

Kirklees Council

Draft Annual Governance Statement 2024/25

June 2025

Overall Conclusion & Opinion

We have carefully considered the effectiveness of the Council's governance framework and have been advised by the Corporate Governance and Audit Committee. We acknowledge responsibility for ensuring that there is a sound system of governance, which is particularly supported by the authority's code of governance.

We are satisfied that the Council's overall governance arrangements are in accordance with our governance framework and Code of Corporate Governance.

We will continue to enhance our governance arrangements as recommended in the Action Plan that underpins this Statement. We are satisfied that these steps will address the need for improvements that were identified in our review and have monitored their implementation during 2024/25 and will continue to do so in conjunction with the Corporate Governance & Audit Committee.

Signed:

Cllr. Carole Pattison, Leader of the Council

Steve Mawson, Chief Executive

Kevin Mulvaney, Service Director Finance (S151 Officer)

Introduction

All local authorities are required to produce an Annual Governance Statement. This is intended to provide information about how the Council is governed to achieve effective and efficient service delivery compliant with all obligations.

This Statement sets out the scope of responsibilities, the purpose of a governance framework, the key parts of the framework, a review of the effectiveness of these processes in 2024/25, an indication of what would be a key governance issue, an assessment of progress against significant governance issues raised in previous years and any new issues that have arisen during 2024/25.

Statement Scope

Kirklees Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

Kirklees Council has a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE framework *Delivering Good Governance in Local Government 2016*. The Code was reviewed and revised during 2024/25 and was approved at Annual Council in May 2025. The Code is published on the website and the current version can be found at <https://www.kirklees.gov.uk/beta/council-and-democracy.aspx#your-council>

This Statement explains how the Council has complied with the Code during 2024/25 and up to the date that the Statement of Accounts is approved and thus meets the requirements of the Accounts and Audit Regulations 2015, and the Accounts and Audit (Amendment) Regulations 2020. It provides assurance about the Council's governance framework, including the other entity in the Group Accounts, a joint venture, Kirklees Stadium Development Limited, to enable readers of the consolidated Accounts to be satisfied that arrangements are in place to govern spending and safeguard assets. Where specific improvements and actions are ongoing or needed, brief information is provided about the key issues and the main areas of work that have been progressed during 2024/25 and those which are planned or ongoing in 2025/26.

The purpose of the governance framework

Corporate governance is a phrase used to describe how organisations direct and control what they do. For local authorities this also includes how a Council relates to the communities that it serves. The governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled and through which it engages with, leads and accounts to its communities. Effective governance should enable the Council to monitor the achievement of its key objectives and to assess if this has led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of the Council's governance framework, designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve its aims, objectives and policies and can only provide reasonable but not absolute, assurance of effectiveness.

The key parts of the governance framework

- A Local Code of Corporate Governance overseen by the Service Director Legal, Governance & Commissioning and the Corporate Governance and Audit Committee, to assess operational practice and behaviour, and help prepare this Statement.
- A Council Constitution.
- A Corporate Plan, *Our Council Plan 2025/26*, which outlines how officers will seek to run the Council to meet our community commitments and key objectives and quarterly performance monitoring of progress in doing so.
- A Leader and Cabinet model of governance.
- A corporate governance, audit and scrutiny process as set out in the Constitution.
- Oversight and delivery of the Council Plan, including several officer boards as described in the Constitution.
- Statutory officer roles performed by the Chief Executive as Head of Paid Service, the Service Director Legal, Governance & Commissioning as Monitoring Officer and the Service Director Finance as Section 151 Officer. The S151 Officer is a professionally qualified accountant and reports directly on financial matters to the Chief Executive as a member of the Executive Leadership Team (ELT).
- The Monitoring Officer who has responsibility for the Constitution and ensuring the legality of Council actions and decision making.
- The S151 Officer who has responsibility for ensuring that the financial management arrangements conform with all of the governance requirements of the five principles that define the core activities and behaviours that belong to the role in the CIPFA *Statement on The Role of the Chief Financial Officer in Local Authorities (2014)*.
- Codes of conduct defining the standards of behaviour for Members and employees.

