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Local authority

Commercial

Governance

Commercial healthcheck

A pulse-check report on local government commercial investment activities and governance requirements to create vibrant economies

The Income Spectrum series

Contents

Overview

This report shares insights into why and how local authorities are changing their approach to commercial opportunities, and some of the related governance and risk management issues. It gives leaders of local government and public services a 'pulse-check' on the latest commercialisation developments.

New approaches
A prolonged period of austerity has left local government with the daunting challenge of protecting vital public services while dealing with severe budget cuts, particularly with the end of the Revenue Support Grant (RSG) from central government in 2020.

This tipping point in local government finances has led to a change in risk appetite at many councils, encouraging them to become more commercial. The aim is to generate income or make efficiency savings to ensure the sustainability of local services. However, many councils face a dilemma on commercialism – often criticised for not being business-like enough on the one hand, and for being overly-commercial on the other.

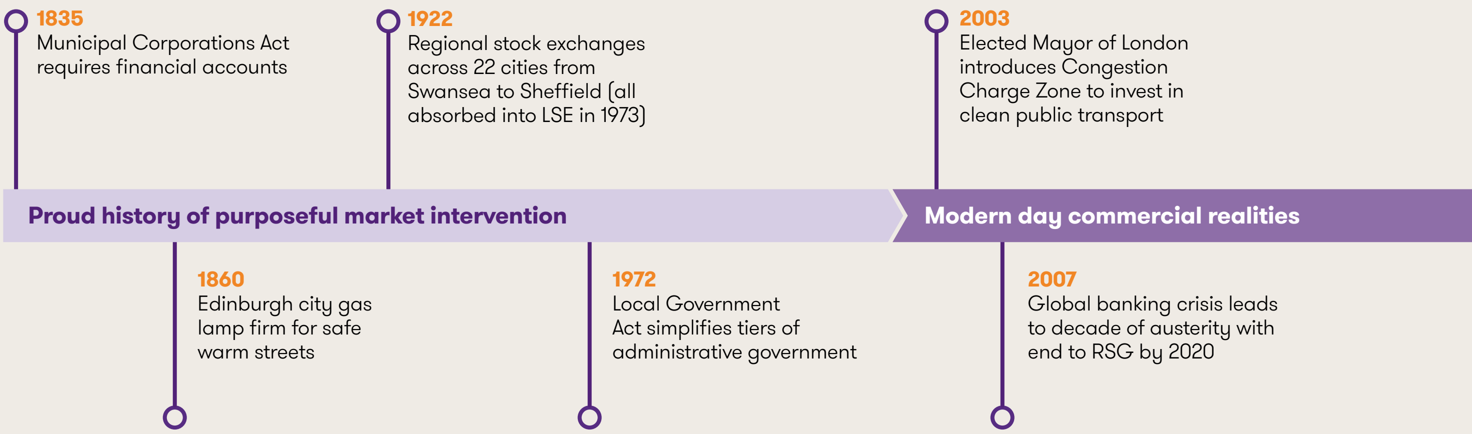
Investing in commercial assets is nothing new for local government. It has a proud history of commercialisation with a social purpose dating back over nearly 200 years (Figure 1).

Our research reveals a wide range of current local government investment and treasury strategies across the UK. It also shows that the more commercial councils are now adopting increasingly innovative approaches to commercialisation, such as place-based market offerings, working together locally to add social value and cross-boundary franchising.

New responsibilities
Councils have both a legal and a moral duty to manage scarce resources responsibly. With the uncertainty surrounding Brexit and ongoing funding struggles, councils need to take a place-based approach to choosing the most prudent commercial options and ensure that appropriate checks and balances are in place to manage the associated risks.

Increased public scrutiny and the need to ensure a balanced approach to commercialisation have culminated in new rules. These will change the way local government is able to trade,

Figure 1: Timeline of local government commercial considerations



borrow and invest – the impending revised CIPFA Prudential Code for Capital Finance in Local Authorities. While well intentioned and necessary, these new rules may not reflect all of the latest commercial innovations in local government and are potentially at odds with other government policy. These therefore may be insufficient alone to meet their intended objective, or even worse, restrict council's ability to make themselves financially sustainable.

In addition to these impending rule changes on capital finance, councils' commercial activities will be shaped by wider national policy and global mega trends over the next decade and beyond. Local authority leaders must ensure that their medium and longer-term planning reflects these factors in order to deliver sustainable outcomes.

The right approach

Our research shows that councils will need to do more than simply comply with the new rules to ensure an approach to commercialisation that balances outcomes and risks. This report therefore concludes with a healthcheck diagnostic tool designed to give local government leaders extra comfort and confidence that they are pursuing a suitably balanced approach.

Report methodology

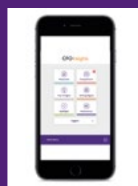
This pulse-check report is part of Grant Thornton's The Income Spectrum series. This draws on analysis of government statistics on the sector and a review of a sample of councils' treasury strategies, as well as our experience as an advisor to local government. It also uses insight from stakeholder panel events across the UK (see Acknowledgements on page 15).

