Peterborough City Council

External Assurance Review

May 2026

A Report by:

The Chartered Institute of Public Finance and Accountancy

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1 Executive Summary

1.1 Summary of Findings, Issues, Evidence and Analysis

Peterborough City Council has faced, and continues to face, significant financial challenges. The requirement for Exceptional Financial Support (EFS) reflects the scale of the financial pressures it has experienced. The drivers of financial pressures include depletion of General Fund reserves, a high level of external borrowing, the financial impact of high-cost, high-complexity Children's Social Care placements, a historical track record of under-delivery against savings plans and a funding position that was not reflective of the cost of delivering services, something that has now been addressed in the most recent settlement. These challenges are well documented and have been the subject of previous external scrutiny, including the 2021 CIPFA External Assurance Review and the concurrent governance review leading to the council being subject to non-statutory intervention, which concluded in May 2025 following confirmation from the Minister of State for Local Government and English Devolution.

This review finds that the financial outlook for Peterborough City Council is materially improved. The outcome of the multi-year Local Government Funding Settlement, as reflected in the Medium Term Financial Strategy (MTFS) presented to Cabinet in February 2026, presents a more positive financial trajectory. The MTFS forecasts a balanced position over its period and includes planned contributions to rebuilding reserves of approximately £40 million, which, if delivered, will significantly strengthen the council's financial resilience. The Financial Sustainability Working Group has provided a robust forum for cross-party understanding and contribution to the budget setting process. The finance strategy of 'Reset, Rebuild, Redesign' provides a coherent and credible framework for managing the council's financial recovery, and the rigour with which it has been developed and embedded is a marked improvement on previous years.

The council has also made significant improvements in its financial management capability and governance arrangements since the significant failings identified in 2021. The finance function has been strengthened through investment in capacity, capability and a structured Finance Business Partner model. The Section 151 Officer now chairs both the Revenue and Savings Board and the Capital Board, providing clear oversight and accountability across the revenue and capital positions. Financial management reporting is clear, well-evidenced and demonstrates that the council has a genuine grip of its financial position. Internal Audit has been strengthened, the Audit Committee has been transformed under Independent Member leadership, scrutiny arrangements are well-structured and aligned to the Corporate Strategy, and Member and officer financial literacy has been substantially improved. Together, these improvements represent a considerable shift in the governance and financial management culture of the council.

A key finding of this review is the clear and demonstrable link between the council's operational activity and its Corporate Strategy 2026-2028. The Corporate Strategy identifies four strategic pillars: Prevention, Independence and Resilience; Children and Young People; The Economy and Inclusive Growth; and Sustainable Future City Council. Each of these is underpinned by a Portfolio Board chaired by an Executive Director. Transformation activity, financial management and service delivery are all structured around these pillars, with the Finance Strategy intrinsically linked to the 'Sustainable Future City Council' priority. The council's KPI framework, savings monitoring and governance mechanisms all flow through this structure, evidencing a Council that is operating with strategic coherence and alignment between its ambitions and its actions.

Notwithstanding these improvements, there remain material risks that the council must actively address and mitigate to deliver on its financial plan as set out in the MTFS. General Fund reserves remain at a level below the widely accepted minimum threshold, and the council does not yet have the financial resilience to absorb unexpected financial shocks without recourse to EFS. Savings delivery has historically been poor, and whilst the MTFS has been recalibrated to reflect more realistic targets and the council has demonstrated some improvement in savings delivery, continued under-delivery remains a risk. Demand pressures in Children's Social Care, particularly around high-cost placements, continue to pose a direct financial risk, compounded by the ongoing dispute with the Integrated Care Board. The council has also not yet received a full external audit for any of the last four financial years, leaving residual financial risk around the accuracy of financial statements and the treatment of certain Balance Sheet items. The Constitution requires updating to ensure it reflects the improved governance arrangements and removes residual risks around decision-making.

Overall, this review concludes that Peterborough City Council is demonstrating effective stewardship of its affairs and has in place credible and achievable plans to move towards financial sustainability and to reduce reliance on EFS over the period of its MTFS. There remain risks but the MTFS outlook for the council seeks to increase financial resilience and place the council in a much more financially sustainable position. The recommendations set out in this report are intended to support the council in embedding this improved outlook.

1.2 Key Risks and Recommendations

This table provides the improvement plan and roadmap that we recommend the council follows with priority actions indicated by the RAG rating and the recommended timeline included with the recommendations. We do note that there are a number of recommendations that the council is already taking steps to address the identified risk.

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
On the quality of financial management and processes		
1. Despite increases in resources, Internal Audit capacity remains a challenge with a reliance on external capacity (RSM) to deliver on the audit plan.	**Medium - 3**	1. Fully embed the required Internal Audit capacity to deliver the Internal Audit plan and ensure a robust assessment of the internal control environment **By end of 2026-27**
2. Both Independent Members and Members of the Audit Committee are not clear on their roles and responsibilities, meaning that challenge is not constructive and appropriately delivered	**Medium - 4**	2. Ensure that officers provide clear guidance and training to both Independent Members and Members of the Audit Committee to ensure clarity of roles and responsibilities **As soon as possible**
3. With an Independent Member as Chair of the Audit Committee they operate in a silo from other Committees across the organisation as they do not have access to these forums	**Medium - 4**	3. Consider whether there is an appropriate forum that aligns the Independent Chair of the Audit Committee with chairs of other Council committees to enable information sharing and transparency **As soon as possible**
4. There remains a lack of robust action in addressing recommendations raised by Internal Audit, exposing the council to risk around the strength of its internal control environment	**High - 6**	4. Increase the rigour and robustness of action taken against Directors by the Audit Committee where there is inaction around addressing recommendations raised by Internal Audit in a proactive manner. **As soon as possible**
5. As the council has not had a full audit for several years, the council's ability to produce financial statements that align with Local Government accounting requirements may be out of practice, exposing the council to financial and reputational risk.	**High - 6**	5. Engage proactively with external auditors to ensure that financial statements are accurate and financial risks are minimised in the financial statements preparation and audit process. **As soon as possible**
6. Lack of external audit review of council's approach to MRP being	**High - 6**	6. Work closely with external audit to ensure that the borrowing to fund EFS is appropriately accounted

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
in line with legislation creates a financial risk to the council		for and MRP is accurately reflected **As soon as possible**
7. Inconsistency in the interaction between Finance Business Partners and service areas not enabling strategic activity. This could be a lack of information to inform forward planning of finance or a lack of awareness of proportionality around spend challenge.	**Medium - 4**	7. Review the approach to Finance Business Partnering across all service areas to ensure that there is support for strategic activity and to ensure that finance intervention around spend decisions is proportionate. **By end of 2026**
On financial sustainability and risk		
8. Reserves remain low and mean that the council does not have the financial resilience to deal with unexpected financial shocks, remaining reliant on Exceptional Financial Support.	**High - 9**	8. Build on the existing reserves risk assessment and articulate a risk-based minimum reserves level as a percentage of Net Revenue Expenditure. Monitor this against financial performance to ensure that the replenishment of reserves is delivered in line with the MTFS, giving the council the financial resilience it requires to manage unexpected financial shocks. **As soon as possible**
9. The Balance Sheet reconciliation identifies a number of issues that impact on the revenue position. There is also the risk that the view of external audit differs from the council, potentially increasing the revenue impact of this review.	**High - 6**	9. Engage with external auditors on the Balance Sheet review approach to ensure alignment and mitigate risk. Closely monitor and report on the revenue impact of decisions made around the Balance Sheet review. **As soon as possible**
10. There remains a risk that the council under-delivers on the savings target set out in the MTFS given historic under-delivery of savings. This will mean that there is a reliance on reserves and/or EFS to bridge the financial gap given the overall resilience position of the council.	**High - 6**	10. Continue robust monitoring of savings delivery and ensure that mitigating action is taken to address slippage. Regularly review savings to ensure that the delivery profile and scale remains appropriate. Clearly identify where under-delivery of savings is offset by a reduced contribution to reserves. **As soon as possible**
11. Financial plans as set out in the MTFS are not delivered as anticipated and the contribution to reserves is not as significant as planned. This will reduce the	**High - 6**	11. If the planned contribution to reserves is used to offset overspends in year, ensure that this is clearly documented and tracked.

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
council's future capacity to manage financial shocks.		**As required, as part of financial monitoring cycle**
12. The council is unsuccessful in resolving the dispute with health statutory partners and is required to fund in full, potentially increasing the EFS requirement or reducing the ability to contribute to reserves.	**High - 6**	12. Continue dialogue with MHCLG on the outcome of the dispute with health statutory partners and the potential implications this has on the EFS requirement of the council. **As required**
13. Due to the uncertainty around the dispute with health statutory partners and the nature of the high-cost, high-complexity placement in Children's Services there may be a need for increased EFS in future years.	**High - 9**	13. Regularly assess and plan for potential need for increased EFS and that any consequent revenue costs from increased borrowing are modelled and understood. **As required**
14. Risk that the asset disposal programme does not deliver the level of receipts anticipated and the council needs to take out additional borrowing to fund the capital programme or revise the capital programme	**Medium - 4**	14. Provide transparent and regular updates on the asset disposal programme to monitor delivery and timing risks **As soon as possible**
15. Cabinet and Audit Committee may not have sufficient oversight of the progress of the Station Quarter scheme. This could lead to a lack of scrutiny, challenge and monitoring of the major project.	**High - 6**	15. Embed quarterly reporting on the progress of Station Quarter to Cabinet and Audit Committee. This should cover the project risk register, spend versus profile and partnership governance. Ensure frequency and depth of reporting is appropriate for the stage of the project. **As soon as possible**
On service reform, delivery and transformation		
16. Benchmarking indicates that there are services that the council delivers less efficiently than statistically similar local authorities	**Medium - 3**	16. The council should continue to review its services and ways of delivering services to ensure that income is being maximised, services are being delivered efficiently, and outcomes are being achieved for service users. **Ongoing**
17. There is insufficient robustness of the financial position of Children's Social Care service over the medium term	**Medium 4**	17 Strengthen financial forecasts by: a) Developing a multi-year demand and placement forecasting model with clearly articulated assumptions that aligns sufficiency plans with projected changes in demand and placement mix.