- A Counter Fraud, Bribery and Corruption Policy and arrangements that endeavour to comply with the CIPFA Code and best practice.
- A Risk Management Strategy.
- Systems of financial and business internal control.
- An internal audit section, which is compliant with the Global Internal Audit Standards and Code of Ethics.
- Whistle-blowing arrangements.
- A complaints system for residents and service users.
- Business continuity arrangements.
- A senior manager to act as the Caldicott Guardian to protect the confidentiality of patient and service-user information.
- A Data Protection Officer reporting directly to the Chief Executive and a Senior Information Risk Officer (Monitoring Officer).
- Arrangements to manage other parts of the Council's (financial) Group. The S151 Officer monitors and reports on the financial effectiveness of the joint venture company, KSDL, whose accounts are subject to external audit.

2024/25 Review of effectiveness

Kirklees Council has a legal responsibility for conducting, at least annually, a review of the effectiveness of its governance framework. The review is informed by several sources including the work of the executive managers, the Head of Audit & Risk's annual report, the external auditor and other review agencies and inspectorates and Member Committees.

The Council believes that its processes and arrangements effectively deliver the key elements of the governance framework and continue to be regarded as fit for purpose

The Council has four bodies / committees jointly responsible for monitoring and reviewing governance. These are:

- The Executive (Cabinet)
- The Corporate Governance & Audit Committee (CGAC)
- The Overview & Scrutiny Committee; and
- The Standards Committee.

The main parts of the review process are described below:

1. Annual Review of effectiveness of the system of internal control

In accordance with the requirements of the Accounts and Audit Regulations 2015 and Global Internal Audit Standards (GIAS), the CGAC approved the annual review of the effectiveness of its system of internal control and internal audit at its meeting in June 2025. The Head of Audit has confirmed audit arrangements have continued to be compliant with prevailing professional standards and code of ethics.

2. Risk Management

The overall framework, system and processes is working well and continues to be developed and embedded across all parts of the Council. Any new and emerging risks / and any high risks not being controlled effectively have been raised during the year and escalated to ELT and Cabinet as appropriate. These included matters related to the financial stability of the Council, SEND, associated parties, public housing (Housing Revenue Account) generally and property conditions specifically, employment and staffing- particularly in the context of hard to fill posts and the impact that this can have on performance in certain operational areas.

3. Head of Audit's Annual Assurance Opinion

The proportion of areas where control issues have arisen during the year was broadly stable from the previous year (but lower than the historical assurance level). The Head of Audit has reported he has obtained sufficient assurance that overall, the Council's systems of governance, risk management and internal control continue to be sufficiently sound and operate reasonably consistently across Services. Areas of concern related to contract and project management, and information management.

4. External Auditor's Review

The audit of the Council's 2024/25 financial statements and Annual Report (VFM Review) is scheduled for approval at CGAC in January 2026. On 31 January 2025, the 2023/24 financial statements were approved with an unqualified opinion. The 2023/24 Annual Report was received by the CGAC at the same meeting. Two key recommendations were made concerning financial sustainability, first to continue to build on strengthening the financial position and mitigating the key risks, and secondly to take action to return its' spend on Dedicated School Grant back in line with its renegotiated Safety Valve management plan with the Department for Education. Improvement recommendations were made on governance issues arising from the budgetary control process that did not highlight district heating charges were not recovering full costs, KSDL shareholder re-structure, the change in the Council's Minimum Revenue Reserve charge and contract management. A third key recommendation related to addressing the concerns raised by the Social Housing Regulator concerning fire remediation, damp and mould and water quality testing with progress reported in public to the Cabinet.

Arrangements to strengthening corporate oversight of the implementation of agreed recommendations have also been made.

5. Cabinet

No new significant governance issues to report herein arose from the Cabinet's work this year.

6. Corporate Governance & Audit Committee

During 2024/25 the CGAC reviewed aspects of the Council's constitution and governance arrangements and noted or approved revisions or made recommendations to Council as appropriate. CGAC also received assurance from various second line of defence mechanisms in their 2024/25 annual reports, such as regarding health and safety, emergency planning and business continuity, information governance and customer corporate standards on complaint handling, and a review of the Ombudsman and Third Stage Complaints received, together with details of the Whistleblowing concerns that have been received. Recognising the need to ensure that both new and existing members of the Committee have the appropriate support and skills to conduct their role, training sessions are provided at various intervals, and this includes treasury management, over which the Committee has corporate oversight. No new significant governance issues to report arose from the Committee's work this year.

