and unfortunately there is no quick solution in a complicated system involving multiple parties. We consider a variety of factors contributing to delays, note the measures which have already been taken to support the local audit system and make recommendations for further improvement.

There are some reasons for cautious optimism that the system will begin to recover and there will be a gradual return to better compliance with publication targets. However, we consider that these are outweighed by a number of risk factors and that the September deadline for audited accounts set by DHLUC is not achievable in the short term and also not achievable until there is further significant change in local audit and local government.

We note the following matters that are yet to be tackled:

- clarity over the purpose of local audit
- the complexity of local government financial statements
- agreement on the focus of financial statements audit work
- an improvement in the quality of financial statements and working papers

an agreed approach to dealing with the backlog of local government audits

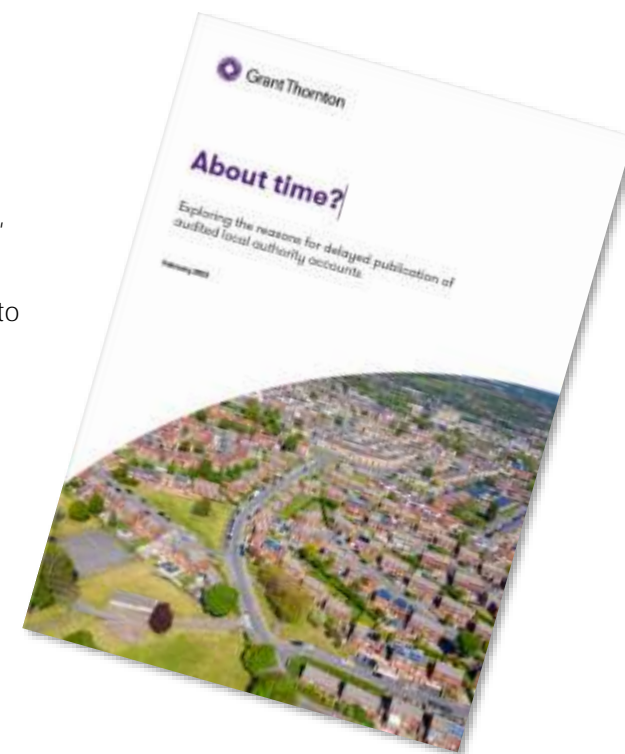
Government intervention where there are significant failures in financial reporting processes

All key stakeholders including local audited bodies, the audit firms, the Department for Levelling Up Housing and Communities, PSAA, the NAO, the FRC and its successor ARGA, CIPFA and the Institute of Chartered Accountants in England and Wales will need to continue their efforts to support a coherent and sustainable system of local audit, acknowledging that it will take time to get things back on track.

We make recommendations in our report for various stakeholders, including Audit Committees and auditors, and include a checklist for consideration by management and Audit Committees within an Appendix to the report.

Read the full report here:

[Report: key challenges in local audit accounting | Grant Thornton](#)





# Current local audit deadline ‘unachievable’- Grant Thornton

Low capacity in council finance teams and the failure to deal with historic accounting issues mean the current September audit deadline is unlikely to be met.

The firm said the changes in recent years to council investment strategies have seen annual accounts become increasingly complex.

In evidence to a Public Accounts Committee inquiry, Grant Thornton said the increased workload and pressure on resources have complicated recruitment and compounded delays.

The auditors said it is unlikely firms will be able to meet the 30 September deadline for publishing opinions on 2022-23 financial statements, because they are still working on previous years' accounts.

The firm said one of the key issues causing delays is the lack of consensus over areas of audit focus, specifically over how land and buildings are audited.

“Too much audit resource is absorbed in dealing with longstanding financial reporting issues at poorly performing bodies,” the firm said.

In certain instances, audits are open as far back as 2017-18.

“Perhaps more importantly, there has not been enough debate with the sector on the purpose of local audit and the enhanced audit scrutiny it faces.

“This is particularly the case with the audit of property. Until these matters are resolved we do not consider that the September deadline is achievable.”