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
		b) Progressing plans for internal or collaboratively commissioned residential provision, where appropriate. Strengthen pathways between placement types to support stability and cost effectiveness c) Reviewing the alignment of commissioning with children's services strategy. Explore opportunities for longer-term and collaborative commissioning arrangements. Continue to strengthen market engagement to support sufficiency and value for money **By end of 2026**
18. High-cost placements do not have a structured review process	**Medium - 4**	18 Review opportunities within existing panel processes for a more structured approach to reviewing high-cost placements, including regular multi-agency oversight. Ensure consistent consideration of cost, outcomes, and step-down planning **By end of 2026**
19 System-wide factors are impacting on placements	**Medium - 4**	19. Work with partners to improve housing pathways for care leavers. Continue engagement with health partners regarding funding contributions. Consider the role of targeted services (e.g. edge of care, reunification) in supporting demand management over time **By end of 2026-27**
On governance, culture and leadership		
20. The Constitution is not updated, and this exposes the council to residual governance risks.	**High - 6**	20. Prioritise the ongoing work to update the Constitution and ensure it is reflective of the governance arrangements in place **As soon as possible**
21. Historic governance issues are not appropriately resolved, taking up significant officer time and posing a reputation and financial risk to the council	**High - 6**	21. Maintain a tracker for the historic governance issues, owned by the Monitoring Officer and reported to Audit Committee twice yearly. This will ensure that these matters are closely monitored and Audit Committee are assured that

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
		historic failings are being addressed. **As soon as possible**
22. The lack of stability in the post of Monitoring Officer creates risk around the resilience of the governance improvement plans.	**Medium - 4**	22. The appointment of a permanent Monitoring Officer and retention of the previous interim as Deputy Monitoring Officer mitigates some of this risk but the council should ensure that there is a clear programme in place that is not reliant on individuals to deliver. **Ongoing**

2. Introduction

2.1 Background

Peterborough City Council is a unitary local authority located in the East of England. It was established as a unitary authority in April 1998. The Council serves a population of approximately 215,000 people across 60 elected councillors representing 29 wards.

The council is currently without overall control with the most recent elections taking place on 7 May 2026, with 18 of the Council's 60 seats contested across 18 wards. The elections were the last in the council's current form, with Local Government Reorganisation expected to bring the city into a new unitary authority for Cambridgeshire and Peterborough ahead of the anticipated vesting date in 2028. The Conservatives are the largest single group with 13 seats, Labour have 11 seats and Independents and others at 17, Liberal Democrats 8, Greens 6, and Reform UK having 5 councillors. The political fragmentation is not new. The council has operated without overall control since 2019, and since May 2024 has been governed by a minority Labour administration.

The council formally requested Exceptional Financial Support (EFS) from MHCLG in December 2025 and received in-principle capitalisation support of £10.640 million across 2025-26 (£4.960 million) and 2026-27 (£5.680 million). The capitalisation is required to meet two specific exceptional costs that could not be absorbed through reserves or in-year savings: first, the costs of a single high-needs children's placement and second, compensation for the operator at the Key Theatre following closure for RAAC structural repairs. All £10.640 million is to be financed by external PWLB borrowing.

The details of the analysis requested by MHCLG, and the methods applied by CIPFA for the review are contained in Annex 1 and 2.

3 Areas Reviewed

3.1 Review Area 1: Quality of Financial Management and Financial Processes

An assessment of the local authority's financial management and management of risk.

Peterborough City Council has made substantial progress in strengthening financial management, governance, scrutiny and risk management since the serious concerns raised in the 2021 external reviews. The council has improved the structure and capacity of its finance function, invested in internal audit, introduced more robust oversight through the Revenue and Savings Board and Capital Board, and improved member and officer financial literacy. Scrutiny arrangements are now better aligned to the council's strategic priorities, and the overall approach to financial risk management is more mature.

However, significant challenges remain. Internal audit capacity is still dependent in part on external support, the timely implementation of internal audit recommendations is inconsistent, and some ambiguity remains around the roles and responsibilities of Audit Committee members. The council also continues to face material financial reporting risks, reflected in four consecutive disclaimed audit opinions and unresolved concerns about the preparation of financial statements, accounting treatment and Minimum Revenue Provision. While the finance business partnering model is well established, it is not yet consistently providing the level of strategic support and proportionate challenge needed across all services. Overall, the council is on a stronger footing, but sustained focus is required to embed capacity, strengthen accountability, improve external audit readiness and ensure that recent improvements translate into long-term financial resilience.

a) The local authority's financial management, governance processes, the effectiveness of its internal control environment and the audit and scrutiny committee(s), as well as compliance with local government accounting codes and international finance reporting standards.

Key findings and analysis

In November 2021, CIPFA published an External Assurance Review on Peterborough City Council that highlighted the significant and urgent financial challenges facing the council. This review, alongside the parallel review on governance by Andrew Flockhart, was commissioned by the Secretary of State of MHCLG in response to the council's request for Exceptional Financial Support. The governance review identified the financial planning and financial management difficulties the council had experienced leading to the scale of the financial challenges. This review also highlighted that the governance and assurance mechanisms in place had failed to cope with the challenges meaning that the council did not understand the scale of the financial challenge or clarity on how to move towards a sustainable position. Since these reports were published the council has taken significant action to materially strengthen its financial management environment and its internal control environment.

The role of Internal Audit is critical in ensuring the robustness of the internal control environment and the council has seen investment in its Internal Audit function to increase headcount and budgets protected for external support from RSM. Resourcing on Internal Audit and reliance on external support remains a concern for the council but there is assurance, as detailed in the 2025-26 Audit Committee Annual Report, that there is effective monitoring of internal controls within the council. The work of internal audit over the recent period has been focused on the controls of key finance systems to provide assurance over the financial governance of the council. The most recent Annual Internal Audit Opinion published at the time of this review was for the 2024-25 financial year which concluded that *"…the council has adequate systems of internal control in place to manage the achievement of its objectives".* For 2025-26, the most recent Internal Audit Progress Report was published for the period up to 30 September 2025 and gave 'Limited Assurance' relating to Payment Requisitions. Therefore, there are no significant concerns with regards to the internal control environment.

Historically, the council has not always actioned recommendations raised by Internal Audit in a timely manner. Assertions were made during the interviews that this practice has improved with recommendations more rigorously tracked and Directors being held to account for actioning these recommendations. However, the Corporate Leadership Team performance reporting shows that overdue actions increased by 82% between November 2025 (29) and December 2025 (53), and in January 2026 shows that of 22% of the 131 due actions were either not started or unknown. This is due to a more complete view on outstanding actions but does indicate that there is work to be done to action recommendations. Interviews identified that Directors can be called in front of the Audit Committee to address inaction on implementation of recommendations. The purpose of this is to act as a deterrent to inaction but there remain significant improvements to be made in the addressing of Internal Audit recommendations.

The Audit Committee at the council has undergone a period of transformation from the issues raised in previous external reviews of the council. It is chaired by an Independent Member, has two other independent Members, has refreshed its Terms of Reference and implemented a structured programme of training for Members. The view from officers is that the Audit Committee has become more challenging and its importance to ensuring strong internal controls has increased. This view is shared by the Independent Chair of the Audit Committee who identified that there is a focus on constructive challenge from Audit Committee to underpin robust governance. There remain areas of improvement with regards to striking the balance of appropriate challenge from both Members and Independent Members but overall, the indication is that the Audit Committee is much more robust and plays an important role in scrutiny of Council activity. It is also noted that the Audit Committee Chair is an Independent Member and therefore does not liaise with other committee chairs across the council, risking that they are operating in a silo from the wider organisation.

The council has had disclaimed audit opinions for each of the last four financial years (2021-22 to 2024-25) meaning there is a lack of robust external assurance around the council's approach to financial reporting and financial management. EY have identified misstatements in the financial statements of the council and recommended that the council review the approach to preparing financial statements and develop understanding of the requirements of Local Government accounting and CIPFA Code of Practice. It has also been flagged by external audit that the council's MRP approach was not in line with updated legislation. External audit have not yet subjected the council's MRP approach to full external audit to confirm that changes in MRP approach are in line with the most up-to-date MRP legislation. This presents a potential risk to the council. Since these findings the council has strengthened the capacity and capability within the finance function but is yet to go through a full end-of-year audit cycle. Therefore, there may be residual issues that the council will need to address with its external auditors.

Peterborough City Council has four scrutiny committees that are aligned to each of the portfolio boards which underpin the strategic plan of the council. Therefore, scrutiny arrangements are structured in a way that clearly flows through from the council's strategy and enables scrutiny of decisions across all Council activity. Each of the scrutiny committees is chaired by an opposition Member, which is good practice to enable robust scrutiny. Alongside each of the committees there is a joint meeting of the scrutiny committees which focus on key, Council-wide decisions such as the MTFS and local government reorganisation. Our review has identified that there is an improved culture and robustness around scrutiny of decisions at the council and this is underpinned by the structure being aligned to the overall strategy of the council.

