

Report to **South Downs National Park Authority**
Date **9 December 2025**
By **Grant Thornton, External Auditor**
Title of Report **Value for Money – Auditor’s Annual Report 2024/25**
Note

Recommendation: The Authority is recommended to receive and consider the Value for Money – Auditor’s Annual Report 2024/25

I. Value for Money – Auditor’s Annual Report 2024/25

- I.1 The Code of Audit Practice issued by the National Audit Office (NAO) requires the authority’s external auditor to provide a separate Value for Money (VfM) assessment from the main audit of the statement of accounts. We are required to consider whether the authority has in place proper arrangements to ensure economy, efficiency and effectiveness in the use of its resources.
- I.2 The report sets out the work that we have undertaken to assess the arrangements the Authority has in place to secure economy, efficiency and effectiveness in the use of its resources; with particular focus on risks in respect of financial sustainability, governance arrangements and improving economy, efficiency and effectiveness.
- I.3 No significant weaknesses in the Authority’s arrangements have been identified. Two improvement recommendations have been made.

GRANT THORNTON

External Auditor

South Downs National Park Authority

Contact Officer: Oscar R Edwards
Tel: 0117 305 7705
Email: Oscar.R.Edwards@uk.gt.com
Appendices I. Auditor’s Annual Report – Year ending 31 March 2025



South Downs National Park Authority

Auditor's Annual Report
Year ending 31 March 2025

27th November 2025



Contents

01	Introduction and context	03
02	Executive summary	05
03	Opinion on the financial statements and use of auditor's powers	09
04	Value for Money commentary on arrangements	11
	Financial sustainability	13
	Governance	17
	Improving economy, efficiency and effectiveness	21
05	Summary of Value for Money Recommendations raised in 2024/25	24
06	Appendices	26
A	Responsibilities of the Authority	27
B	Value for Money Auditor responsibilities	28
C	Follow-up of previous improvement recommendations	29

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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

01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for South Downs National Park Authority (the Authority) during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Authority are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Authority which must be considered publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from 30th November 2025 and applies to 2024/25 Audits.

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Authority’s arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	<p>A</p> <p>No significant weaknesses in arrangements identified.</p> <p>Two improvement recommendations made related to management of reserves and tracking external grants and income streams.</p>	<p>No risks of significant weakness identified.</p>	<p>A</p> <p>No significant weaknesses in arrangements identified.</p> <p>One improvement recommendations made related to formalising a savings and efficiency programme</p>
Governance	<p>A</p> <p>No significant weaknesses in arrangements identified.</p> <p>One improvement recommendations related to alignment of risks to actions on the corporate plan.</p>	<p>No risks of significant weakness identified.</p>	<p>A</p> <p>No significant weaknesses in arrangements identified.</p> <p>One improvement recommendations made related to periodic reporting of the procurement waiver log to the Policy & Resources Committee</p>
Improving economy, efficiency and effectiveness	<p>A</p> <p>No significant weaknesses in arrangements identified.</p> <p>One improvement recommendation related to integrating finance, risk and performance reports quarterly.</p>	<p>No risks of significant weakness identified.</p>	<p>G</p> <p>No significant weaknesses in arrangements identified.</p> <p>No improvement recommendations made.</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary

We set out below the key findings from our commentary on the Authority’s arrangements in respect of value for money.



Financial sustainability

In 2024/25, the Authority maintained financial stability, reporting a £731k underspend against its revised revenue budget, originally approved in March 2024. The underspend was primarily driven by vacancy management and income generation. Mitigations for future deficits include capitalisation of costs, earmarked reserves, and diversification.

However, savings are embedded within service budgets without a formal tracking framework, limiting transparency. While short-term resilience is supported by integrated planning and risk modelling, reliance on opportunistic savings and late grants highlights the need for a structured long-term financial strategy to delivering savings.