This latest report builds on our The Income Spectrum report (published in Spring 2017), which examined best practice on:

- trading to earn that delivers multiple outcomes with a financial and social return to create vibrant economies
- approaches to income generation
- financial mechanisms to fund or deliver income generation
- organisational alignment to nurture the right commercial culture
- critical success factors in reviewing and developing a strategy and implementation plan.

It also complements our previous reports on financial resilience, governance, alternative delivery mechanisms and place analysis.



Future of self-sustainability shaped by mega trends

2011
Localism Act boosts General Power of Competence (GPC) investment and borrowing. Wave of spun-off trading arms, in particular housing, utilities and financial services

2015
As part of Greater Manchester 'Devo Manc' deal, Oldham leads way for other combined authorities. Following on from acquiring Stansted Airport (2014) and later issuing a homelessness Social Impact Bond (2017)

2017
CFO Insights app released on Apple and Google store

2018
Revised CIPFA Prudential Code launched. Brexit and new Industrial Strategy leads Core Cities to negotiate new State Aid and bilateral global trade, establishing regional development banks and stock exchanges

2020
End of RSG and demographic pressures trigger council mergers and spun-off trading company acquisitions and Initial Public Offerings

2025
EU Circular Economy Package results in revised recycling and landfill targets which UK complies with to access the single market

2030
New World Trade Organisation (WTO) rules on cross-border data flows such as regional crypto-currency used in Hull and Dubai and 3D printing by robots in council-owned business parks

The current state of local government borrowing and investment

The latest annual statistics from government to the end of March 2017 show that total local government borrowing is £92.2 billion and total investment £33.1 billion. This continues to follow the trend seen since 2012 (Figure 2).

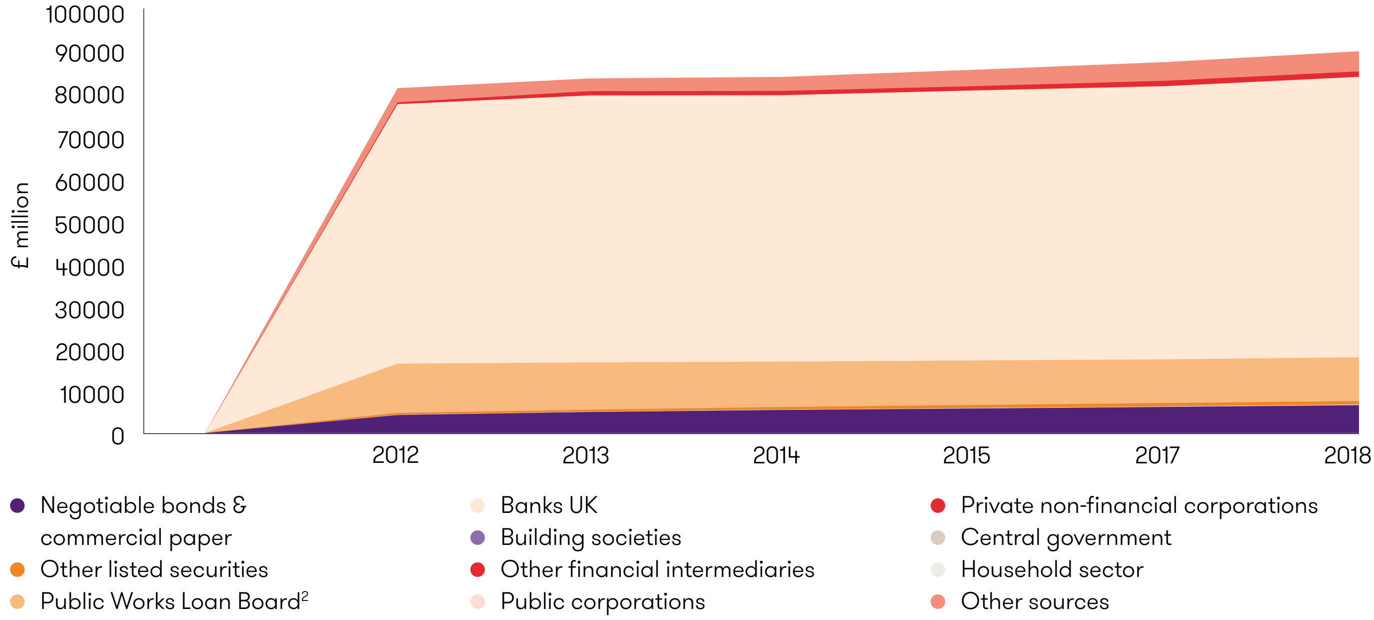
Recent research shows that investment in property is a growing trend – a third of councils have done so since 2010, spending more than £2.4 billion between them. More than half of this has been by districts in the south east of England[1].