Risks & Recommendations

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
1. Despite increases in resources, Internal Audit capacity remains a challenge with a reliance on external capacity (RSM) to deliver on the audit plan.	**Medium - 3**	1. Fully embed the required Internal Audit capacity to deliver the Internal Audit plan and ensure a robust assessment of the internal control environment **By end of 2026-27**
2. Both Independent Members and Members of the Audit Committee are not clear on their roles and responsibilities, meaning that challenge is not constructive and appropriately delivered	**Medium - 4**	2. Ensure that officers provide clear guidance and training to both Independent Members and Members of the Audit Committee to ensure clarity of roles and responsibilities **As soon as possible**
3. With an Independent Member as Chair of the Audit Committee they operate in a silo from other Committee's across the organisation as they do not have access to these forums	**Medium - 4**	3. Consider whether there is an appropriate forum that aligns the Independent Chair of the Audit Committee with chairs of other Council committees to enable information sharing and transparency **As soon as possible**
4. There remains a lack of robust action in addressing recommendations raised by Internal Audit, exposing the council to risk around the strength of its internal control environment	**High - 6**	4. Increase the rigour and robustness of action taken against Directors by the Audit Committee where there is inaction around addressing recommendations raised by Internal Audit in a proactive manner. **As soon as possible**
5. As the council has not had a full audit for several years, the council's ability to produce financial statements that align with Local Government accounting requirements may be out of practice, exposing the council to financial and reputational risk.	**High - 6**	5. Engage proactively with External Auditors to ensure that financial statements are accurate and financial risks are minimised in the financial statements preparation and audit process. **As soon as possible**
6. Lack of external audit review of council's approach to MRP being in line with legislation creates a financial risk to the council	**High - 6**	6. Work closely with external audit to ensure that the borrowing to fund EFS is appropriately accounted for and MRP is accurately reflected **As soon as possible**

b) The capacity and capability of the local authority to deliver an effective finance function to the authority commensurate with the complexity of its particular circumstances, the ability to undertake any transformation activity as required, and consider whether officers / members are provided with the right information and training to take necessary financial decisions.

Key findings and analysis

The CIPFA Financial Management Code establishes six principles of good financial management: Organisational Leadership, Accountability, Transparency, Adherence to professional standards, Assurance and Long-term sustainability. The Code requires local authorities to demonstrate their processes satisfy these principles and must be evidenced in the Annual Governance Statement. In the Annual Governance Statement for 2024-25 the council highlighted that a self-assessment of compliance had been completed and an action plan was in place to address the recommendations to strengthen financial management.

Finance function structure and capacity

The council has continued to develop the capacity and capability of the finance function through developing a structure that has greater clarity in roles, recruiting into key roles and investing in a training programme with the aim of developing capacity and capability in the long term. There remain some areas where there is reliance on interim resource and there is currently one vacant post but the overall capacity and capability of the finance function is much improved from where it was.

The council operates a Finance Business Partner model which is seen by the services as being well embedded and having a clear understanding of the services. Through business partners, finance play an active role in the service boards and the Budget Control Review (‘BCR’) process. However, there are areas for improvement in the business partner model as some elements of the function were described as lacking in strategic support, both in-terms of forward-looking financial planning and in-terms of taking a proportionate approach to challenge around spend. These areas of improvement would better align finance and the services and support the services more strategically.

Financial management structure

The council has developed its approach to financial management since the 2021 External Assurance Review with a particular focus on a structured approach to financial management. The Revenue and Savings Board is a critical forum for a more robust approach to financial management. Chaired by the Section 151 Officer it provides monthly monitoring of the savings delivery programme and the revenue budget position. The Board reviews the savings programme line-by-line to identify emerging risk with escalation to CLT and Cabinet where mitigations are required. This forum gives the Section 151 Officer clear oversight of the revenue position and ensures that there is clarity on the revenue position, along with accountability around savings delivery.

Clarity on the capital position is given through the Capital Board which the Section 151 Officer is also chair of. This Board is the mechanism that enforces discipline around there being a clear rationale for capital borrowing. All borrowing must give a demonstratable return on investment or have a clear Health and Safety necessity before approval. This has given rigour around the capital programme of the council.

Transformation

The improved financial outlook for the council over the period of the Medium Term Financial Strategy means that there has been a shift away from cost-cutting to a more strategic and investment-led approach for services. The council does not have a standalone transformation plan but the transformation activity is documented in the Medium Term Financial Strategy. Transformation activity is overseen by the four portfolio boards, Economy and Inclusive Growth; Prevention, Independence and Resilience Board; Sustainable Future City Council Board; and Children and Young People Board to ensure that activity is aligned with Corporate Priorities and financial outcomes set out in the MTFS. The roles of these boards in driving forwards transformation and ensuring accountability is clearly documented in the MTFS, indicating that the arrangements to deliver transformation are in place.

Members and officer financial literacy

Significant improvements have been made in Member and officer financial literacy after it was found to be inadequate in the 2021 reviews. Annual training is now delivered across three strands: Treasury Management; Statement of Accounts and Audit Committee processes; and Introduction to Local Government Finance. Quarterly budget and finance briefings are provided to all Members and the Financial Sustainability Working Group ('FSWG') provides a forum for all political parties to understand the financial position and trajectory of the council. This is supplemented by the Cabinet Policy Forum, fortnightly Monitoring Officer and Section 151 Officer drop-in workshops, and All-Member briefings. Whilst the Conservative Group do not engage with FSWG they receive separate briefings from the Section 151 Officer, enabling them to receive the same information that goes to FSWG.

Risks & Recommendations

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
7. Inconsistency in the interaction between Finance Business Partners and service areas not enabling strategic activity. This could be a lack of information to inform forward planning of finance or a lack of awareness of proportionality around spend challenge.	**Medium - 4**	7. Review the approach to Finance Business Partnering across all service areas to ensure that there is support for strategic activity and to ensure that finance intervention around spend decisions is proportionate. **By end of 2026**

c) The local authority's approach to financial risk management including identification, management and treatment of risk.

Key findings and analysis

The council has made significant improvements in its approach to risk management with a dedicated Risk Manager in place, a Strategic Risk Register that is reviewed monthly and reported to the Audit Committee and a consistent scoring and reporting framework. The Strategic Risk Register includes an assessment of the scale of the risk and mitigation actions to address the risk. Whilst the risk management framework at the council is significantly improved there remains risk, particularly in relation to the financial position of the council.

Alongside the financial risks identified in the Strategic Risk Register, the Section 25 Report from the Section 151 Officer clearly highlights the financial risks facing the council. Key risks are explicitly called out in this document and there is also a risk assessment that attributes a financial value to the identified risks. The Section 25 Report includes a risk assessment of the reserves position of the council against the CIPFA Reserves Factors and identifies that the council is particularly vulnerable to its borrowing position and the current level of reserves. Included in this are mitigations to address the identified risk and these mitigations are reflected in the MTFS.

The use of the Strategic Risk Register, the robust identification of risk in the Section 25 Report and the mitigation strategies in place indicate that, whilst there remains significant financial risks, the council has a robust approach to financial risk management.

Risks & Recommendations

None

3.2 Review Area 2: Financial Sustainability and Risk

An assessment of the local authority's overall financial resilience and sustainability, the identification of specific financial risks and a view on the authority's capital and debt position and approach to assets (with a view on the sustainability, Value for Money and risk exposure of the local authority in this space).The underlying drivers of any financial fragility and risk and the local authority's ability to successfully manage those drivers so that issues do not materialise.

Peterborough City Council's medium-term financial outlook has improved, with the MTFS forecasting a balanced position and around £40 million of reserve rebuilding over the planning period. The council has taken credible steps to strengthen financial management through the Reset, Rebuild and Redesign strategy, tighter oversight of savings delivery, stronger scrutiny of capital borrowing, a more disciplined approach to commercial activity, and improved governance around asset disposals and companies. These actions indicate a more robust framework for managing financial sustainability and risk than in previous years.

However, the council remains financially fragile. Reserves are still below a prudent minimum level, the authority remains reliant on Exceptional Financial Support, and significant pressures persist from Children's Social Care demand, historic savings under-delivery, high external borrowing costs, unresolved balance sheet and audit risks, and uncertainty over future capital receipts. The council must deliver on the rebuild of reserves as planned, sustain realistic savings performance, maintain tight control of borrowing and capital decisions, strengthen engagement with external audit, and improve oversight of major projects so that recent improvements translate into greater financial resilience.

a) The underlying drivers of any financial fragility and risk and the local authority's ability to successfully manage those drivers so that issues do not materialise.

Key findings and analysis

The MTFS presented to Cabinet on 10th February 2026 presents a more positive financial outlook for the council following the outcome of the multi-year funding position detailed in the Local Government Funding Settlement. Over the period of the MTFS the council is forecasting a balanced position that includes contributions to rebuilding reserves of c.£40 million over the MTFS period.

Whilst the financial outlook of the council indicates a move towards improved financial sustainability and resilience, there remains financial fragility and financial risk over the period of the MTFS. The financial resilience of the council is a critical risk as c.£70 million of reserves have been used to underpin the financial position of the council since 2023 meaning that the level of General Fund reserves at 31 March 2026 was forecast to be £9.216 million. This is lower than the widely accepted minimum of 5% of Net Revenue Budget and, as highlighted in the Section 25 Report, may not be sufficient to mitigate all risks should they materialise. The lack of financial resilience is a key driver for the council's requirement for EFS as it will be used to mitigate the 2025-26 overspend and be used to protect reserves in the delivery of the 2026-27 budget.

Alongside the financial resilience risks facing the council, a key risk is the demand on Children's Social Care in Peterborough. Currently, the council has one specific case that is high-cost and a key reason for the EFS requirement. The Council is actively engaged with the Integrated Care Board regarding funding arrangements associated with this case, with a view to securing an appropriate contribution towards costs. Whilst this mitigating action is being taken there remain risks around high-cost placements entering the system given the socio-economic profile of Peterborough. The demand pressures alongside the lack of financial resilience provided by reserves means that the council does not currently have the ability to deal with unexpected financial shocks and is reliant on EFS to mitigate these. The MTFS articulates a plan to rebuild financial resilience over the period but this needs to be delivered on.

