Appendix A4 - Corporate Financial Recovery Plan

The scale of the Council's forecast financial challenge in 2026/27 has required immediate and decisive intervention to stabilise the Council's financial position and ensure resources remain aligned to statutory and essential service delivery. Following a detailed review of the emerging forecast, the Section 151 Officer has implemented enhanced financial controls and initiated a corporate financial recovery programme designed to mitigate in-year pressures, strengthen financial discipline and support delivery of a balanced Medium-Term Financial Plan.

Whilst directorates remain accountable for managing budgets within approved cash limits, the Council has adopted a corporate approach to financial recovery. This ensures all available opportunities to reduce expenditure, increase income and improve financial resilience are identified, prioritised and implemented at pace.

Enhanced Spend Controls

On 20 July 2026, the Section 151 Officer authorised the Council's escalation to a "Red" spend control environment. This represents the highest level of financial control and reflects the need to restrict non-essential expenditure while recovery measures are developed and implemented.

- Immediate cessation of all non-essential expenditure, including discretionary travel, conferences, hospitality, catering, private room hire, non-mandatory training, subscriptions, memberships and software licences that are not business critical or demonstrate limited usage.
- Further restrictions on recruitment and agency worker engagement, with any exceptions requiring explicit approval from both the Chief Executive and Section 151 Officer.
- Strengthened expenditure approval processes, including Service Director approval for all purchase orders above £2,000 and the removal of automatic approval routes for lower-value purchases.
- Suspension of most purchasing card facilities, with limited exceptions where operationally required. All purchase requests will be subject to budget verification before approval.
- Increased oversight through more frequent Procurement Board meetings to challenge and scrutinise proposed expenditure before commitments are made.
- Direct involvement of the Section 151 Officer in placement and high-cost expenditure panels to provide additional financial challenge and assurance.
- Mandatory pre-authorisation of overtime by Service Directors before any additional hours are worked.
- A corporate review of vacant posts to identify opportunities for deletion, restructuring or alternative delivery arrangements where posts are not operationally essential or business critical.

These controls are intended to slow the growth in expenditure, reinforce financial accountability and ensure spending is directed only towards statutory, essential and priority services. The Section 151 Officer will review their effectiveness on a monthly basis and amend the control environment where appropriate in response to the Council's financial position.

Corporate Financial Recovery Programme

Alongside enhanced spend controls, the Council has established a Corporate Financial Recovery Programme to identify and deliver improvements to the Council's financial position. The programme is sponsored by the Corporate Leadership Team and will be monitored through existing governance arrangements, with progress reported regularly to Members.

Theme	Focus
Headcount	Reduce avoidable workforce expenditure through tighter vacancy management, reduced agency dependency, controls on overtime, organisational redesign and review of non-essential posts.
Income	Maximise income generation through fees and charges, grant opportunities, commercial activity, improved cost recovery and strengthened collection rates.
Estates	Reduce property-related costs through estate rationalisation, improved utilisation of operational buildings, lease reviews, asset optimisation and energy efficiency measures.
Debt Recovery	Accelerate recovery of monies owed to the Council, including Council Tax, Business Rates, Housing, Adult Social Care and other debtor balances.
Contracts & Commissioning	Review and challenge third-party expenditure, contract specifications, commissioning arrangements, contract renewals and service demand assumptions to ensure value for money is maximised.

The financial recovery programme complements directorate-led actions already underway and provides a coordinated corporate response to the financial challenges facing the Council. The programme will continue to evolve as further opportunities are identified, with delivery of recovery actions being critical to reducing the forecast overspend in 2026/27 and improving the Council's medium-term financial sustainability.