However, different tiers of local government have different options to generate income according to their available capital and asset base, powers, capacity and local market context.

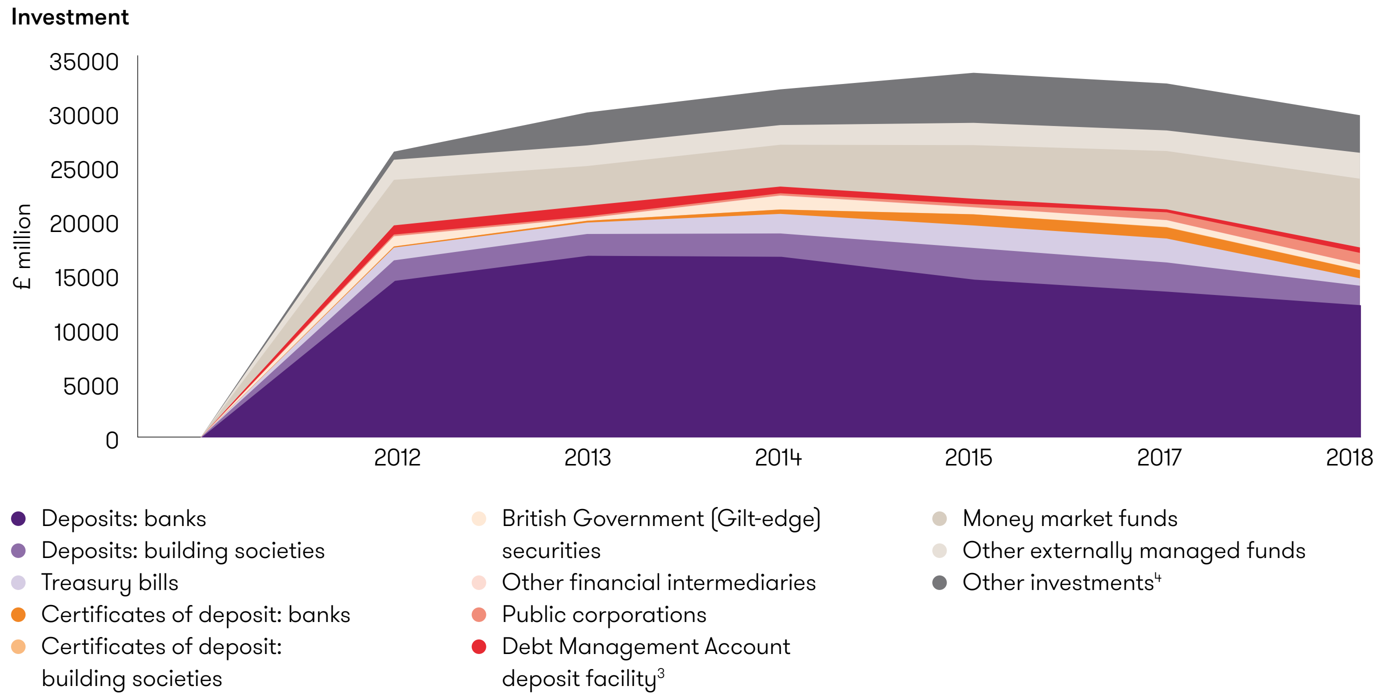
While the increased scrutiny of council commercialism has tended to focus on property, this is just one of a number of areas of treasury activity. For the past year alone, borrowing includes £4.8 billion on bonds and commercial paper, and investment includes £7 billion in inter-authority lending.

Figure 2: Borrowing and investment by councils in England, Scotland, Wales, and Northern Ireland

Borrowing



1 LGC, 26 October 2017.
2 All our figures are as reported by local authorities so may differ from levels published by other sources. PWLB figure includes Northern Ireland authorities' borrowing at PWLB-equivalent rates from the Department of Finance and Personnel.



Sources: adapted by Grant Thornton from DCLG Financial Statistics 2012-2017, HM Government

Approaches to property investment

For some councils, investing in property is the primary option. It is not surprising that those councils with the highest percentage of property in their portfolios benefit from favourable locations and associated socio-economic factors.

Our research shows that for many councils, investing in commercial assets is key to developing anchor institutions and strategic assets that contribute to place, ranging from airports, business parks, offices, hotels, solar farms and forestry, through to GP surgeries, gyms and cinemas. Examples of this can be seen in North East Lincolnshire, Luton, Powys and Stirling.