External borrowing held by the council is currently £479 million with an annual revenue servicing cost of £40 million, equating to 16% of the council's revenue budget. This means that the council has a significant level of external borrowing and this is putting pressure on the revenue budget through interest cost and Minimum Revenue Provision. Whilst EFS will be funded through external borrowing the council is taking steps to manage its external borrowing position. A Capital Board, chaired by the Section 151 Officer, is in place which interrogates any new capital borrowing to ensure that it demonstrates a return on investment or clear health and safety need. This is evidenced in the reporting which shows that only £3 million of external borrowing was drawn to fund the 2024-25 capital programme. In addition to this the council is using capital receipts from the sale of assets to reduce the overall capital borrowing requirement and manage the revenue costs of borrowing.

Given that the council has not received a full audit for a number of years there is a financial risk around items on the Balance Sheet impacting on the revenue position if they need to be unwound. The council is currently undertaking an exercise to review items on the Balance Sheet to ensure that it is as accurate as possible ahead of the external audit process. External Audit are aware of this exercise but have not been engaged with by the council at the point of this review.

Risks & Recommendations

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
8. Reserves remain low and mean that the council does not have the financial resilience to deal with unexpected financial shocks, remaining reliant on Exceptional Financial Support.	**High - 9**	8. Build on the existing reserves risk assessment and articulate a risk-based minimum reserves level as a percentage of Net Revenue Expenditure. Monitor this against financial performance to ensure that the replenishment of reserves is delivered in line with the MTFS, giving the council the financial resilience it requires to manage unexpected financial shocks. **As soon as possible**
9. The Balance Sheet reconciliation identifies a number of issues that impact on the revenue position. There is also the risk that the view of external audit differs from the council, potentially increasing the revenue impact of this review.	**High - 6**	9. Engage with EY on the Balance Sheet review approach to ensure alignment and mitigate risk. Closely monitor and report on the revenue impact of decisions made around the Balance Sheet review. **As soon as possible**

b) An assessment of steps the local authority is undertaking to ensure it remains within its spending envelope, including deliverability and appropriateness of current savings / transformation plans, income generating activity, ensuring activities that are no longer required are being scaled back

Key findings and analysis

Peterborough City Council has a poor track record of savings delivery, which has increased the financial pressure the council has been under. This under-delivery has been driven by unrealistic savings plans being built into the budget, both in terms of scale of savings and the ability for the savings to be delivered. In 2024-25 the council delivered 68% of its savings plan of £19.042 million and in 2025-26, savings delivered or at low risk of non-delivery at Q3 reporting was 69% of the £22.585 million target.

The Section 151 Officer highlighted the under-delivery of savings as a key contributor to financial pressures of the council and overspends delivered in previous years, leading to the depletion of reserves and the current level of financial resilience the council has.

Steps have been taken to improve the oversight and monitoring of savings delivery, along with decisions in the budget planning process to address historic savings targets that are considered non-deliverable and set out savings plans that are more realistic and deliverable. This is centred around a clear finance strategy for the council of ‘Reset, Rebuild and Redesign’. Addressing the under-delivery of savings and the robustness of savings included in the budget is a key strand of the ‘Reset’ element of the strategy. The aim is “strengthening the foundations of the budget by improving the robustness of estimates underpinning the assumptions……resolving historic budget issues”.

From an oversight and monitoring perspective the Revenue & Savings Board, chaired by the Section 151 Officer, monitors savings delivery line-by-line, identifies risks and reports progress against a clear traffic light system and escalates action to CLT where required.

The MTFS for 2026 to 2029 identifies that the savings programme has been re-evaluated to determine if plans for 2025-26 and previous years are achievable. Where savings have been identified as un-achievable they have been removed from the MTFS. A total of £49.257 million of prior year savings have been reviewed with £43.078 million (87%) either delivered or reset. This leaves residual savings of £6.179 million with 33% of these RAG rated as ‘Red’. This leaves a risk of under-delivery of savings in the MTFS but has addressed historic issues and mitigated the risk significantly. In addition to this, the new savings targets in the MTFS are significantly lower than prior year targets which indicates that the risk that under-delivery poses on the financial resilience of the council is reduced. For the period 2026-27 to 2028-29 the cumulative savings target in the MTFS is £5.375 million.

Pressure on income generation targets in the budget has been a challenge for the council historically. A particular area of challenge is the income targets relating to Clare Lodge, a specialist facility for children. The facility is currently running at reduced capacity due to an ‘Inadequate’ Ofsted rating. Therefore, the income target set in the budget is unlikely to be achieved, placing pressure on the council’s finances. To mitigate this risk the council has set aside a specific reserve.

As part of the ‘Reset’ activity of the finance strategy, the council has made a number of decisions around outsourced services and commercial activity to improve the financial position of the council. Waste services have been insourced from the LATCo following an independent audit identifying a £2 million running cost excess, approximately 35% over-staffing and a 12% overhead charge, Regulatory Services and planning arrangements with Rutland Council were exited where cost recovery was not being achieved and Peterborough Limited has been substantially brought back in-house, retained only where the NNDR benefit makes it financially advantageous.

The action taken by the council is indicative of an organisation that is seeking to address its financial challenges and deliver services within the available resources.

Risks & Recommendations

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
10. There remains a risk that the council under-delivers on the savings target set out in the MTFS given historic under-delivery of savings. This will mean that there is a reliance on reserves and/or EFS to bridge the financial gap given the overall resilience position of the council.	**High - 6**	10. Continue robust monitoring of savings delivery and ensure that mitigating action is taken to address slippage. Regularly review savings to ensure that the delivery profile and scale remains appropriate. Clearly identify where under-delivery of savings is offset by a reduced contribution to reserves. **As soon as possible**

c) An overall view on the ability of the local authority to manage identified budget pressures through its own resources, including reserves. This should include a view on the actions the council should take to minimise the need to use / seek a capitalisation direction.

Key findings and analysis

Currently, the council is in a position where its reserves are inadequate to underpin financial resilience and address unexpected financial shocks. The level of reserves is a key driver for the council's EFS requirement as it does not have the reserves to mitigate the expensive and complex Children's Social Care placement and the compensation for the Key Theatre operator. The level of General Fund reserves at 31 March 2026 was forecast to be £9.216 million and the Section 25 Statement from the Section 151 Officer is clear that "the reserves balances projected as at 1 April 2026 remain low and may not be sufficient to mitigate all risks, should they materialise".

The 'Rebuild' phase of the finance strategy is focused on the replenishment of reserves to an appropriate level to underpin future financial resilience and enable the council to mitigate future financial risks. This strategy is clearly articulated in the MTFS and is reflected in the proposed contribution to reserves. In 2026-27 there is a planned contribution to reserves of £3.177 million, increasing to £17.395 million in 2027-28 and £23.478 million in 2028-29. If delivered in full, this will provide the council with increased financial resilience moving into local government reorganisation.

In addition to the reserves position the council is seeking to mitigate the immediate requirement for EFS. It is actively working with the Integrated Care Board to resolve funding arrangements associated with a highly complex children's social care case. This activity is ongoing and, if successful, will reduce the direct cost to the council of this case and reduce the level of EFS required.

Risks & Recommendations

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
11. Financial plans as set out in the MTFS are not delivered as anticipated and the contribution to reserves is not as significant as planned. This will reduce the council's future capacity to manage financial shocks.	**High - 6**	11. If the planned contribution to reserves is used to offset overspends in year, ensure that this is clearly documented and tracked. **As required, as part of financial monitoring cycle**
12. The council is unsuccessful in resolving the dispute with health statutory partners and is required to fund in full, potentially increasing the EFS requirement or reducing the ability to contribute to reserves.	**High - 6**	12. Continue dialogue with MHCLG on the outcome of the dispute with health statutory partners and the potential implications this has on the EFS requirement of the council. **As required**

d) An assessment of how the council expects to finance capitalisation (i.e through external / internal borrowing or through capital receipts), the viability / risks of their proposed approach.

Key findings and analysis

The council plans to fully fund EFS through external borrowing from PWLB. The anticipated annual financing cost of this additional borrowing increases from £0.606 million in 2026-27 (£0.133 million MRP plus £0.473 million interest) to £0.928 million by 2027-28. The council has a significant level of external debt so this borrowing will add to this level, whilst also increasing the revenue cost of borrowing. Capital receipts are used to fund the capital programme, mitigating the need for external borrowing to fund the programme. There is no plan to use capital receipts to offset EFS. The council has fully incorporated the revenue costs of borrowing for EFS in its MTFS so has a clear plan for ensuring it remains affordable.

Risks & Recommendations

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
13. Due to the uncertainty around the dispute with health statutory partners and the nature of the high-cost, high-complexity placement in Children's Services there may be a need for increased EFS in future years.	**High - 9**	13. Regularly assess and plan for potential need for increased EFS and that any consequent revenue costs from increased borrowing are modelled and understood. **As required**

e) An assessment of the council's current asset base and planned asset disposal strategy, and scope for the council to utilise planned receipts and generate to fund expenditure capitalised under exceptional financial support.

Key findings and analysis

The council has undertaken a detailed review of its asset base in order to identify those suitable for disposal, establish accurate valuations and understand potential RAAC exposure. This review is the basis for the Asset Management Plan for the period 2024 to 2029, with updates made regularly to the plan.

For asset disposals a Challenge Process is in place to ensure that the decision making around the disposal is robust and appropriate. The process is governed by the Property Board, which has senior officer representation from Finance, Internal Audit and Legal. For each disposal a surplus declaration must be made stating the reason for disposal and this must be confirmed by the Corporate Leadership Team and Cabinet. For each disposal the Section 123 Local Government Act 1972 best consideration compliance is assessed to ensure that best consideration is being obtained.