# Current local audit deadline ‘unachievable’- Grant Thornton(cont.)

Grant Thornton said that while audit firms can be sanctioned by the Financial Reporting Council for failing to comply with regulations, there are currently no punishments for public bodies that fail to meet requirements.

It said there should be interventions for audited bodies that show “significant failures in financial reporting and an unwillingness to improve”.

In its evidence the firm blamed a lack of council funding to bolster finance teams for a reduction in the quality of reporting, causing further delays.

“Unfortunately, the quality of too many financial statements and working papers are not adequate,” Grant Thornton said.

“Improvement in accounts preparation, and recruitment and investment in finance teams is essential if local government is to prepare consistently high-quality draft accounts and respond to the challenges presented by an enhanced audit regime.”

In December, local audit procurement body Public Sector Audit Appointments revealed that only 12% of local government audits for 2021-22 were completed by the 30 November deadline.

PSAA said that 630 opinions were outstanding from both 2021-22 and previous years, and the level of opinions completed on time has declined significantly from 45% in 2019-20.

Read the full report here

[committees.parliament.uk/writtenevidence/118580/pdf/](https://committees.parliament.uk/writtenevidence/118580/pdf/)



# DLUHC proposals to clear audit backlog

A range of proposals and actions to address the backlog of local audits in England has been set out by the Department for Levelling Up, Housing and Communities (DLUHC).

These include setting statutory deadlines and issuing qualifications and disclaimers of opinion in the short term.

The proposals have been agreed in principle with key partners across the local audit system, DLUHC said. The National Audit Office (NAO) is considering whether to develop a replacement Code of Audit Practice to give effect to the changes, the department added.

In addition, DLUHC is considering whether legislative change is needed to set new statutory deadlines [for local bodies to publish accounts to mirror the proposed changes to the Code of Audit Practice](#).

[Legislative change may also be needed](#) to address any knock-on effects of the proposals which may impact the audit of opening balances within the accounts for future years, the department said.

Under these proposals, section 151 officers will be expected to work with Audit Committee members (or equivalent) to approve the final accounts by the statutory deadline in order for the audit opinion to be issued at the same time.

Read the full proposal here

[committees.parliament.uk/publications/40932/documents/199432/default/](https://committees.parliament.uk/publications/40932/documents/199432/default/)



# Call for sanctions for late accounts amid fears of ‘more Wokings’ - public accounts committee (PAC)

The Commons’ public accounts committee (PAC) published a report, [Timeliness of local auditor reporting](#), which highlights problems caused by the delays to local audit.

Just 12% of local government bodies received their audit opinions in time to publish their 2021-22 accounts by the extended deadline. The committee warned that the problem is likely to get worse before it gets better.

The report points out that there are no sanctions for failing to produce accounts on time, for either auditors or councils.

The PAC and others have been concerned about the implications of audit delays and Sir Geoffrey Clifton-Brown said cases like that of Thurrock Council and Woking Borough Council demonstrate why this issue needs to be addressed. Both councils had years of unaudited accounts when they declared themselves effectively bankrupt due to excessive levels of debt.



# LGPS valuation gives ‘**cause** for **optimism**’ – Hymans Robertson

Many Local Government Pension Schemes are in a stronger position than three years ago to meet future member benefits, pension advisors have said following the most recent valuations.

Despite market instability brought on by Covid-19 and exacerbated by Russia’s invasion of Ukraine, the overall funding level rose to 107% of past service in March 2022, compared to 98.5% in 2019, Hymans Robertson said in a [report](#).

Analysts reviewed the triennial valuations of 73 of the 86 LGPS funds, and said that on average fund asset values rose by 27.5% up to March 2022.

Hymans Robertson said the better-than-expected funding outlook has prompted a reduction in employer contributions, from 21.9% of pay in 2019 to 20.8% in 2022.