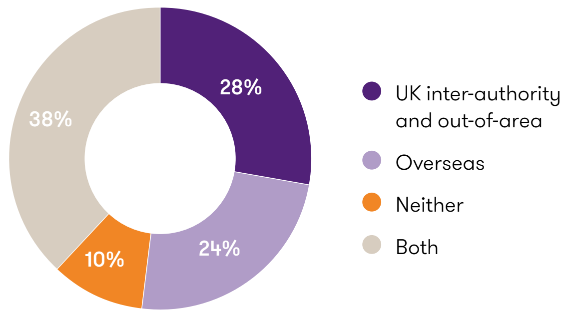
Additional investment outside of their local areas also helps councils to diversify their risk. For example, this approach can help mitigate the risk of a downturn in the local property market, insulate councils against low domestic savings rates or allow them to pool budgets and share costs to scale-up developments. It is not always just about securing the highest yield (see *Horizon scanning* on page 8).

Treasury strategies

Our review of the treasury strategies of 50 local authorities across the UK shows the extent of commercial activities involving UK inter-authority and out-of-area loans or international transactions to manage cash.

Of the councils analysed, the vast majority (90%) allow for inter-authority or overseas transactions subject to certain conditions (Figure 3).

Figure 3: Treasury strategies stating an option to transact with peers, out of area, overseas with public or private financial institutions



Source: Grant Thornton review of local authorities' published plans, 2017

Of the sample group, 38% state in their treasury strategies that, if the credit rating is met, they will get involved in both public-to-public funding and international deals.

Of the authorities interested in public-to-public transactions with peers, all state that they would only invest in UK local authorities. Typically this is with fire and police authorities, parish councils and NHS bodies, often with a specific reference to supporting investment in adult social care. This is also subject to satisfying credit rating checks.

For authorities that mention international sources of income in their treasury strategies, the preferred transaction activity is term deposits in overseas banks. This varies from loans with multi-lateral public agencies, such as the European Investment Bank, through to deposits and bonds in private investment banks. Most of these authorities have a list of domiciled countries with a high credit rating they would consider investing in or borrowing from.

3 All our figures are as reported by local authorities so may differ from levels published by other sources. PWLB figure includes Northern Ireland authorities' borrowing at PWLB-equivalent rates from the Department of Finance and Personnel.

4 Other investments include items authorities report as rest of world banks, other securities and other investments.

Changes to the governance of commercial activities

The continued rise of commercialisation in local government has led to intense scrutiny of its borrowing and investment activities over the past twelve months.

Key changes to rules on local government investment and borrowing

Attention-grabbing media headlines alleging that 'rotten boroughs' are 'betting billions on property purchases'[5] have coincided with calls by the Government and accountancy profession for a review of commercialisation by councils[6].

The result is a newly revised framework for ensuring that capital investment by local authorities is prudent, affordable and sustainable – the relaunched *CIPFA Prudential Code for Capital Finance in Local Authorities* – which will be finalised in January 2018.

Governance of commercial commitments is key to building confidence in the path to financial sustainability. The CIPFA code is the sector's primary rule book for treasury management. The revised code is expected to place a stronger emphasis on how councils will balance security, liquidity and return.

The proposed changes to the CIPFA code include more stringent requirements on:

- recognition of collaborative governance, for example elected mayors, combined authorities and LEPs
- alignment to long-term strategic objectives, for example through the use of the Public Works Loan Board (PWLB) for regeneration rather than short-term hedging
- appraisal of options and quality of business cases
- quantifying and mitigating risk, for example scrutiny of out-of-boundary transactions.

The Department for Communities and Local Government (DCLG) has also recently issued its proposed update to the Local Authorities Investment Code and the Minimum Revenue Provision (MRP) Guide to cover non-financial yield bearing investments. To be finalised in 2018, the Guide calls for local authorities to be more transparent and explain 'why' and not just 'what' they are doing with their investment activity. In dialogue with HM Treasury, one of the possible key changes by DCLG to its Code and Guide is a specific curb on borrowing for non-local property. (Refer to the *Glossary of codes* on page 13).

Limitations of the rule change

Our previous report, *The Income Spectrum*, indicated that these changes are necessary given the ad-hoc nature of some councils' approach to commercialisation. However, our research for this report suggests that the changes may not be sufficient to redress possible inconsistencies with the direction of other governance policy, industry practice and trends. (See *Horizon scanning* on page 8).

For example, there is no explicit reference to health bodies in revised draft code, whereas in reality there is a strong trend towards shared leadership between councils and Clinical Commissioning Groups (CCGs) at the CEO and Director of Finance level, and towards pooled budgets for place-based investment to deliver multiple outcomes, such as new GP surgeries and neighbouring land development.

Also, in making a separate call for pension pooling in the sector the government's aim was not only to reduce overheads but also to stimulate joint investment in national infrastructure schemes, for example rail transport, which by its very nature is likely to be 'out-of-area'.

Furthermore, an over emphasis on commercial property may be out of kilter with the full range of other asset classes which councils are trading in. (See *Current state of local government borrowing and investment* on page 4).

5 Private Eye, 27 July 2017; The Times, 11 July 2017; Financial Times, 26 April 2017.
6 For example the Public Accounts Committee suggesting that there was 'complacency' about the risks to council finances from commercial transactions (UK Parliament, 16 November 2016).

