

Report to: **Audit Committee**

Date of meeting: **21 November 2025**

By: **Chief Finance Officer**

Title: **Auditor’s Annual (VfM) Report on East Sussex County Council
2024/25**

Purpose: **To provide Audit Committee with Grant Thornton’s Annual (Value for
Money) Report for 2024/25**

RECOMMENDATION:

Audit Committee is recommended to consider and comment on the Auditor’s Annual Report on East Sussex County Council 2024/25, prior to being reported to Cabinet.

1. Background

- 1.1 The Code of Audit Practice issued by the National Audit Office (NAO) requires the authority’s external auditor (Grant Thornton (GT)) to provide a separate Value for Money (VfM) assessment from the main audit of the statement of accounts. In doing so, GT provide an assessment of the authority’s arrangements for Financial Sustainability, Governance and Improving Economy, Efficiency and Effectiveness in the use of its resources. Whilst there is no qualified/unqualified VfM conclusion, the report provides more detail on the authority’s arrangements, together with any key recommendations on any significant weaknesses in arrangements identified during the audit.

2. Annual Report 2024/25

- 2.1 The Annual Report 2024/25 (Appendix 1) sets out the work that GT has undertaken to assess the arrangements the Council has in place to secure economy, efficiency and effectiveness in the use of its resources; with particular focus on risks in respect of financial sustainability, governance arrangements and improving economy, efficiency and effectiveness.
- 2.2 Given the financial challenges this Council, and local government more broadly, faces, GT continue to report a significant “red” weakness with regard to Financial Sustainability. It is pleasing to be able to report that, given the financial challenges, GT have not identified any significant weaknesses in the Council’s response to these challenges, with a green rating in terms of Governance arrangements and an amber rating for Improving Economy, Efficiency and Effectiveness.
- 2.3 In reporting this outcome, GT has made only 1 key recommendation relating to Financial Sustainability, as summarised below:

Financial Sustainability (Key Recommendation)	Management Response
1. The Council should continue to seek to be financially sustainable in the medium to longer term by continuing to raise the challenges faced in all appropriate forums, including MHCLG. Savings plans should continue to be developed, to identify savings, via efficiency, and/or changes in services, to ensure the cost profile of the Council is as	As part of the Reconciling Policy, Performance and Resources (RPPR) process, all efforts will be made to set a balanced budget and seek longer term financial stability. Engagement with MHCLG will continue, together with lobbying MPs and through CCN, the LGA and South East 7.

lean as it can be, whilst providing the statutory services required. Conversations should continue, on suitable funding for demand led services alongside national local government reform, as being discussed at a national level.	
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3. Conclusion and Recommendation

- 3.1 The Annual (Value for Money) Report for 2024/25 in recognising the significant Financial Sustainability challenge the authority faces, is also able to provide positive assurance around Governance and Improving Economy, Efficiency and Effectiveness. One key recommendation has been reported and responded to by management.
- 3.2 Audit Committee is recommended to review and comment on the Annual (Value for Money) Report 2024/25, prior to being reported to Cabinet.

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Background Documents
 None