Historically, the council's arrangements for the disposal of assets have not been robust with a statutory Section 5 Notice being issued by the Monitoring Officer and Section 151 Officer with regards to the disposal of the John Mansfield Centre to the City College in February 2020. This asset was disposed for £1, despite the value being £4.6 million and the Notice concludes that the decision was made outside of delegated powers and in breach of duty to obtain best consideration. The Notice also highlighted a lack of transparency and scrutiny around the disposal decision, issues that the current process seeks to address. Alongside this the council issued a report under Section 114A (2)(a) of the Local Government Finance Act 1998 relating to unlawful expenditure on the subsequent rental payments and costs of disposal following the transaction.

Capital receipts generated by the council are used to repay external debt and fund the capital programme, there is no plan to directly use capital receipts to mitigate EFS requirement. Over the period of the MTFS the council is anticipating capital receipts in the region of £25.5 million with the majority of these expected to materialise in 2027-28 with the disposal of the Hilton Hotel site and the exit from Medesham Homes LLP.

Risks & Recommendations

Key risk	**Risk rating (see details in Annex 3)**	**Recommendation (including Timeline)**
14. Risk that the asset disposal programme does not deliver the level of receipts anticipated and the council needs to take out additional borrowing to fund the capital programme or revise the capital programme	**Medium - 4**	14. Provide transparent and regular updates on the asset disposal programme to monitor delivery and timing risks **As soon as possible**

f) A detailed assessment of any financial risks in relation to the council's (i) capital programme, (ii) companies, (iii) commercial investments and (iv) major projects, identifying any risks associated with specific investments, and assessing the adequacy of internal processes, scrutiny of decisions, use of external expertise (where required), and capacity / capability to deliver. An assessment of whether and to what extent the council is complying with statutory guidance / following best practice in regards to these areas, including, but limited to, minimum revenue provision guidance, investment guidance, and accounting codes.

Key findings and analysis

The council has undertaken significant action to restructure its company profile, seeking to mitigate risks associated with this. Peterborough Limited has been substantially insourced, retained only for leisure, parts of libraries, museums and Flag Fen where the NNDR benefit provides a financially-justified rationale for the company structure. A number of entities have been dissolved or transferred and Medesham Homes LLP, a joint venture with CKH Developments Ltd (a subsidiary of Cross Keys Homes) is subject to restructuring discussions with CKH which are expected to conclude in 2026-27, generating a significant capital receipt in 2027-28.

The Shareholder Cabinet Committee is the formal oversight body for the company portfolio. This is a formal public committee of the council with elected member membership, published agendas and minutes, and democratic services support. The Companies Governance Handbook (2025) sets out the governance framework for each entity. The committee has taken steps to increase the robustness and clarity of governance arrangements meaning that there is a move towards greater structure and transparency.

The most significant project that the council is delivering is the Station Quarter scheme, a £65 million project transforming the train station and surrounding area. The council has leveraged external funding for the programme and is working closely with Cambridgeshire & Peterborough Combined Authority ('CPCA') and Network Rail to deliver. The governance of the project is delivered through a three tier system with a Partnership Group giving strategic oversight of the project, a Steering Group giving programme oversight, and an Executive Group responsible for day-to-day programme management, There is joint governance with CPCA at a strategic level, indicating robust governance structures are in place for a project of this scale.

As previously highlighted, EY have previously raised concerns over the council's approach to accounting for MRP in the 2020-21 Annual Auditors Report that was published in February 2024. This has not been subject to a full external audit and was reported as such in the 2024-25 Annual Auditors Report. There have been changes in the capacity and capability of the finance team since this was raised but there remains a risk to the council.

Risks & Recommendations

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
15. Cabinet and Audit Committee may not have sufficient oversight of the progress of the Station Quarter scheme. This could lead to a lack of scrutiny, challenge and monitoring of the major project.	**High - 6**	15. Embed quarterly reporting on the progress of Station Quarter to Cabinet and Audit Committee. This should cover the project risk register, spend versus profile and partnership governance. Ensure frequency and depth of reporting is appropriate for the stage of the project. **As soon as possible**

3.3 Review Area 3: Service Reform, Delivery and Transformation

An examination of high cost service pressures and an assessment of specific opportunities for savings, innovation, and reform to support the local authority to move to financial sustainability with named service areas. This assessment has made use of recognised best practice models and guidance for delivering quality and cost-efficient services that put prevention first, and the council's alignment with this good practice.

Peterborough City Council's overall service delivery appears comparatively efficient, with total service expenditure below that of its statistical neighbours, although there are notable cost pressures in Planning and Development and in Central Services. The most significant challenge sits within Children's Social Care, where higher-than-average demand, increasing unit costs, a small number of high-cost placements and wider system pressures are placing sustained strain on financial sustainability. The council has positive foundations in place, including a strong fostering base, recent growth in in-house fostering capacity, placement panel governance, and early steps to increase sufficiency and explore internal provision.

To translate these foundations into long-term resilience, the council now needs to strengthen multi-year sufficiency planning, improve forecasting and placement mix management, introduce more structured oversight of high-cost placements, and better align commissioning with children's services priorities. More granular financial analysis and stronger partnership working on housing, health funding and targeted preventative services will also be important. More broadly, the council's corporate and finance strategies are well aligned and supported by governance and performance arrangements, but further work is needed to embed this direction consistently across staff. In procurement and delivery models, the move to bring services in-house has improved clarity and value for money, and the approval and implementation of updated Contract Rules has been addressed by Full Council in May 2026.

a) The efficiency and effectiveness of service delivery, including benchmarking against comparator local authorities, sector, and wider public sector metrics.

Key findings and analysis

Building on the benchmarking that was completed for the initial review of the council's EFS application we have used data from the 2024-25 Revenue Outturn returns to compare the council's spend against that of statistically similar local authorities.

The statistical nearest neighbours for Peterborough have been identified using a number of socio-economic characteristics such as: Index of Multiple Deprivation, age profiles, education levels, employment rate and population density. The councils that we have compared Peterborough against are those that are most likely to have similar challenges around service delivery as the council.

When looking at the benchmarking the council benchmarks 'Very High' in Planning and Development Services when compared to statistically similar local authorities. The council has the highest unit costs of all councils within the nearest neighbour cohort at £40.09 per head of population, compared to the nearest neighbour average of £19.38 per head of population. The council also benchmarks 'High' against its nearest neighbour cohort in Central Services with a unit cost of £61.22 per head of population compared to nearest neighbour average of £55.51 per head of population.

Across all other service areas, as classified in RO categories, the council benchmarks as 'Average', 'Low' or 'Very Low'. The service areas where the council benchmarks very low are Cultural and Related Services, Environmental and Regulatory Services and Highways and Transport Services.

When looking across Total Service Expenditure Peterborough City Council benchmarks 'Low' against the nearest neighbour cohort with a unit cost of £1,665.83 per head of population compared to the nearest neighbour average of £1,771.41.

Overall, the benchmarking data shows that there are some pockets of service delivery where the council could increase its efficiency but these are not in the demand driven service areas and, on the whole, the council is relatively efficient in its service delivery.

Risks & Recommendations

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
16. Benchmarking indicates that there are services that the council delivers less efficiently than statistically similar local authorities.	**Medium - 3**	16. The council should continue to review its services and ways of delivering services to ensure that income is being maximised, services are being delivered efficiently and outcomes are being achieved for service users. **Ongoing**

b) Assessment of the extent to which the council's service delivery model particularly in Children's Social Care areas of high demand / financial pressure reflect current best practice and guidance on service effectiveness and efficiency.

Key findings and analysis

Children's Social Care is a particular area of pressure for the council and the review has specifically focused on the effectiveness of placement planning and sufficiency arrangements in the context of financial sustainability and outcomes for children, a key indicator of the pressures facing the council.

Benchmarking data and discussions with the Director of Children's Services (DCS) indicate a system experiencing elevated demand, increasing cost pressures, and evolving sufficiency arrangements, with a number of areas where further strategic development would support long-term sustainability.

Benchmarking shows:

- Higher rates of entry into care (+23% greater than statistical neighbours and England)
- Overall children in care rates broadly comparable, though slightly above national averages
- Average placement costs broadly in line with England, with some variation by type
- Residential care costs above national averages and east of England, and in line with Statistical neighbours.
- Fostering costs above both statistical neighbours and England and slightly below east of England.

Demand and flow through the system

The local authority is operating within a context of higher-than-average demand across social care, particularly at the point of entry into care. This creates ongoing pressure on placement sufficiency and financial resources. While exit rates have improved in recent periods, the combination of sustained demand and placement duration (including transition delays for older young people) continues to influence overall system capacity and cost i.e. both demand and unit costs are increasing.

Placement mix and sufficiency

The current placement profile is predominantly fostering-based (approximately three-quarters of placements), supported by a smaller number of residential placements (exact figures were not provided). Recent activity to increase in-house fostering capacity, including recruitment and conversion from independent fostering agencies (IFA), is a positive development. This has resulted in an increase of 23 foster care placements and 15 foster carers over the past financial year. A small number of high-cost residential placements and specialist provision account for a disproportionate share of expenditure. The authority has no internal residential provision, although there are plans under consideration to expand this capacity using Department for Education funding. The sufficiency programme is in place; however, further development of forward-looking demand modelling and placement mix forecasting would strengthen alignment between sufficiency planning and anticipated demand.

Financial management and cost drivers

Overall weekly costs for children in care are broadly aligned with national averages, though variation by placement type indicates opportunities for further optimisation of the placement mix.

Key cost drivers identified include:

- A small number of high-cost placements, including specialist and unregulated provision
- Residential care costs above national and regional benchmarks and in line with statistical neighbours.
- Fostering costs above comparator averages
- Extended placement durations linked to housing availability for care leavers
- Limited external contributions in specific cases (e.g. Continuing Care)

Existing panel arrangements provide oversight of placement decisions. There may be an opportunity to further enhance systematic financial oversight of high-cost placements and strengthen visibility of cost drivers at a strategic level. This can be further explored through the review of panel terms of reference and pathway process maps.