Compliance with other codes

In addition to the impending CIPFA financial rulebook, local treasurers need to comply with other relevant financial and non-financial codes.

Figure 4 shows a number of financial, social or sustainability codes which may shape councils' decisions on commercial commitments (see *Glossary* for further details). These range from emerging mandatory codes that are still work in progress (for example on crowdfunding and peer-to-peer loans) through to discretionary codes that have become commonly adopted over time (for example IS14001: environmental management systems in public procurement policy).

Figure 4: Maturity grid of financial and social codes impacting councils' commercial commissioning

Mandated

MiFID II (categorisation of local pension funds) **Crowdfunding and peer-to-peer loans regulation by FCA**	**Eligibility to access Individual Savings Accounts (ISAs)** (eg Swindon's solar farms) **IR-35** (off-payroll intermediaries) **Modern Slavery Act 2015** (whistleblowing and disclosure)	**CIPFA Prudential Code for Capital Finance** **IFRS-9** (treatment for General Fund Revenue Account) **EU Apprenticeship Levy**
Article 50, Lisbon Treaty (State Aid rules under EU procurement law) **National Industrial Strategy** (Universal Basic Infrastructure)	**Living wage employer certification** (eg Wolverhampton's Yoo Recruit)	**Carbon Disclosure Project (CDP) Cities** (eg Glasgow's report to impact investors on stranded assets and climate change to attract new inward investment)
Fair Tax Mark accreditation (eg Local Authority Pension Fund Forum (LAPFF) public call for better tax strategy reporting among FTSE-50 and individual councils debating a motion to tackle avoidance)	**British Standards Institution's PAS 181 Smart Cities Framework**	**ISO14001 environmental management system** (eg North East Lincolnshire's shared services and joint procurement with North Lincolnshire)

Voluntary

Emergent issue → Sector norm

Sources: The Income Spectrum, Grant Thornton, 2017; and case studies detailed on page 10

Horizon scanning for commercial innovation trends

In addition to ensuring compliance with the proposed CIPFA rule changes on capital finance, local government leaders need to anticipate and plan for the direction of wider national policy and relevant global mega trends. These will shape how commercial activities contribute to financial self-sustainability over the next decade and beyond.

Examples of key trends on the horizon to 2030 are shown below. These range from possible changes to State Aid post-Brexit through to a new WTO General Agreement on Trade in Services (GATS) on cross-border data flows in respect of digitalisation.

Place-based market offer

Integrated investment prospectuses unique to a place, realising the benefits of agglomeration, with councils playing a lead role as facilitator and other local stakeholders aligned to relevant local plans, industrial strategy or joint needs assessment for wellbeing.

Stirling Council has published its Stirling City Deal, with a pipeline of commercially viable projects aligned to its priority-based budgeting approach, including the university campus, a digital district and the harbour. The focus is on social as well as physical infrastructure and aims to create 3,000 jobs by increasing tourism by 25%.

Wirral Council's centrepiece for commercial investment and development plans is the creation of a Joint Venture partnership to deliver its £1 billion regeneration plan, including an iconic waterfront development. The project was launched at MIPIM in Cannes this year, setting out the potential to deliver a mixture of residential, leisure, commercial and cultural development throughout the borough. The Council is now in the process of identifying its preferred partner, after receiving bids from global consortia over the summer, and is planning to announce the creation of the partnership in early 2018.

North East Lincolnshire Council's strategic commissioning and outcomes framework includes a Place Board to allow for blended leadership and pooled budget investments, including a joint leadership and management agreement between the Council and the CCG and a joint procurement service with North Lincolnshire Council that involves sustainable procurement protocols such as ISO14001.

Sources: case studies and regional panel events led by Grant Thornton, 2017

Digitalisation and fintech

Use of disruptive technologies to deliver service transformation and attract alternative finance, alleviating budget pressures both directly through efficiency savings for frontline services, and indirectly by facilitating sustainable revenue models for SMEs and community groups in place of grant support.

Oldham Metropolitan Borough Council's co-operative charter supports new models of co-production, including an early payment programme for suppliers and technology-enabled care at home. The programme allows quicker payment of invoices for local suppliers in exchange for a small discount, creating an income stream for the Council and improving cashflow management for suppliers.

Angus Council is facilitating a crowdfunding platform that allows businesses, individuals and community groups to campaign for funding to achieve their local regeneration goals and projects. This also alleviates calls on the Council for grant support. The Council works in partnership with local agencies, businesses and services to create projects on the platform, to which the community can pledge cash in return for the project being launched. Crowdfund Angus has raised over £168,000 for local people and community groups which has then led to further investment of over £450,000 to the area through private investment, additional grants and events.

Lancashire Police established a forensic Science academy for range of national and global clients in partnership with University of Central Lancashire to harness its nationally recognised laboratories and provide sustainability to the department in response to austerity. It will exploit the latest digital technology and capability, increase research, development and education for forensics through collaboration.