Governance

The Authority maintains strong governance through structured budget setting, quarterly financial monitoring, and active Member oversight. Risk management is embedded via a consistent framework aligned to strategic priorities, with mitigations. Internal audit provided Reasonable Assurance. Procurement is guided by clear policies, with improvements underway in contract management and waiver reporting. To strengthen transparency, periodic reporting of the waiver log to the Policy & Resources Committee is recommended.



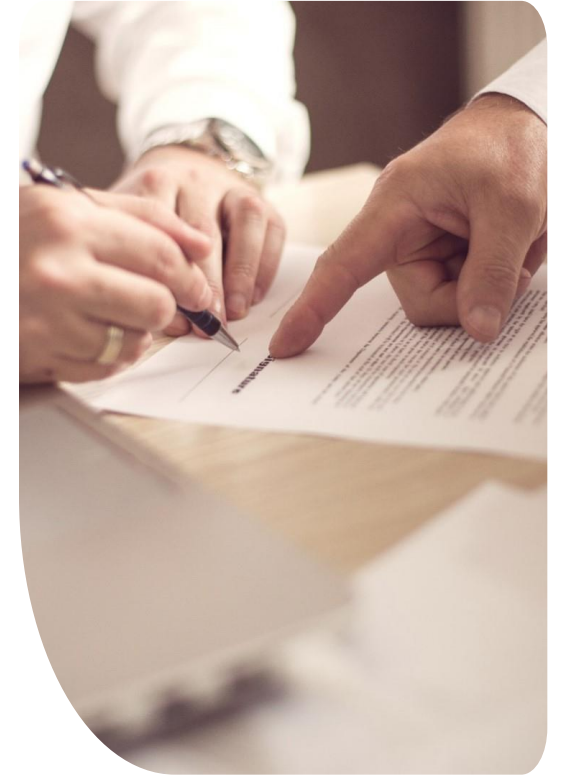
Improving economy, efficiency and effectiveness

The Authority’s biannual performance reports assess progress across services, workforce, and finance using dashboards and RAG ratings. Key achievements include strong nature recovery, climate action reporting, stakeholder engagement, and income generation. Planning performance exceeded national targets, though complaint response times need improvement. Strategic planning progressed via the Local Plan Review and statutory assessments. Contract and capital project management is supported by KPIs and joint reviews. National awards and benchmarking reflect strong governance, environmental leadership, and continuous improvement.

Executive summary – auditor’s other responsibilities

This page summarises our opinion on the Authority’s financial statements and sets out whether we have used any of the other powers available to us as the Council’s auditors.

Auditor’s responsibility	2024/25 outcome
<p>Opinion on the Financial Statements</p>	<p>The Authority published its draft 2024/25 financial statements ahead of the 30 June 2025 deadline. Our post-statements visit commenced in late September 2025. We are due to report our initial findings to the Full Authority meeting in early December 2025. Subject to the conclusion of our detailed statements testing we anticipate issuing our opinion in December 2025.</p>
<p>Use of auditor’s powers</p>	<p>We will update our findings in this area later in the year once the financial statements audit is completed.</p>



03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

These pages set out the key findings from our audit of the Authority's financial statements, and whether we have used any of the other powers available to us as the Authority's auditors.

Audit opinion on the financial statements

The Authority published its draft 2024/25 financial statements ahead of the 30 June 2025 deadline. Our post-statements visit commenced in late September 2025. We are due to report our initial findings to the Full Authority meeting in early December 2025. Our audit is now complete, and we anticipate issuing our opinion in December 2025.

Grant Thornton provides an independent opinion on whether the Authority's financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conduct our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Authority's Ethical Standard.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report.

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Work in this area is now complete, and any findings will be reported in our Audit Findings Report.