Commissioning and market engagement

Commissioning and brokerage functions are reported to be operating effectively at a transactional level. These functions currently sit within adult services, which may influence the degree of alignment with children's strategic priorities and sufficiency planning. The authority is operating within a challenging external market, particularly for residential and specialist placements. Continued development of market shaping and longer-term commissioning approaches may support greater stability in pricing and availability.

System capacity and enablers

A number of wider system factors are influencing placement planning and costs:

- Housing constraints, impacting timely transitions from care and contributing to placement pressures
- Workforce challenges within specific services (e.g. secure provision)
- Limited availability of targeted edge of care and reunification services, which may affect demand management over time

The authority's current model of social work practice is described as traditional, with potential scope to consider how additional targeted interventions could support demand reduction and improved outcomes.

Based on the review of the effectiveness of placement planning and sufficiency arrangements, a number of recommendations have been identified for the council to consider in this service area.

Peterborough has established key components of a placement system, including a strong fostering base, active recruitment activity, and governance through placement panels. The authority is also taking steps to increase sufficiency through foster carer growth and exploring internal provision.

Given the context of elevated demand and market pressures, there is an opportunity to further strengthen:

- Strategic sufficiency planning and forecasting
- Alignment between placement mix and cost optimisation
- Financial oversight of high-cost placements
- Integration of commissioning with children's services priorities

These developments would support both financial sustainability and improved placement stability and outcomes for children.

Risks & Recommendations

Key risk	**Risk rating (see details in Annex 3)**	**Recommendation (including Timeline)**
17. There is insufficient robustness of the financial position of Children's	**Medium - 4**	17. Strengthen financial forecasts by:

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
Social Care service over the medium term		a) Develop a multi-year demand and placement forecasting model with clearly articulated assumptions that aligns sufficiency plans with projected changes in demand and placement mix. b) Progress plans for internal or collaboratively commissioned residential provision, where appropriate. Strengthen pathways between placement types to support stability and cost effectiveness c) Review the alignment of commissioning with children's services strategy. Explore opportunities for longer-term and collaborative commissioning arrangements. Continue to strengthen market engagement to support sufficiency and value for money **By end of 2026**
18. High-cost placements do not have a structured review process	**Medium - 4**	18. Review opportunities within existing panel processes for a more structured approach to reviewing high-cost placements, including regular multi-agency oversight. Ensure consistent consideration of cost, outcomes, and step-down planning **By end of 2026**
19. System-wide factors are impacting on placements	**Medium - 4**	19. Work with partners to improve housing pathways for care leavers. Continue engagement with health partners regarding funding contributions. Consider the role of targeted services (e.g. edge of care, reunification) in supporting demand management over time **By end of 2026-27**

c) A view on the extent to which service plans are aligned to the local authority's strategic priorities and financial sustainability, the effectiveness of service areas in responding to financial pressures, and whether financial management and sustainability is embedded within service area practices and culture.

Key findings and analysis

The council's direction of travel is clearly articulated in the Corporate Strategy 2026-2028 document that was presented to Cabinet alongside the MTFS. The strategy identifies four pillars: Prevention, Independence and Resilience; Children and Young People; The Economy and Inclusive Growth; and Sustainable Future City Council. Each of the pillars is underpinned by a Portfolio Board that is chaired by an Executive Director. The purpose of each Board is to act as a governance and accountability mechanism for strategic delivery. A suite of KPIs have been developed that are published quarterly through Cabinet and operational performance is reviewed monthly by CLT. Transformation activity is also monitored through each of the Boards so there is a clear link between the overall strategic direction of the council and transformation activity.

The Finance Strategy of 'Reset, Rebuild, Redesign' is intrinsically linked into the Corporate Strategy, based around the priority of Sustainable Future City Council. Therefore, there is clear evidence that the strategy flows through the activity of the organisation. We do note that, during the interviews, it was flagged that more work could do done to embed the strategy with all staff but, overall, the council has a clear and aligned strategic approach.

Risks & Recommendations

None

d) A consideration of the effectiveness of the chosen approach in delivering services (i.e in house or external). This should include a consideration of how the operation of the procurement functions is geared towards effective service delivery, including overall management of the pipeline, capacity and capability of officers, the adequacy of the processes and culture and attitude towards procurement.

Key findings and analysis

The council has taken steps to bring services back in-house from wholly-owned companies in order to have greater clarity around service delivery whilst also ensuring that the council receives value for money for services. A key example of this is bringing services in house from Peterborough Limited, with the exception of those services when there is a tax benefit of continuing to deliver through a wholly-owned trading company. This decision was made on the back of an independent audit that identified that the services were operating at a £2 million running cost excess and the 12% overhead charge was not generating proportionate management value.

Our review has not identified any specific concerns with regards to the operation of the procurement function within the Council. Previous Internal Audit reviews have not identified any significant weaknesses in the arrangements associated with procurement but we do note that the most recent comprehensive Internal Audit review of procurement was conducted in 2022-23 and there is no review planned for 2026-27. We do note that in April 2025 a Contract Rules revision was considered by the Constitution and Ethics Committee. This revision acknowledged that the Contract Rules had not been subject to a full review for a number of years and improvements were needed with regards to guidance on contract types, updated processes for contract awards and improved rules for contract management.

Approval from Full Council of the changes to the Contract Rules is required and this was completed in May 2026.

Risks & Recommendations

None

e) Additional points for service specific issues in this authority as required

Key findings and analysis

None noted. Detailed review of Children's Social Care is detailed above.

Risks & Recommendations

None

3.4 Review Area 4: Governance, Culture and Leadership

An assessment of the local authority's approach to ensuring robust overall governance / management processes, leadership, operational culture, capacity and capability to reach a view on whether the local authority is operating in line with the Nolan Principles and in a way to secure continuous improvement.

Peterborough City Council has made clear and credible progress in strengthening governance, leadership and organisational culture since the serious failures identified in 2021. Governance and scrutiny arrangements have been reinforced through stronger Audit Committee arrangements, dedicated Capital and Property Boards, improved budget scrutiny, clearer reporting and more visible involvement from statutory officers. The council also has a clear strategic direction, with the Corporate Strategy, medium-term financial planning and operational delivery structures aligned through the Portfolio Boards and the Reset, Rebuild, Redesign approach. Senior officer leadership is broadly stable and effective, political and officer relationships appear constructive, and there is stronger evidence of organisational self-awareness and willingness to address difficult issues early.

However, governance improvement is not yet fully embedded and several residual risks remain. The Constitution still requires updating, particularly to remove scope for decision-making routes that previously weakened transparency and control, and there is a risk that governance processes become overly bureaucratic and impede timely decisions. Historic governance issues continue to consume officer capacity and carry financial and reputational risk, while leadership resilience remains exposed by past instability in the Monitoring Officer role. The priority now is to keep governance processes under active review, complete the constitutional update, maintain formal oversight of historic issues through regular Audit Committee reporting, and ensure that improvement plans are supported by sustainable arrangements rather than reliance on specific individuals.

a) The adequacy of the local authority's decision making processes including presence / absence of clear schemes of delegation, scrutiny arrangements, quality of council papers and whether there is a clear understanding of governance arrangements across all levels of the authority. This should include a view on the effectiveness of the adopted governance model and whether it is suitable to drive the right outcomes for the area.

Key findings and analysis

The council has made significant improvements in its governance arrangements since the reports in 2021 highlighted significant issues with governance arrangements. These issues are most clearly highlighted by the two Section 5 reports made by the Monitoring Officer and Section 151 Officer detailing significant governance failures and, with the disposal of the John Mansfield Centre, unlawful decision making. This included reporting under Section 114A (2)(a) of the Local Government Finance Act 1998 relating to unlawful expenditure on the subsequent rental payments and costs of disposal following the transaction.

In response to this the council has sought to strengthen governance and scrutiny arrangements in a number of ways. The Audit Committee has been strengthened through the appointment of Independent Members and an Independent Chair, a Capital Board has been established to assess capital spend and borrowing requests and a Property Board has been established to ensure Section 123 compliance with all property disposals. Outside of these formal mechanisms the Section 151 Officer and Monitoring Officer hold fortnightly drop-ins for officers and Members to discuss decisions and ensure that there is strong governance throughout the decision making process.

From a budget setting process the Financial Sustainability Working Group gives a forum to opposition Members to be involved in the budget process, increasing the scrutiny of decisions taken by the Executive on the finances of the council. This is underpinned by the Revenue & Savings Board that tracks savings delivery on the four Portfolio Boards that are each aligned to a pillar of the council's Corporate Strategy.

Through this review we have reviewed a number of Council documents and they are clear on what is being asked of Members and the information to underpin the decisions. This is particularly true for finance reports which are clear and evidence that the council has a grip of its financial position and the plan moving forwards.

Whilst the council has made significant progress in strengthening its governance arrangements, there remain areas where further action is required. A key driver of the previous governance issues in Peterborough was the excessive use of Cabinet Member Decision Notices (CMDN) which were not transparent around the decision making process. The Constitution allows CMDNs to make decisions that should have gone to Cabinet, allowing key decisions outside of a robust governance process. Whilst the council has sought to stop this practice with the governance structures in place, there remains work to do to ensure that the Constitution is updated.