Partnering locally for added social value

Local public bodies coming together to deliver commercial and social impact, in particular to capture new shared value on health and corporate responsibility.

Winchester City Council's property portfolio includes utilising an entrepreneurial approach by building a doctor's surgery to deliver an income stream; working with partners to improve the health of residents in Winchester and improving the quality of the environment by the construction of a modern building with high environmental standards.

Luton Borough Council is building on the success of flagship commercial ventures like the wholly owned London Luton Airport and the Luton Investment Framework, which is a £1.5 billion social and economic investment strategy[7]. This includes partnering with local NHS bodies on land value capture through the Sustainability and Transformation Partnership (STP).

Cross-boundary franchising and equity release

Peers joining forces outside of council boundaries to extend the services of established companies spin-outs or new commercial ventures.

LGSS Digital Services is one of an array of shared services operated by the spun-off joint committee owned by **Cambridgeshire and Northamptonshire County Councils and Milton Keynes**. It helped to transform Cambridgeshire County Council's blue badge application process, resulting in an improved digital uptake of 60% (6,000 customers), as well as a financial return of investment within six months.

City of Wolverhampton Council's Yoo Recruit is in confidential negotiations with two other unnamed councils about extending its interim agency offer to other areas outside the city to benefit from shared set-up costs. Yoo Recruit has a turnover of £11 million and profit of £0.2 million.

7 Think Luton, 2017.

Extra comfort and confidence on commercial activities beyond compliance

Our research shown that a 'beyond compliance' approach to governance of commercial activities is required by councils wanting to do more with less.

The aim is to ensure that local government leaders adopt a balanced approach – optimising commercial investments in order to maintain public services, while mitigating the risks of innovative commercial activities and protecting their council's reputations.

This means going beyond simply adhering to the rules and ensuring that local commercial action plans are fully aligned with priority outcomes. In turn this will raise aspirations for public service reform and help build trust in these new commercial approaches.

Our commercial healthcheck diagnostic tool
The Grant Thornton commercial healthcheck diagnostic (Figure 5) can be used as a planning tool or to evaluate progress in developing a balanced approach to commercialisation.

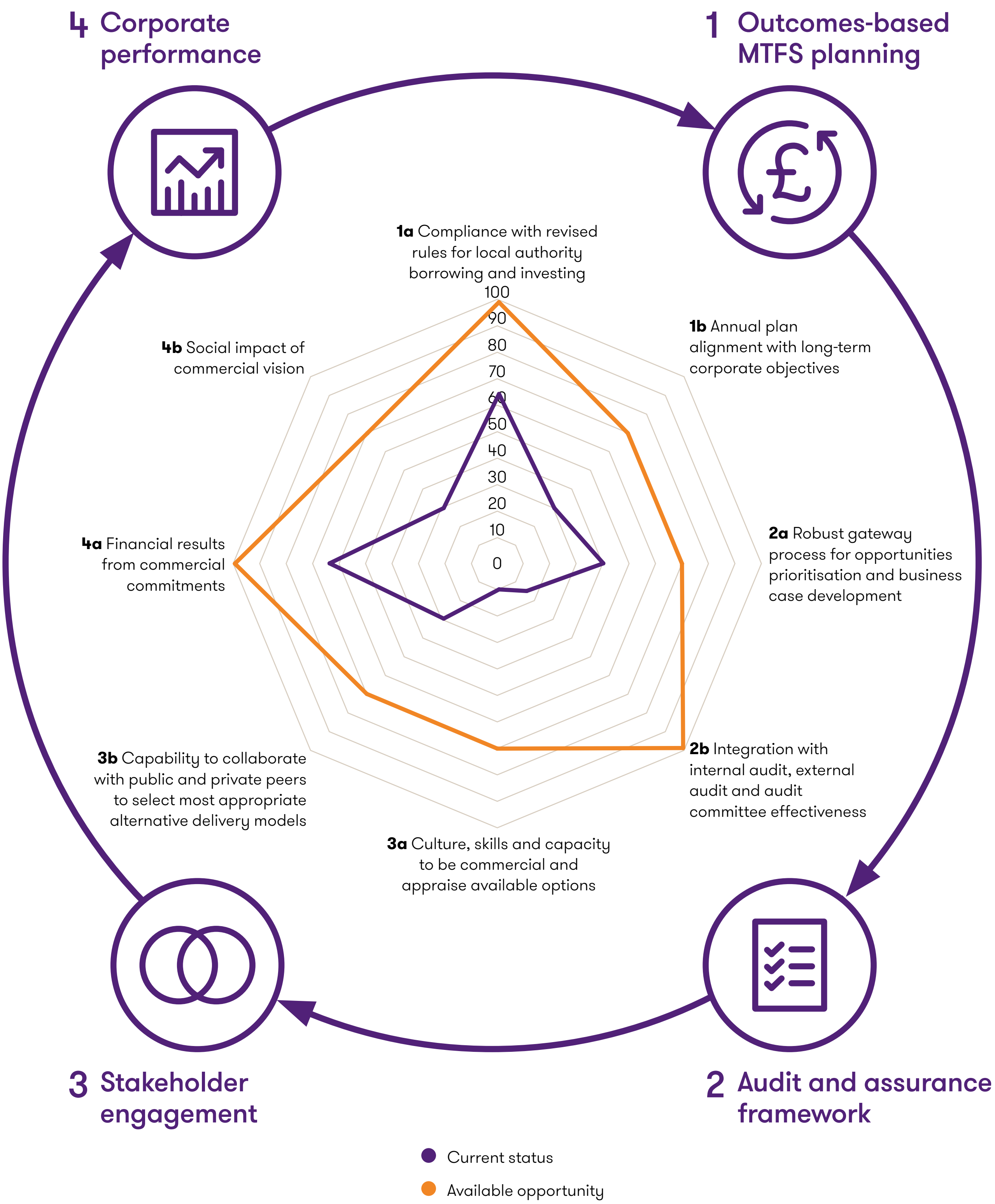
Whether a council is a new starter or refreshing its existing commercial approach, the tool can provide extra comfort and confidence to officers and members that they have the processes and people in place to deliver the desired purpose in the most effective way.