04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Authority’s report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Authority makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the Authority:

Commentary on arrangements

Rating

<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>In 2024/25, the Authority reported a net underspend of £731k, this included a major overspend of £386k within the Seven Sisters Country Park, indicating uneven budget performance across directorates. The Medium-Term Financial Strategy (MTFS) 2025/26–2029/30 models future income and expenditure, incorporating inflation, staffing costs, and operational risks such as liabilities from the closure of South Downs Commercial Operations Ltd. The MTFS forecasts annual deficits from 2026/27, with no confirmed future grant settlements. The Authority has identified mitigations including income generation, capitalisation of costs, and use of earmarked reserves. Reserves are used to manage short-term pressures. In 2024/25, capital grants replaced reserve funding for eligible projects, preserving the general fund. Earmarked reserves (£11.7m) are designated for specific risks and priorities.</p> <p>Cash flow is managed through a contract with Brighton & Hove City Council. The Authority remains debt-free, uses internal borrowing, and maintains a £5m liquidity buffer. There are no indicators of treasury-related financial risk. While the Authority’s arrangements continue to support effective short-term financial control and medium-term planning, the scale of year-end adjustments and reliance on late grant allocations highlighted opportunities to strengthen in-year forecasting. These issues have since been addressed through the internal audit review of project budget management, which provided targeted recommendations to improve .</p>	<p>G</p>
---	---	----------

 Grant Thornton insight

In-year forecasting and variance analysis – The Authority could build on internal audit recommendations to improve forecasting accuracy and responsiveness by embedding them into financial planning, adopting rolling forecasts and scenario modelling, and aligning budget forecasts more closely with project delivery milestones.

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:

Commentary on arrangements

Rating

plans to bridge its funding gaps and identify achievable savings

The Authority continues to manage financial pressures through its business model and annual budget review process. For 2024/25, the budget was balanced using £459k capitalisation of eligible costs and a £510k applied from earmarked reserves. These reserves were allocated to planned activities and designated purposes, rather than used to cover a general budget shortfall. While the 2025/26 budget report does not provide a detailed savings schedule, £431k of savings were embedded within service budgets. These include recurrent and non-recurrent adjustments, supported by efficiency measures such as contract reviews. Savings have largely been achieved through vacancy management, capitalisation of staff costs, and underspends in Planning and Countryside services. A 10% vacancy factor was built into the salary budget and overspends in Corporate Services were offset by virements. In 2024/25, the Authority reported a £731k underspend (5.51% of the revised net budget), mainly from staffing vacancies, reduced contract costs, and additional income. However, these savings are a mix of planned and opportunistic, with limited evidence of systematic tracking or differentiation between recurrent and one-off savings. The MTFS outlines mitigations for future funding gaps, including further capitalisation, use of earmarked reserves, and income diversification. These measures are short-term, and the Authority acknowledges the need for a more structured long-term strategy, particularly given uncertainty around future grant settlements.

A

Area for Improvement: Establish and align savings and efficiency programme with the MTFS.

Key Finding: The Authority lacks a formalised savings programme and relies on short-term, opportunistic measures (e.g., vacancy management, reserve drawdowns) rather than structured, recurrent savings to address medium-term funding gaps.

Evidence: £431k savings for 2025/26 identified but no detailed breakdown or formal plan. 2024/25 budget balanced using £459k capitalisation and £510k reserves. £731k underspend in 2024/25 mainly from vacancies and reduced costs, not planned efficiencies. MTFS mitigations (capitalisation, reserves, income diversification) are short-term; no long-term strategy. No systematic tracking of planned vs. delivered savings.

Impact: The Over-reliance on vacancies and reserves may affect service delivery. Projected deficits from 2026/27 could lead to financial instability without sustainable savings. Lack of transparency and monitoring reduces assurance over financial resilience.

Improvement Recommendation IR1

The Authority should implement a formalised savings and efficiency programme aligned with the MTFS to ensure sustainable, recurrent savings and reduce reliance on one-off measures.