Risks & Recommendations

Key risk	Risk rating (see details in Annex 3)	Recommendation (including Timeline)
20. The Constitution is not updated and this exposes the council to residual governance risks.	**High - 6**	20. Prioritise the ongoing work to update the Constitution and ensure it is reflective of the governance arrangements in place **As soon as possible**
21. Historic governance issues are not appropriately resolved, taking up significant officer time and posing a reputation and financial risk to the council	**High - 6**	21. Maintain a tracker for the historic governance issues, owned by the Monitoring Officer and reported to Audit Committee twice yearly. This will ensure that these matters are closely monitored and Audit Committee are assured that historic failings are being addressed. **As soon as possible**

b) The presence / absence of a clear, outcome orientated, measurable and performance driven strategic direction for the local authority and whether this is clearly set out through alignment of the key strategy documents (Corporate / Strategic Plan, Annual Governance Statement and Medium Term Financial Plan). This should include an assessment of the extent to which the strategic direction of the local authority is present throughout operational implementation or whether it exists in 'name only'.

Key findings and analysis

As already identified, the council has a clear strategic direction, articulated in the Corporate Strategy document. Whilst the strategic direction is clear it is also underpinned by an operational framework that supports delivery and ensures that decisions are aligned with it. This is achieved through the four Portfolio Boards that are each centred around each pillar of the Corporate Strategy.

The focus on a Sustainable Future City Council is clearly linked into the MTFS and the financial strategy of 'Reset, Rebuild, Redesign'. The Section 151 is at the centre of all activity across the council, ensuring that the financial trajectory of the council is clearly linked through to its strategic direction.

Our review has identified that the Corporate Strategy is clear and flows through the different strands of operational activity of the council. Therefore, the council has the right structures in place to support delivery of the Corporate Strategy.

Risks & Recommendations

None

c) A view on the effectiveness of local authority leadership including the stability of senior leadership, their ability to work effectively together, set and communicate a clear vision and set of priorities for the local area, as well as their ability to lead the delivery of those priorities (as set out in key strategy documents) through the fostering of a cohesive organisation built on cooperation, trust and respect.

Key findings and analysis

Senior officer leadership of the council is stable and the working relationships are effective.

The Chief Executive has been in post for four years and has driven much of the improvement in governance arrangements at the council.

The Section 151 Officer has been in place for over a year and has made a clear impact on improving the financial robustness of the council. The council now have a clear grasp of their financial challenge and clear governance arrangements have been put in place to support this. As Chair of the Capital Board and the Revenue and Savings Board, the Section 151 Officer is at the centre of the two most critical financial governance mechanisms. The Section 151 Officer is supported by the Deputy Section 151 Officer who is experienced and has worked in Peterborough for a number of years.

At Monitoring Officer level there has been churn reliance on a number of interims. During our review a permanent Monitoring Officer has been appointed but, given the capacity requirements of the historic governance issues, the previous Monitoring Officer has been retained as Deputy Monitoring Officer.

The Director of Adults and Health is in his third year and has delivered improvement in the service. The Director of Children's Social Care is experienced and has delivered improvement at other local authorities. The Director of Public Health is well-embedded across the organisation and the wider health system.

Therefore, we have not identified any specific concerns with regards to the effectiveness of officer leadership.

At a political level there is strong cross working through the FSWG and the Cabinet Policy Forum. This enables all political parties to be involved in the decision making process around the budget. Whilst the Conservatives do not engage with FSWG they have the opportunity to input into the budget process through briefings with the Section 151 Officer. Each of the scrutiny committees are aligned with the Corporate Strategy pillars and are chaired by Members of other political parties to the Leader. The upcoming elections do pose a risk to the political make-up of the council.

The clearly articulated Corporate Strategy and the structures that underpin this are clear evidence of the effectiveness of the council leadership and a clear direction of travel for the council.

Risks & Recommendations

Key risk	**Risk rating (see details in Annex 3)**	**Recommendation (including Timeline)**
22. The lack of stability in the post of Monitoring Officer creates risk around the resilience of the governance improvement plans.	**Medium - 4**	22. The appointment of a permanent Monitoring Officer and retention of the previous interim as Deputy Monitoring Officer mitigates some of this risk but the council should ensure that there is a clear programme in place that is not reliant on individuals to deliver. **Ongoing**

d) A view on the working culture and working relationships across all levels of the council including between political and officer leadership, and senior officers and junior staff. The local authority's capacity and capability improve and transform to secure continuous improvement at an operational level (i.e. sufficient expertise, staff etc.) and at a cultural level (i.e. acknowledgement of problems, openness to constructive criticism and change including inviting external challenge and scrutiny, delivery with local partners, and collaboration with sector support), and a view on the local authority's ability to identify early warning signs and take action to address potential failures at the earliest opportunity.

Key findings and analysis

The improvements to the governance arrangements at the council indicate a healthy approach to improvement and addressing challenging findings. Previously, the governance arrangements did not support this and led to the historic issues, both operationally and financially.

The officer/Member working relationships across the council appear to function well. There is clarity on the strategic direction of the council and this clarity is shared by both officers and Members.

Alongside strengthening governance arrangements, the council has greater clarity on its financial challenges and is self-aware of the risks that remain, as evidenced in the Section 151 Officer's Section 25 Report. This self-awareness is also evidenced in the two Section 5 Reports issued by the Section 151 Officer and Monitoring Officer. Statutory officers identified historic issues and acted quickly to issue these reports. This indicates self-awareness and an ability to address difficult situations, something that was previously lacking in Peterborough.

Governance arrangements in Peterborough continue to develop but the council shows a clear commitment to improve at officer and Member level.

Risks & Recommendations

None

Annex

A1 Requirement

CIPFA has been asked by MHCLG to deliver an external assurance review (in depth assessment of finance and governance) of the council. The review is required to cover the areas set out below and to be completed in line with the objectives set out in the contract specification.

As a result of receiving Exceptional Financial Support, MHCLG will be seeking some deeper assurance around the plans included in the business case for the 2026-27 financial year. In line with that expectation, CIPFA adopted the approach of looking to provide an assessment of the council's financial resilience, financial management, governance arrangements, capital programme, debt position, and service delivery, with a view to providing recommendations for improvement.

To provide this assessment, four key themes were investigated:

1. **Quality of financial management and financial processes**

   An assessment of the local authority's financial management and management of risk., covering:

   a. The local authority's financial management, governance processes, the effectiveness of its internal control environment and the audit and scrutiny committee(s), as well as compliance with local government accounting codes and international finance reporting standards.

   b. The capacity and capability of the local authority to deliver an effective finance function to the authority commensurate with the complexity of its particular circumstances, the ability to undertake any transformation activity as required, and consider whether officers / members are provided with the right information and training to take necessary financial decisions.

   c. The local authority's approach to financial risk management including identification, management and treatment of risk.

2. **Financial sustainability and risk**

   An assessment of the local authority's overall financial resilience and sustainability, the identification of specific financial risks and a view on the authority's capital and debt position and approach to assets (with a view on the sustainability, Value for Money and risk exposure of the local authority in this space). Specific factors have included:

   a. The underlying drivers of any financial fragility and risk and the local authority's ability to successfully manage those drivers so that issues do not materialise.

   b. An assessment of steps the local authority is undertaking to ensure it remains within its spending envelope, including deliverability and appropriateness of current savings / transformation plans, income generating activity, ensuring activities that are no longer required are being scaled back.

   c. An overall view on the ability of the local authority to manage identified budget pressures through its own resources, including reserves. This should include a view on the actions the council should take to minimise the need to use / seek a capitalisation direction.

d. An assessment of how the council expects to finance capitalisation (i.e. through external / internal borrowing or through capital receipts), the viability / risks of their proposed approach,

e. An assessment of the council's current asset base and planned asset disposal strategy, and scope for the council to utilise planned receipts and generate to fund expenditure capitalised under exceptional financial support.

f. A detailed assessment of any financial risks in relation to the council's (i) capital programme, (ii) companies, (iii) commercial investments and (iv) major projects, identifying any risks associated with specific investments, and assessing the adequacy of internal processes, scrutiny of decisions, use of external expertise (where required), and capacity / capability to deliver. An assessment of whether and to what extent the council is complying with statutory guidance / following best practice in regard to these areas, including, but limited to, minimum revenue provision guidance, investment guidance, and accounting codes.

3. Service delivery, reform, and transformation

An examination of high cost service pressures and an assessment of specific opportunities for savings, innovation, and reform to support the local authority to move to financial sustainability with named service areas. This assessment has made use of recognised best practice models and guidance for delivering quality and cost-efficient services that put prevention first, and the council's alignment with this good practice. The specific factors examined have included:

a. The efficiency and effectiveness of service delivery, including benchmarking against comparator local authorities, sector, and wider public sector metrics.

b. Assessment of the extent to which the council's service delivery model particularly in **Children's Social Care** areas of high demand / financial pressure reflect current best practice and guidance on service effectiveness and efficiency.

c. Identification of opportunities to reform / transform delivery in these areas to support both improved outcomes and manage financial pressures.

d. A view on the extent to which service plans are aligned to the local authority's strategic priorities and financial sustainability, the effectiveness of service areas in responding to financial pressures, and whether financial management and sustainability is embedded within service area practices and culture.

e. A consideration of the effectiveness of the chosen approach in delivering services (i.e. in house or external). This should include a consideration of how the operation of the procurement functions is geared towards effective service delivery, including overall management of the pipeline, capacity and capability of officers, the adequacy of the processes and culture and attitude towards procurement.

Additional points for service specific issues in this authority have also been examined, as required.