7. Overview & Scrutiny Management Committee

During 2024/25 the Committee and its four Panels were themselves reviewed following a review of the Council's governance arrangements and key issues faced and strategies and responses to manage these. No new significant governance issues arose from the work of the Overview & Scrutiny process this year.

8. Standards Committee

During the year, the Committee reviewed various aspects of Member conduct arising from an increased volume of complaints but none individually or collectively were of sufficient significance to warrant reporting in this Statement. The Government issued a consultation on standards which concluded in February 2025. We await any results to see if there will be changes to the standards regime.

9. Role of the Chief Financial Officer

The Service Director of Finance commenced his role in May 2024, with duties which continue to reflect the governance arrangements set out in the CIPFA Statement, which are required to ensure he is able to operate effectively and perform his core duties compliant with the Constitution. The Council's financial management arrangements continue to fully conform to those set out in the Statement. An assessment of adherence to the CIPFA Financial Management Code is now due.

10. Role of the Monitoring Officer / Senior Information Risk Owner (SIRO)

The Service Director Legal, Governance & Commissioning is the SIRO and has reviewed information governance and security matters as Chair of the Information Governance Board with an increasing focus on an enabling and supportive role, as well as wider assurance concerning

organisational governance and compliance with the Constitution. The Council is working closely with the Information Commissioner to monitor and manage the current backlog of subject access requests concerning personal data held.

11. Officer Governance

Officer Boards as prescribed in the Constitution have continued to drive forward the Transformation Programme with strategic oversight from the ELT and escalation of appropriate issues, with particular emphasis on revenue budget and capital plan management- areas where substantial progress has been made. These arrangements are subject to both Cabinet and Scrutiny oversight and are covered in the financial position of the Council in this Statement. No new significant officer related governance issues arose this year.

12. Significant Partnerships

Partnerships range from the joint venture partnership and thematic partnerships and their subsidiaries to key contractual agreements managing substantial amounts of public money. The main contact officer for each Partnership is responsible for assessment of the governance arrangements and providing details of any significant changes to the membership and circumstances of the partnership. Senior officers use this information to assess the potential risk that the partnership presents to the reputation or financial standing of the Council. Every six-months, a report is provided to ELT as part of the quarterly assurance meetings that updates on key issues and risks across partnership working and the key partnerships. Whilst the revised and strengthened governance framework has become embedded, the Council is continuing to work on a number of areas where there is scope for arrangements to be improved further.

13. Corporate Financial Management and Corporate Performance & Impact Reports

Twice-yearly Corporate Performance and Impact reports, covering key activities and the outcomes within the Council Plan, continued to be produced in 2024/25 in line with the expectations of the Administration. The Council returned to quarterly performance reporting, including a renewed set of key performance indicators to accompany the Council Plan priorities from quarter 1 2024/25. This change provided greater visibility of performance in key areas to aid an understanding of the effectiveness of the organisation. Overall understanding of the impact of the Council's performance and delivery of services continues to be the key purpose of reporting.

14. External Inspections, Regulatory Action & Peer Reviews

An LGA Peer Review was undertaken during 2024/25. The outcome was largely positive and whilst governance and operational arrangements were found to be fit for purpose, a number of areas for further improvement were agreed and an Action Plan and next steps were noted by Council on 23 April 2025.

The central repository of the objectives, outcome and future timetable of all external inspections, audits, accreditations and reviews established by the Corporate Planning and Co-ordination Team from information provided by Service Directors enables areas for improvement and

recommendations to be implemented to be identified quickly and progress monitored accordingly to ensure complete corporate oversight. This process will be embedded further into the work of the Team. There were no particular significant governance issues arising from external inspection during 2024/25. All Executive Directors are set an annual objective of participating in LGA Peer Reviews to ensure organisation learning from best in class.

What would be a Significant Governance Issue?