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements	Rating
<p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p>	<p>The Authority's Corporate Plan 2025/26 sets out three high-level objectives: Nature Recovery, Climate Action, and A National Park for All. These priorities directly inform budget allocations and are embedded in the MTFS. The MTFS incorporates financial assumptions based on these strategic goals and reflects known risks, such as potential reductions in DEFRA grant funding and rising operational costs. The Authority distinguishes between statutory functions (e.g. planning and conservation) and discretionary spending (e.g. community engagement). In 2025/26, 49% of the budget is allocated to core staffing and statutory services. Given the Authority's limited flexibility due to grant dependency and reserve constraints, discretionary spending is assessed through business case reviews and Member Budget Workshops. These arrangements support prioritisation of resources and ensure that financial planning is responsive to both strategic ambitions and external pressures.</p>	<p>G</p>
<p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>The Authority aligns financial planning with workforce, capital, investment, and environmental strategies. The MTFS developed alongside the Corporate Plan, reflects priorities like Nature Recovery, Climate Action, and Accessibility. Workforce planning is embedded in financial assumptions, with staffing comprising 49% of the 2025/26 budget. Temporary staff address short-term needs, and £459k in salaries has been capitalised. Capital planning supports strategic goals, with the 2025/26 Capital Strategy approved alongside the MTFS. Projects are funded through DEFRA grants, CIL, and reserves, with quarterly monitoring and in-year reprofiling. Environmental goals are integrated, supported by a Climate Change Fund Reserve and annual carbon reduction targets. Investments include solar panels and upgrades at Seven Sisters Country Park. Treasury management aligns with the MTFS, focusing on low-risk investments. The Authority remains debt-free, with returns exceeding 2024/25 benchmarks. These integrated arrangements support sustainable service delivery and statutory priorities.</p>	<p>G</p>

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:

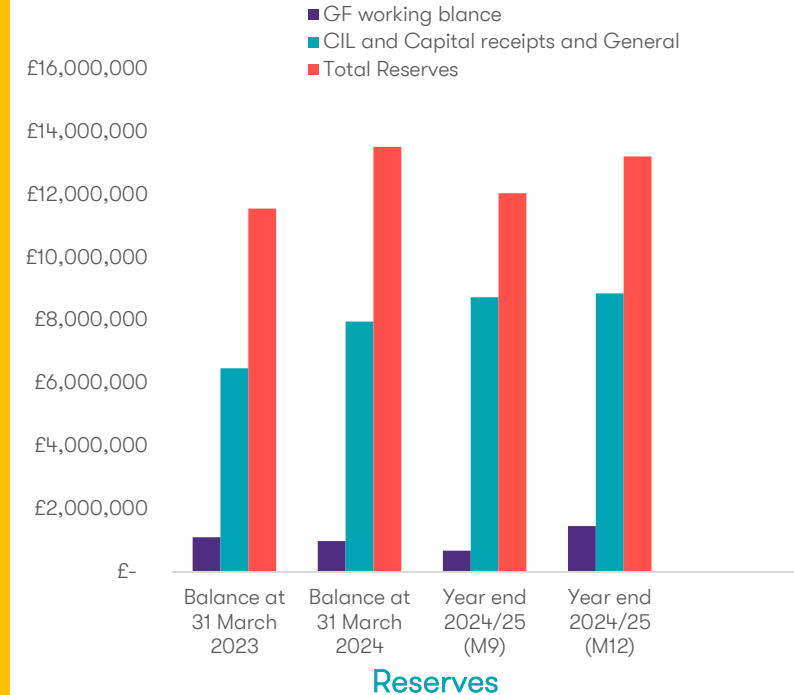
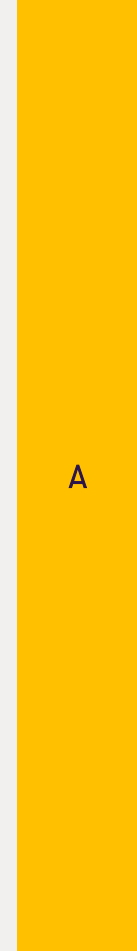
Commentary on arrangements

Rating

identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans

The Authority has arrangements in place to monitor and manage financial risks, including quarterly budget reporting to the Policy & Resources Committee and regular review of the Corporate Risk Register by the Senior Leadership Team and Members. Key financial risks such as inflation, income volatility, and grant uncertainty are captured, and scenario planning is embedded through Member Budget Workshops and the MTFS. The MTFS models future funding gaps and identifies mitigations such as capitalisation of eligible costs, income diversification, and strategic use of earmarked reserves, with the primary aim of maintaining a balanced budget. Internal audit has provided assurance over financial controls, and the Treasury Management Strategy prioritises low-risk investments and liquidity.