It allows local government leaders to identify strengths and areas for development, either through self-assessment or independent external review. It also allows comparative analysis year-on-year to ensure continuous learning and performance improvement.

Grant Thornton has significant experience of working with local authorities to review and develop commercial strategies and implementations plans. We can help you by either joining forces with you to as a delivery partner to transfer knowledge and develop your capacity to become self-sustaining, or acting as a critical friend and provide and independent view.

Whether a council is a new starter or refreshing its existing commercial approach, the tool can provide extra comfort and confidence to officers and members that they have the processes and people in place to deliver the desired purpose in the most effective way.

Figure 5: Grant Thornton's diagnostic tool for beyond compliance commercial healthcheck



Local authority treasury strategy sample

Sampling list of 50 local authority treasury strategies

- Aberdeen City Council
- Belfast City Council
- Birmingham City Council
- Bolton Borough Council
- Bradford City Council
- Bristol City Council
- Bury Borough Council
- Carmarthenshire County Council
- Cheltenham Borough Council
- Chorley Borough Council
- City and County of Swansea
- City of Cardiff Council
- City of York Council
- Coventry City Council
- Dundee City Council
- Edinburgh City Council
- Flintshire County Council
- Glasgow City Council
- Leeds City Council
- Leicester City Council
- Liverpool City Council
- London Borough of Barking and Dagenham
- London Borough of Camden
- London Borough of Greenwich
- London Borough of Hammersmith and Fulham
- London Borough of Harrow
- London Borough of Hounslow
- London Borough of Lewisham
- London Borough of Newham
- London Borough of Tower Hamlets
- London Borough of Waltham Forest
- London Borough of Westminster
- Luton Borough Council
- Manchester City Council
- North East Lincolnshire Council
- Oldham Borough Council
- Rochdale Borough Council
- Rushcliffe Borough Council
- Salford City Council
- Sheffield City Council
- St Helens Borough Council
- Stockport Borough Council
- Sunderland City Council
- Swindon Borough Council
- Tameside Borough Council
- Trafford Borough Council
- Warrington Borough Council
- Wigan Borough Council
- Wirral Borough Council
- Wolverhampton City Council

Glossary of codes

Name	Description	Possible implication for council commerciality
MiFID II	The updated EU legislation introduces new processes for authorising investment firms and requires regulated firms to make a range of notifications. It has made changes to how local public authorities are able to be classified.	Local Government Pension Schemes may only be able to be classified as 'retail' clients, which would impose significant limitations in terms of the tools and investments available to them.
IR-35 (off-payroll intermediaries)	A worker is involved in off-payroll working when they provide a service through their own intermediary. IR-35 is in place to ensure the worker will pay broadly the same tax and NICs as an employee would.	Public authorities are responsible for deciding if off-payroll working rules apply. If so, the authority responsible for paying the intermediary must deduct tax and NIC and report them to HMRC.
Modern Slavery Act 2015	This act is designed to tackle slavery in the UK and consolidates previous offences relating to trafficking and slavery.	This Act involves disclosure and whistleblowing procedures which certain companies and public bodies much adhere to.
IFRS-9	A standard of the International Reporting Standards (IFRS) body which addresses the accounting for financial instruments.	This standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge fund accounting that must be adhered to.
EU Apprenticeship Levy	The apprenticeship levy involves companies with a pay bill in excess of £3 million paying 0.5% levy.	This charge can be invested into localised apprenticeship and training schemes.
Article 50- Lisbon Treaty	The Treaty allows a member state to notify the EU of its withdrawal and obliges the EU to negotiate a 'withdrawal agreement' with that state.	Article 50 has been invoked in the UK and until negotiations have been completed, there is significant uncertainty around legislation and international trading.
Living wage employer certification	The living wage (£8.50 per hour outside of London) is set above the national minimum wage (£7.50 per hour) for over 25s in 2017. This is based on a target to reach 60% of median earnings by 2020.	The living wage is widely considered the 'fair' rate of pay for employees, and is often taken into account when setting up third party organisations.
CDP Cities	The Carbon Disclosure Project (CDP) cities programme provides a voluntary climate change reporting platform for city governments to disclose their environmental performance to pension funds and fund managers. The programme is open to any city government, regardless of size or geographic location.	In recognising the business benefits of disclosure and action organisations are able to take steps to address their environmental impact. This ensures their long-term sustainability and profitability
Fair Tax Mark accreditation	The Fair Mark accreditation scheme is a social label that rewards businesses that are 'good' taxpayers in terms of corporation tax.	For an increasing number of Councils it is important to be associated are associated with organisations that behave responsibly in terms of tax for reputation reasons.

