

GOVERNANCE REVIEW IMPROVEMENT PLAN

Committee name	Audit Committee
Officers reporting	Daniel Toohey, Director of Legal & Governance/ Monitoring Officer Steve Muldoon, Corporate Director of Finance Matthew Wallbridge, Chief Operating Officer
Papers with report	Governance Review Improvement Plan
Ward	N/A

HEADLINES

1. The Governance Review Improvement Plan (GRIP) is Hillingdon Council's strategic response to identified governance areas for improvement. It aims to strengthen internal controls, clarify internal decision-making and improve accountability, ensuring the Council is well-governed corporately, financially resilient, and transparent.

RECOMMENDATION

That the update to the Governance Review Improvement Plan be noted and the Committee seek any clarifications and assurances and provide comments to officers.

SUPPORTING INFORMATION

2. The GRIP (see Appendix) is a strategic programme launched by the London Borough of Hillingdon in March 2025 to address key governance weaknesses identified in several reviews, including the CIPFA review (March 2025), Directorate Governance Internal Audit (September 2025) and the Provisional Audit Results Report (February 2025).
3. In addition, Members will recall that, on 24 July 2025, the Council's External Auditors issued the Council with a Value for Money Update and Recommendations Under Section 24 Schedule 7(2) of the Local Audit and Accountability Act 2014 (S24 Report). That report was given consideration by Full Council at the meeting on 11 September 2025, and it was resolved, inter-alia, that:
 - *the programmes of work and actions which were already in place to address the S24 Report recommendations, as clearly set out in the Financial Modernisation Programme (FMP) which commenced in February 2025, and the Governance Review Improvement Plan (GRIP) which commenced in March 2025, be welcomed and approved.*
 - *the Audit Committee, who have already been monitoring the progress of the FMP and GRIP, be instructed to continue to monitor the delivery of the actions and report back to Council in no later than 12 months, or earlier if required, to ensure the S24 Report recommendations have been fully addressed.*
4. Accordingly, this report is brought before Members to provide an update on the work and actions contained within the GRIP.

5. Led by the Corporate Governance Group, the GRIP is structured around three workstreams:
 - financial governance – including the S24 recommendations
 - directorate governance, and
 - constitutional / democratic governance
6. Each workstream has defined actions and leadership. The overall aim of the GRIP is to embed a tiered governance model, improve business planning, and strengthen internal arrangements and protocols.
7. The GRIP is a public-facing initiative, with progress updates presented at this Audit Committee and to future meetings, demonstrating the Council's commitment to reform and accountability.

Workstream #1 - Financial Governance:

8. The Finance Modernisation Programme (FMP) is a significant transformation initiative by the London Borough of Hillingdon to review and strengthen the Council's financial systems, processes, and structures. The programme was initiated to address budget challenges and to modernise the Council's financial infrastructure.
9. There are a significant number of challenges that the council is seeking to address both in this programme and more broadly in addressing the council's adverse financial position. It is recognised that addressing all of these is of critical importance to the council's recovery, however this will be costly in both resources and time. Some of this resourcing will be provided through phase 2 of the FMP which will see additional external resource seconded in to support the annual accounts and MTFS processes.
10. Summary of progress since the last meeting includes the following:
 - Additional spend control measures are now in place to review invoice related expenditure. Staffing spend control measures continue, and a new Temporary Accommodation placements review panel is now taking place weekly to review new, existing and high-cost placements.
 - Forecasting and in-year delivery of savings and areas of financial risk continue to be assessed each month and forecasts revised accordingly. The forecast determined at month 6 has remained stable through to month 9 although there have been movements both favourable and adverse within this. The mitigation forecast has been able to be reduced as opportunities and improvements have been identified by service areas. Weaknesses in previous budgeting and forecasting processes and how the shortfalls materialise have been identified and are being addressed through closer attention to key assumptions and by making sure the budget setting process is more thorough than in the past.
 - Delivery plans on key 2026/27 savings proposals (those deemed higher risk or more complex) have been requested and are in the process of being reviewed.
 - Delivery costs of savings proposals are being confirmed to ensure these are properly captured and funded in the 2026/27 budget.
 - The next iteration of the MTFS process will be timetabled to begin much earlier in the new financial year to allow more time to find savings opportunities, review proposals and ensure all necessary processes have ample time to be worked through in a structured and considered manner.

- Discussions with MHCLG on EFS have progressed with further detailed submissions made which will inform the government's decision, and on which an announcement is anticipated before the Council convenes to approve the 2026/27 budget.
- The FMP has come to the end of phase 1 and is now on phase 2. Training sessions were delivered to non-finance staff to clarify the expectations of budget managers and senior managers. Work continued on audit readiness to assist the 24/25 closedown and prepare for the 25/26 closedown, and a review of the MTFS process.
- Preparation for the 2025/26 accounts closedown and audit process is underway with the aim of being able to deliver the draft accounts by 30 June and further assist and improve the audit process and outcomes.
- DSG – The forecast in-year deficit for 2025/26 is reducing further and will be below £10m by year-end, compared to a £15m deficit in 2024/25. This is projected to reduce further over the coming two years.
- A further action raised in the Draft Auditor's Report has been added and is being followed up in the first instance by the Monitoring Officer and team.
- Performance reports presented to the Cabinet and Select Committees
- A clear prioritised deliverable plan in place setting out the work to deliver an updated EPM monitoring template in Oracle for the first reporting period in the next financial year, as well as a learning and development programme to enable this.

Workstream #2 – Directorate Governance:

11. Summary of progress since the last meeting:

- Corporate Governance Arrangements Training – green - Governance masterclass session has been given to the Senior Management members, including the Senior Management Team standardisation and reporting.
- A wider corporate "governance toolkit" intranet site has been launched.
- The Directorate Business and Financial Plans internal audit exercise has been presented to CMT
- Planning has started for the 2026/27+ Business and Financial Plans framework

Workstream #3 - Constitutional Governance:

12. Summary of progress since the last meeting:

- The external review of certain key elements of the Constitution has been completed and the report on suggested improvements has been received.
- Once reviewed, a report will be brought before Council with any suggested changes to the Constitution.

BACKGROUND PAPERS: Nil