As part of financial planning, the Authority quantified key risks through budget variance analysis and scenario modelling within the MTFS. This included recognising a £349k risk from the termination of the South Downs Commercial Operations Ltd (SDCOL) agreement and factoring in an 8.2% (£860k) reduction in the DEFRA grant. Reserve movements were closely monitored, with forecasts showing a decrease from £12.034m to £11.689m during the year, reflecting financial pressures. As shown on the graph on the right, year-end results showed an improvement in reserves, with total reserves rising to £13.201m and the General Fund (GF) Working Balance increasing to £1.463m, largely driven by a £731k underspend. While this strengthens short-term resilience, the Authority has not yet implemented a structured reserves replenishment strategy, as previously recommended in 2023/24 hence have retained the amber rating.



Governance – commentary on arrangements

We considered how the Authority:	Commentary on arrangements	Rating
<p>monitors and assesses risk and how the Authority gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The Authority's risk management policy, updated in September 2024 and overseen by the Policy & Resources Committee (PRC), ensures risks are categorised and assessed using a consistent impact-likelihood matrix. Corporate risks are reviewed quarterly, with the June 2025 register explicitly mapping risks to Corporate Plan priorities—enhancing strategic alignment and transparency. Key risks include finance, staffing, health and safety, and local government reorganisation (LGR), with mitigations such as senior engagement, government liaison, and contingency planning.</p> <p>Internal audit services are provided by Orbis via Brighton & Hove City Council. The 2024/25 audit plan, approved by PRC, comprised six reviews, all completed. Five audits received substantial or reasonable assurance; one (Finance Project Reporting) was rated partial. While most recommendations were accepted, only 66.6% of high and medium-priority actions due in the past year were implemented, below the 95% target. Delays were linked to resourcing and policy development.</p> <p>The annual Internal Audit opinion rated the Authority’s control environment as Reasonable Assurance. The Annual Governance Statement (AGS) confirmed no significant control issues and noted improvements, including a review of the Local Code of Corporate Governance. Anti-fraud arrangements are defined in a policy currently under review, with no significant fraud-related issues identified in 2024/25. These arrangements, alongside a complaints process and staff engagement initiatives, reflect a maturing governance environment focused on accountability and continuous improvement.</p>	<p>G</p>

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements	Rating
<p>approaches and carries out its annual budget setting process</p>	<p>The Authority follows a structured and well-governed approach to its annual budget setting process. Budgets are developed in line with the Authority’s financial regulations and scheme of delegation, with appropriate approvals in place. The process is supported by the Civica Financials system, hosted by Brighton & Hove City Council, which ensures accurate financial data and reporting. Budget setting is closely aligned with strategic priorities, and the approved budget is monitored quarterly by the Policy & Resources Committee, ensuring transparency and accountability throughout the financial year.</p>	<p>G</p>
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>The Authority ensures strong financial governance through quarterly budget monitoring, treasury management, and clear financial procedures. Budget updates are presented to the Policy & Resources Committee at months four, six, nine, and 12, covering revenue, capital, reserves, investment performance, and financial risks. For example, the Month nine report highlighted a £159k underspend, planning income shortfalls, and service-level variances. While detailed, the reports do not include scenario modelling, and workforce metrics are reported separately.</p> <p>Treasury management is embedded in the Medium-Term Financial Strategy (2025/26–2029/30), approved in March 2025. It outlines investment performance, borrowing strategy, and risk management. The Authority plans no external borrowing for 2025/26, relying on internal cash flow. Treasury functions are outsourced to Brighton & Hove City Council, providing liquidity and enhanced returns through pooled investments.</p> <p>Revised Standing Orders (July 2025) delegate operational budget control to the Chief Executive and Directors, while the PRC oversees strategic funds. These arrangements ensure compliance with CIPFA codes and internal audit standards, supporting effective financial oversight and value for money.</p>	<p>G</p>