Name	Description	Possible implication for council commerciality
British Standards Institution PAS 181 Smart Cities Framework	This establishes a good practice framework for city leaders to develop, agree and delivery smart city strategies. It focuses on enabling processes through the innovative use of technology and data, together with organisational change.	This involves investing in smart data, enabling city-led innovation, setting holistic and flexible budgets and establishing governance and stakeholder management processes to support and evaluate these changes.
ISO14001	This standard sets out the requirements for an environmental management system and provides guidance on how to consider aspects of the authority such as procurement and storage to reduce the impact on the environment.	Adopting this standard helps Council's improve their environmental performance through more efficient use of resources and reduction of waste.
CIPFA Prudential Code of Capital Finance in Local Authorities	The objectives of the Prudential Code are to ensure that the capital investment plans of authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice.	To facilitate the decision making process and support capital investment decisions, the Code requires the Council to agree and monitor a number of prudential indicators.
DCLG Local Authorities Investment Code	This covers suitable practices that local authorities are required to follow when making investment decisions. This guidance has recently been amended to cover yield-bearing investments.	Authorities need to demonstrate more transparency and openness to make it easier for informed observers to understand how good governance and democratic accountability have been exercised.
DCLG Minimum Revenue Provision Guide	This contains statutory guidance that local authorities are required to consider when calculating MRP.	Local authorities are required to set MRP in a way that covers the gap between the Capital Financing Requirement and the amount of that requirement that is funded by income, grants and receipts.

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Luton Borough Council	Trevor Holden and Dev Gopal
LGSS	Matt Bowmer
Oldham Metropolitan Borough Council	Andy Moran and Shaer Halewood
Powys County Council	Vince Hanly
Stirling Council	Jim Boyle
Winchester City Council	Joseph Holmes
Wirral Metropolitan Borough Council	Nicki Butterworth

About us

Dynamic organisations know they need to apply both reason and instinct to decision making. At Grant Thornton, this is how we advise our clients every day. We combine award-winning technical expertise with the intuition, insight and confidence gained from our extensive sector experience and a deep understanding of our clients.

Grant Thornton UK LLP is a leading business and financial adviser with client-facing offices in 24 locations nationwide. We understand regional differences and can respond to needs of local authorities. But our clients can also have confidence that our team of local government specialists is part of a firm led by more than 185 partners and employing over 4,500 professionals, providing personalised audit, tax and specialist advisory services to over 40,000 clients.

Grant Thornton has a well-established market in the public sector and has been working with local authorities for over 30 years. We are the largest employer of CIPFA members and students in the UK. Our national team of experienced local government specialists, including those who have held senior positions within the sector, provide the growing range of assurance, tax and advisory services that our clients require.

We are the leading firm in the local government audit market. We are the largest supplier of audit and related services to the Audit Commission, and count 35% of local authorities in England as external audit clients. We also audit local authorities in Wales and Scotland via framework contracts with Audit Scotland and the Wales Audit Office. We have over 180 local government and related body audit clients in the UK and over 75 local authority advisory clients.

This includes London boroughs, county councils, district councils, city councils, unitary councils and metropolitan authorities, as well as fire and police authorities. This depth of experience ensures that our solutions are grounded in reality and draw on best practice. Through proactive, client-focused relationships, our teams deliver solutions in a distinctive and personal way, not pre-packaged products and services.

Our approach draws on a deep knowledge of local government combined with an understanding of wider public sector issues. This comes from working with associated delivery bodies, relevant central government departments and with private-sector organisations working in the sector. We take an active role in influencing and interpreting policy developments affecting local government and in responding to government consultation documents and their agencies.

We regularly produce sector-related thought leadership reports, typically based on national studies, and client briefings on key issues. We also run seminars and events to share our thinking on local government and, more importantly, understand the challenges and issues facing our clients.

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