Robert Bilton, head of LGPS valuations at Hymans Robertson, said: “Our analysis gives cause for optimism that the outlook for the long-term funding sustainability of the LGPS is robust, not least due to the hard work that has taken place across all funds over the last decade and longer.

“While the good news is welcome, the hard work doesn’t stop, and it is important that funds use the next two years to continue to systematically review their risks to keep them in the best place possible ahead of the valuations in 2025.”

The report said funding levels rose by the most for schemes that were already better-funded in 2019, but balances increased “across the board” in all funds that were reviewed.

Researchers said higher asset values mean funds will only need to deliver real investment returns of about 1.5% per year over the next 20 years to ensure they are fully funded.

Hymans said it expects more than three-quarter (77%) of funds to be able meet the annual level of investment returns by 2040.

“This is a very positive funding position for the LGPS, Considering that, not so long ago, the Scheme Advisory Board had set up a ‘deficit working group’ and the significant market events that the LGPS has had to navigate in recent years.”

“Being in such a strong position is a testament to the diligent and hard work of administering authorities over the last decade.”

Read the full report here

[LGPS 2022 Valuation - the big picture.pdf \(hymans.co.uk\)](#)





# Sustainability reporting in the public sector - CIPFA

CIPFA said, 'Sustainability reporting in the public sector is in its infancy, and there is an evolutionary journey to be embarked upon – sooner rather than later.'

Sustainability reporting is the recording and disclosure of an organisation's environmental impact caused by its activities. It has been widely adopted in the private sector, but in the public sector it is not the same story.

Having a clear understanding of the overall carbon footprint of the public sector is vital if we are to tackle climate change, find solutions and encourage sustainable development, said CIPFA.

CIPFA report states, 'the answers and positive steps to addressing the most pressing challenges around public sector sustainability questions. The current patchwork of public sector sustainability reporting frameworks are inconsistent and confusing. The report draws on already existing standards and frameworks that are relevant and useful to the public sector, rather than trying to reinvent the wheel.'

## Alignment to financial reporting

The report recommends an approach that aligns sustainability reporting with the wider practice of financial reporting. The four key areas in this approach are governance, the management approach, performance and targets, and strategy. 'Public sector sustainability reporting: time to step it up' provides public finance professionals with a good understanding of what information needs to be disclosed and the process in producing a high quality report.

Read the full report from CIPFA here

[Sustainability Reporting \(cipfa.org\)](https://www.cipfa.org)



# SEND deficits kept off budgets for another three years

The government has allowed councils to keep deficits on spending for children with special educational needs and disabilities off their balance sheets for a further three years.

The government's local government finance policy statement published on 12th December 2022 says that the statutory override for the Dedicated Schools Grant (DSG) will be extended for the next three years, from 2023-24 to 2025-26.

Councils use the high needs funding block of the DSG to fund Send provision. But for many authorities, the cost of this has been outstripping the amounts provided by tens of millions of pounds, leading to a total deficit estimated at more than £2bn.

The statutory override means that any DSG deficits are not included in council's main revenue budgets. Before the announcement, it had been due to expire in 2023. Last year, Matt Dunkley, chair of the Association of Directors of Children's Services' resources and sustainability policy committee, said: "We think the cumulative high needs block deficits of local authorities are approximately £2.3bn."

In June, the government launched the £85m Delivering Better Value in Send programme, that involves specialist advisors probing 55 councils' financial data to try and cut their DSG deficits. The Chartered Institute of Public Finance and Accountancy, a partner in the programme, said the scheme would provide "project management, change management and financial modelling capacity".

The programme is running alongside the Department for Education's 'safety valve' support scheme that offers bailouts for the councils with the largest Send spending deficits, in return for them implementing stringent reforms.

About 40 councils are expected to receive safety valve funding, meaning that the two programmes together will include about two thirds of councils with responsibility for Send. Also in June, the then children's minister Will Quince wrote a letter to council chief executives warning that a "significant number of councils are "running services that are not sustainable, and instead jeopardise the longevity of that crucial support".





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