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements	Rating
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The Authority’s governance arrangements reflect a strong culture of transparency, challenge, and evidence-based decision-making. Strategic decisions are made by the Full Authority, with the Policy & Resources Committee (PRC) providing robust oversight across finance, audit, risk, and standards. Members play an active role in governance, consistently challenging officers on audit implementation, risk mitigation, and performance reporting. Their scrutiny has led to improvements in areas such as training, terminology consistency, and the clarity of risk registers. This active engagement demonstrates that those charged with governance are not only well-informed but also committed to ensuring decisions are based on appropriate evidence and subject to meaningful challenge. The Authority’s use of national frameworks, stakeholder input, and performance data in key plans further supports informed decision-making. Public transparency is enhanced through webcast meetings and archived recordings. The decision to bring SSCP in-house, following member-led scrutiny of financial risks and operational challenges, exemplifies the Authority’s responsiveness and commitment to continuous improvement. While some risks remain—such as officer capacity and reporting clarity—the proactive role of members provides assurance that governance arrangements are both effective and evolving.</p>	<p>G</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The Authority operates under a structured procurement framework guided by its Contract Standing Orders (CSOs) and a Procurement Strategy (2021–2026), currently being updated to reflect the Procurement Act 2023. A new Sustainable Procurement Strategy is planned for 2026.</p> <p>Procurement activity is modest, with most contracts being low-value or one-off studies. Departments manage their own contracts, supported by a dedicated procurement team—an uncommon feature among English National Parks. Joint procurement is pursued where feasible, though organisational differences can limit collaboration.</p> <p>Waiver approvals are signed off by the Chief Executive, and a waiver log is maintained. However, this log is not formally reported to the Policy & Resources Committee, which acts as the Authority’s audit and oversight body. Instead, it is only referenced in the Annual Governance Statement, limiting the Committee’s ability to scrutinise waiver activity. Training on the Procurement Act and contract management is actively promoted, though practices vary and further training—especially in project management—has been identified as a need.</p>	<p>A</p>

Governance – commentary on arrangements (continued)

Area for Improvement: Enhancing Oversight of Procurement Waivers

Key Finding: The Policy & Resources Committee does not receive a dedicated report on procurement waivers, limiting its visibility over exceptions to standard procurement procedures.

Evidence: While the waiver log is generally referenced in the Annual Governance Statement, it is not specifically reported to the committee.

Impact: Limited oversight may reduce transparency and hinder the committee’s ability to identify trends, assess risks, and ensure procurement practices align with governance standards.

Improvement Recommendation 2

IR1: To strengthen governance and transparency, the Authority should introduce periodic reporting of the procurement waiver log to the Policy & Resources Committee. This would enhance oversight, mitigate governance risks, and ensure more robust scrutiny of procurement exceptions.

Grant Thornton insight

Strengthening Oversight of Contracted Governance Roles

The Authority has externally contracted key governance roles, including the Chief Finance Officer (CFO) via Brighton & Hove City Council and legal services, including the Deputy Monitoring Officer (MO). These arrangements are internally managed by the Head of Governance and MO and are acknowledged in the Annual Governance Statement as compliant with CIPFA guidance. While the finance contract includes key performance indicators, there is no overarching framework for periodic performance review, benchmarking, or integration into the Authority’s broader procurement and contract management processes.