4. Governance, culture, and leadership

An assessment of the local authority's approach to ensuring robust overall governance / management processes, leadership, operational culture, capacity and capability to reach a view on whether the local authority is operating in line with the Nolan Principles and in a way to secure continuous improvement. Factors that have been investigated include:

a. The adequacy of the local authority's decision making processes including presence / absence of clear schemes of delegation, scrutiny arrangements, quality of council papers and whether there is a clear understanding of governance arrangements across all levels of the authority. This should include a view on the effectiveness of the adopted governance model and whether it is suitable to drive the right outcomes for the area.

b. The presence / absence of a clear, outcome orientated, measurable and performance driven strategic direction for the local authority and whether this is clearly set out through alignment of the key strategy documents (Corporate / Strategic Plan, Annual Governance Statement and Medium Term Financial Plan). This should include an assessment of the extent to which the strategic direction of the local authority is present throughout operational implementation or whether it exists in 'name only'.

c. A view on the effectiveness of local authority leadership including the stability of senior leadership, their ability to work effectively together, set and communicate a clear vision and set of priorities for the local area, as well as their ability to lead the delivery of those priorities (as set out in key strategy documents) through the fostering of a cohesive organisation built on cooperation, trust and respect.

d. A view on the working culture and working relationships across all levels of the council including between political and officer leadership, and senior officers and junior staff. The local authority's capacity and capability improve and transform to secure continuous improvement at an operational level (i.e. sufficient expertise, staff etc.) and at a cultural level (i.e. acknowledgement of problems, openness to constructive criticism and change including inviting external challenge and scrutiny, delivery with local partners, and collaboration with sector support), and a view on the local authority's ability to identify early warning signs and take action to address potential failures at the earliest opportunity.

A2 Methodology

In our approach, we were mindful of the four broad areas for review, and the specific areas of focus, as set out above.

The approach taken comprised the following elements:

Desktop analysis

MHCLG provided appropriate background. We reviewed the material and made supplementary document requests to the council. The team has analysed around 60 documents together with other records that have been shared by the council as being relevant for the review. A list of documents reviewed is shown in Appendix 2. We also examined relevant comparator material. We would like to record our thanks to officers for their ready compliance with our request for reports and data.

Specialised inputs

Some comparative data analyses were conducted on issues such as revenue spend, and indebtedness. These are based on analysis undertaken by CIPFA using published data such as the Revenue Account (RA) and Revenue Outturn (RO) forms. Service performance data has been extracted from a wider range of sources including the council's own surveys of residents and staff, and appropriate benchmarking information.

Interviews

The bulk of the fieldwork comprised of interviews. These provided the invaluable triangulation of our analysis. Council officers, members, auditors, and other experts were invited to give views and respond to queries provoked by documentary evidence. Council officers at senior and junior levels, members, auditors, and other experts were invited to give views and respond to queries provoked by documentary evidence. We would like to thank everyone involved for their courtesy and constructiveness. A list of interviewees is shown in Appendix 3.

Report drafting, feedback and fact-checking

The above inputs were then analysed and subjected to our professional and expert judgement. The result is this report.

This report was fact checked as far as possible and is based on the fieldwork completed within the time frame for the review. It is not a comprehensive audit of the council's finances or its governance arrangements. Consequently, the conclusions do not constitute an opinion on the status of the council's financial accounts. Our review of the council's Minimum Revenue Provision (MRP) considers the reasonableness of the council's MRP policy and does not constitute an audit of the full application of the policy. Similarly, our review of the council's productivity does not constitute an audit of the council's productivity plan but represents an overview of the arrangements in place to consider productivity and take account of any publicly available information on historic or relevant performance.

CIPFA's review team consisted of an experienced finance consultant and relevant technical expertise.

The information and data within this report are accurate as at the time of the initial data gathering and interviews that took place in April 2026, and unless otherwise stated reflect the position at that time.

CIPFA would like to take this opportunity to thank the council for being so amenable and open to meeting with the review team and for the considerable effort that has been expended in collating and sharing key documents with CIPFA. We also thank everyone involved for the openness, tact, and honesty in what is a sensitive issue for the council.

Report Structure

The key findings and analysis, together with supporting evidence, are set out under each of the review areas requested (as detailed in the commission). Risks and recommendations are detailed under each of the review areas.

A3 Risk Assessment – Method

Likelihood / Impact	Critical:3	Moderate:2	Marginal:1
Probable:3	High - 9	High - 6	Medium - 3
Occasional:2	High - 6	Medium - 4	Low - 2
Improbable:1	Medium - 3	Low - 2	Low - 1

Likelihood:

- Improbable – possible, but unlikely to happen.
- Occasional – might happen, might not happen, in the order of 50/50
- Probable – most likely will happen.

Impact:

- Marginal – some minor, possible minor operating difficulties largely contained within the council, some awareness / action may be required by members.
- Moderate – notable financial and operational impact/ losses / costs operating impacts hitting services for some of the community, a significant issue for members to deal with
- Critical – major operating impact/ financial losses / costs requiring subsequent intervention by MHCLG or other 3rd parties, reaches national press interest, major political embarrassment for members.

A4 Documents Reviewed

Financial Management and External Audit

- Statement of Accounts 2024-25 — signed 9 February 2026
- Statement of Accounts 2023-24 — Final
- Statement of Accounts 2022-23 — Final
- EY Audit Results Report — Audit Committee, 24 November 2025
- Completion Report for Those Charged with Governance — Years ended 31 March 2022 and 31 March 2023 (issued 25 November 2024)
- Auditor's Annual Report — Year ended 31 March 2021 (issued February 2024)
- Audit of Accounts Year Ended 31 March 2024 — Publication Notice
- Cabinet Budget Report and Medium-Term Financial Strategy 2026-29 — 10 February 2026
- EFS Proforma submitted to MHCLG
- September 2025 'Myth Busting — Council Debt Levels' report
- Budgetary Control Report Q1 2025-26
- Budgetary Control Report Q2 2025-26
- Budgetary Control Report Q3 2025-26 — to 30 November 2025
- Final Outturn Report 2024-25
- Finance Structure Chart — April 2025
- Finance Service Delivery Plan 2026-27
- Financial Sustainability Working Group (FSWG) briefing slides — 13 January 2026
- Member training slides — Budget Briefings November 2025, December 2025 and January 2026; Introduction to Local Government Finance 2024-25
- Principal Outstanding schedule (PWLB portfolio as at 15 April 2026)
- CLT Performance Report — Internal Audit: September 2025
- CLT Performance Report — Internal Audit: December 2025
- CLT Performance Report — Internal Audit: February 2026 (actions due to 31 January 2026)
- Internal Audit Strategy and Plan 2026-27 — Appendix A
- Internal Audit Plan 2026-27 — Appendix B

Risk Management

- CLT Strategic Risk Register — April 2026
- Annual Corporate Risk Report 2026
- Audit Committee Annual Report 2023-24

Capital Programme and Treasury Management

- Capital Strategy 2026-2029 (Appendix F to Cabinet Budget Report, February 2026)
- Asset Management Plan 2026-31 (Appendix G to Cabinet Budget Report, February 2026)
- Treasury Management Strategy 2026-29 (Appendix E to Cabinet Budget Report, February 2026)
- Flexible Use of Capital Receipts Policy (Appendix J to Cabinet Budget Report, February 2026)
- PWLB Principal Outstanding schedule — 15 April 2026

- Group Boundary Assessment 2025-26 — prepared Kathryn Hallett; reviewed Emma Riding; signed off Ade Ogun, 14 April 2026
- Council Group Structure Chart (entity diagram including Medesham cluster)
- Medesham Homes LLP Members' Agreement — Pinsent Masons, 2017 (62 pages)
- Companies Governance Handbook — 2025
- Review of Governance of Council-owned Entities — committee paper
- Shareholder Cabinet Committee — agenda and report for January 2025 meeting (Peterborough Limited and PCHIL Member Agreement)
- Shareholder Cabinet Committee — meeting pack July 2025 (Peterborough Limited 2024-25 annual accounts)
- JMC Statutory Officers' Report — Graham Kitchen (acting Monitoring Officer) and Christine Marshall (Section 151 Officer), December 2025
- Cabinet paper — instruction to Teneo administrators to market and sell Hilton Hotel, 2 October 2025

Governance

- External Assurance Review (Governance) — Andrew Flockhart, MHCLG, 2 November 2021
- CIPFA External Assurance Review (Financial) — November 2021
- Independent Improvement and Assurance Panel reports — July 2022, January 2023, July 2023, January 2024, July 2024 (five reports)
- Minister of State for Local Government and English Devolution letter ending non-statutory intervention — May 2025
- Centre for Governance and Scrutiny (CFGS) review — Constitution and Ethics Committee, 4 July 2024
- Constitution and Ethics Committee paper on revised Contract Rules — April 2025 (authored by Satinder Sahota, acting Monitoring Officer)
- LGA Corporate Parenting Peer Challenge — 2024
- Corporate Strategy 2026 (Appendix N to Cabinet Budget Report, February 2026)
- Forward Plan of Executive Decisions — December 2025 to February 2026

Children’s Services

- Ofsted Children's Services inspection report — November 2023 (Inadequate)
- Ofsted monitoring visit report — January 2025
- Ofsted monitoring visit report — April 2025
- Ofsted monitoring visit report — July 2025
- Ofsted monitoring visit report — October 2025
- LGA Corporate Parenting Peer Challenge — 2024
- DSG and Schools Budget 2026-27 (Appendix L to Cabinet Budget Report, February 2026)

Adult Social Care

- CQC Local Authority Assessment Report — Peterborough, January 2026 (Good rating)
- ASC Adult Demand Management Programme Full Business Case
- EFS Proforma — Section 4.2 (Impower benchmarking, ASC national rankings)
- Joint Commissioning Hub — terms of reference and programme documentation
- Health and Wellbeing Board Strategy

A5 Staff Interviewed

- Chief Executive
- Executive Director Corporate Services and Section 151 Officer
- Service Director Financial Services and Deputy Section 151 Officer
- Deputy Monitoring Officer
- Executive Director Place and Economy
- Director of Adults and Health
- Director of Public Health
- Head of Audit and Investigations
- Independent Chair, Audit Committee
- Leader of the council
- Cabinet Member for Finance
- Conservative Group Leader
- EY Partner (External Audit)
- Director of Adults and Social Services (DASS)

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