In comparison, many public bodies with similar arrangements implement structured contract management frameworks, including periodic performance reviews, benchmarking against sector standards, and reporting to governance committees. The Authority could consider introducing formal performance monitoring for externally contracted governance services. These practices help ensure transparency, value for money, and alignment with strategic objectives—particularly for statutory functions.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Authority:	Commentary on arrangements	Rating
<p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>Performance across services, workforce, and finance is assessed biannually through structured reports to the Policy & Resources Committee (PRC), with Quarter 1 and Quarter 2 2024/25 reviewed in November 2024. Reports use dashboards and RAG ratings to monitor delivery against the 2023–25 Corporate Plan, which was extended into 2025–26 to align with the evolving Partnership Management Plan. The year end corporate performance report showed:</p> <ul style="list-style-type: none"> • Nature Recovery: 491 hectares delivered (6,766 ha total; 52% of 2030 target), though annual delivery declined due to FiPL funding shifts. • Climate Action: Emissions rose to 435.19 tonnes CO₂ primarily due to the inclusion of Scope 3 reporting, reflecting improved measurement of indirect emissions. Seven Sisters Country Park continues to be fully operational and remains part of the Authority’s emissions profile. • Engagement: 7,001 underrepresented people engaged; 6,245m accessible paths; 137 mobility sessions—exceeding targets. • Income: £3.03m raised (target: £2.5m), with green finance and cost recovery also exceeding targets. • Seven Sisters Country Park: £194k deficit but now managed in-house with strategic improvements underway. <p>A Corporate Performance Tracker supports consistent data collection, project monitoring (34 tracked), and quarterly governance updates. KPIs are refined for relevance and accuracy. External benchmarking via the Integrated Impact Assessment (IIA) compares South Downs against national standards and other parks, supporting continuous improvement and alignment with best practice.</p>	<p>G</p>

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Authority:	Commentary on arrangements	Rating
<p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>The Authority has progressed its strategic planning through the South Downs Local Plan Review. Statutory assessments include the Habitats Regulations Assessment, Sustainability Appraisal, Equalities Impact Assessment, and a recommended Health Impact Assessment. An Integrated Impact Assessment was received in May 2025, supporting policy development. Public consultation is complete, with submission for examination planned in 2026.</p> <p>Overall, the Authority maintained strong planning performance in 2024/25, with 88% of applications approved and 86% of housing decisions made within agreed timescales—continuing to exceed national targets. However, only 56% of planning complaints were responded to within target time, indicating room for improvement in service responsiveness. This figure reflects performance across host authorities as well as SDNPA and may be influenced by challenges such as recruitment of experienced planners and variable service delivery where contracts are ending or under review. Addressing these issues—through service recovery, process streamlining, and improved resource allocation—will be key to enhancing customer experience and maintaining high standards.</p> <p>The Authority received national recognition, including the Royal Town Planning Institute (RTPI) South East “Best Plan” award, RTPI National Awards shortlisting, and Landscape Institute wins—reflecting strong planning and environmental performance.</p>	<p>G</p>

 **Grant Thornton insight**

Strengthening Timeliness in Planning Complaint Responses

Only 56% of planning complaints were responded to within target timescales, reflecting performance across host authorities and SDNPA. addressing staffing gaps and streamlining processes across host authorities, alongside SDNPA oversight, could Improve complaint handling efficiency.

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

We considered how the Authority:	Commentary on arrangements	Rating
<p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives</p>	<p>The Authority ensures it delivers its role within significant partnerships and engages with stakeholders through structured governance, performance monitoring, and inclusive consultation. Key mechanisms include:</p> <p>Annual Business Plans from partners (e.g. Natural England, landowners, businesses) detailing strategic commitments, resources, and KPIs aligned with the Partnership Management Plan (PMP).</p> <p>Quarterly Corporate Performance Reports reviewed by the Policy & Resources Committee, assessing progress against PMP outcomes such as biodiversity net gain, climate action, and financial efficiency (e.g. Q2 Report, Nov 2024 – VFM3).</p> <p>Stakeholder engagement via a Steering Group, sector-specific workshops, and public consultation (June–July 2025), ensuring local voices shape priorities.</p> <p>Evaluation frameworks and alignment with national standards (e.g. Protected Landscapes Outcomes Framework) to assess effectiveness.</p>	<p>G</p>
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>The Authority’s key contracts are identified early and assigned dedicated managers, with high-value or high-risk contracts incorporating KPIs and review milestones. Long-term contracts undergo regular (typically quarterly) performance meetings, supported by feedback tools such as interim and end-of-contract questionnaires. An internal contract register and guidance notes support staff, though capability varies—highlighting project management training as a priority. Contract reviews, assessed demonstrate active KPI tracking and action planning for future workstreams.</p> <p>Capital projects follow a pipeline approach, with project managers often doubling as contract managers due to lean staffing. Monthly joint reviews between capital and procurement teams ensure oversight continuity. The Authority also leads joint procurement within the National Park family, though internal procedural differences can limit measurable efficiencies. Nonetheless, significant savings—like a 42% reduction in IT procurement costs—have been achieved independently.</p>	<p>G</p>

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

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR1	<p>The Authority should implement a formalised savings and efficiency programme aligned with the MTFS to ensure sustainable, recurrent savings and reduce reliance on one-off measures.</p>	<p>Financial sustainability (page 14)</p>	<p>Actions: Investment of capital resources from Defra into income generating assets to be taken forward through the budget process over the forthcoming 3 years (VT and SLT).</p> <p>Ongoing development of the income generation portfolio through the Trust will generate recurring income streams (VT and Dir of GaOD).</p> <p>The Authority will investigate the use of IFRS16 for capitalizing leased operational assets to release recurrent revenue savings (VT and Craig).</p> <p>Continued close inspection of the budget on an annual basis, with half yearly review, will identify pockets of unspent revenue allocations (VT and SLT).</p> <p>Responsible Officer: Victoria Turner (Head of Finance and Corporate Services)</p> <p>Due Date: April 2027</p>
IR2	<p>To strengthen governance and transparency, the Authority should introduce periodic reporting of the procurement waiver log to the Policy & Resources Committee. This would enhance oversight, mitigate governance risks, and ensure more robust scrutiny of procurement exceptions.</p>	<p>Governance (page 20)</p>	<p>Actions: The procurement waiver log will be reported to P&R Committee as part of the annual procurement strategy report.</p> <p>Responsible Officer: Richard Sandiford (Head of Governance and Monitoring Officer)</p> <p>Due Date: November 2026</p>

06 Appendices

Appendix A: Responsibilities of the Authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Authority's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Authority’s Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Authority’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

 **A range of different recommendations can be raised by the Authority’s auditors as follows:**

Statutory recommendations – recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Authority where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Authority’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Authority
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Further action
IR1	Establish a clear and structured plan for managing and replenishing reserves to ensure long-term financial sustainability.	2023/24	the authority has made financial adjustments, such as capitalising revenue spend, generating additional recurring income, and identifying efficiencies. As well as allocating the 2024-25 underspend to unrestricted reserves. However, it doesn't fully establish a clear and structured plan for managing and replenishing reserves long-term.	Outstanding- to be followed up in 2025/26
IR2	Develop a structured approach to forecasting and tracking external grants and income streams. This should also be included on budget monitoring reports.	2023/24	External grants and income are tracked through monthly budget monitoring and quarterly reporting to the P&R Committee	No
IR3	Explicitly map the identified risks in the Corporate Risk Register (CRR) to the strategic objectives outlined in the Authority's corporate plan.	2023/24	Exercise to map risks to strategic objectives has been done and the P&R Committee now receive the Corporate Risk Register with risks aligned to Corporate Priorities (CPs)	No
IR4	Move to a quarterly integrated reporting system, incorporating performance, finance and risk reporting	2023/24	Work is currently progressing on the review of the Partnership Management Plan which will, in turn, lead to the next 5-year Corporate Plan. Consideration will be given to the reporting schedule alongside the development of the Corporate Plan in late 2025/early 26.	Outstanding- to be followed up in 2025/26



© 2025 Grant Thornton UK LLP. All rights reserved.

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