The annual corporate review process has identified and evaluated both progress with addressing ongoing issues from the 2023/24 Statement and some new areas. Those issues that meet one or more of the following criteria (suggested by CIPFA / SOLACE) have been regarded as *significant* and are included in this Statement:

- A) It undermines / threatens the achievement of our four key Council priorities:
 - to address our financial position in a fair and balanced way.
 - to strive to transform council services to become more efficient, effective, and modern.
 - to continue to deliver a greener, healthier Kirklees and address the challenges of climate change.
 - to continue to invest and regenerate our towns and villages to support our diverse places and communities to flourish.
- B) It is a significant failure to meet the principles of good governance.
- C) It is an area of significant concern to an inspector, regulator or external audit.
- D) The head of internal audit, one of the statutory officers or the Corporate Governance & Audit Committee has recommended it be included.
- E) It is an issue of public or stakeholder concern.
- F) It is an issue that cuts across the organisation and requires cooperation to address it.

Progress with the Significant Governance Issues in last year's (2023/24) Statement

Our previous Statements recognised that many issues are complex, and sometimes not solely under the Council's direct control. These often take longer than one year to address and some feature in a similar form for a number of years, though some aspects can be resolved during the year. A change of focus or circumstance with an issue may result in it being retained but in a revised form in the following year's Statement.

Good governance is about taking actions and making continuous improvement. Sufficient progress has been made since the 2023/24 Statement in addressing two of the issues highlighted last year, and consequently these have been omitted from those described in this Statement, since they now fall into a business as usual mode.

Issues from the 2023/24 Statement which are considered to be completed.

<u>2023/24 ISSUE</u>	<u>ACTION TAKEN</u>
Need for review of the Local Code of Corporate Governance	The Code was reviewed early in 2025 and the CGAC approved the updated version in February 2025 which included adding further clarity as to how Kirklees measures its performance and demonstrates compliance with the code. The revised Code was approved at the AGM on 21 st May 2025.
Need for more prompt accident reporting internally by management and to the HSE where necessary by the corporate Health & Safety team.	Monitoring of the revised arrangements has confirmed this had been the case during 2024/25 and no concerns have been identified.

Issues from the 2023/24 Statement where further work or time to embed improvements is still required.

No	Original Governance Issue / Theme & Reason for Inclusion	Direction of Travel / Progress to date	Further Action Planned in 2025/26 and beyond, target date for implementation, and Person Responsible
1	A need to ensure there is corporate oversight of progress to address the health and safety issues raised in connection with housing properties and the	The Housing Regulator issued formal notice in March 2024, identifying areas where the Council needs to improve its compliance, specifically for the treatment of damp, mould and condensation and fire safety. Since then, the Council has met with the Regulator on a monthly basis and provides bi-weekly performance	Continue to deliver the Action Plan agreed with the Regulator within the timescales specified. (continuous) Assurance is provided to the Building Safety Assurance Board,

No	Original Governance Issue / Theme & Reason for Inclusion	Direction of Travel / Progress to date	Further Action Planned in 2025/26 and beyond, target date for implementation, and Person Responsible
	<p>complete buildings portfolio, ensuring that management and operational arrangements provide for the health and safety of all Council tenants, employees and residents.</p>	<p>reports to provide assurance on progress against an agreed Action Plan. The Regulator has undertaken to work with the Council to secure delivery, rather than apply statutory sanction.</p> <p>Work relating to damp, mould, and condensation is well progressed with the introduction of a multi-disciplinary team from March 2025 which has enabled a tenant-centred approach to both gaining access to properties and dealing with damp, mould, and condensation. The number of open cases has reduced from 1200 in March 2025 to 880 at the end of May 2025. The Council is on track to delivering its commitment to a business-as-usual position by August 2025.</p> <p>In relation to fire safety, the Council initiated a fire risk assessment programme across all blocks from November 2024. This programme is set to conclude in January 2026. All actions arising from the FRAs are either dealt with by the Council's building safety team, or programmed for delivery through the subsequent fire works programme. This work is governed by a core group comprising of H&N leadership, representatives from external contractors and the building safety team.</p> <p>The Council alerted the Regulator in July 2024, concerning the correct inspection, testing and</p>	<p>Homes and Neighbourhood's Improvement Board, and the Regulator (all monthly).</p> <p>Bi-weekly performance reports to the Regulator.</p> <p>Update on progress report to Cabinet on 8th July.</p> <p>The Council has projected a business-as-usual position for damp, mould and condensation by 14th August 2025. At which point the backlog of cases will have been addressed and any new cases will be dealt with within the Council's usual operational processes. Additionally, the Council is preparing for the implementation of Awaab's Law in October 2025.</p> <p>The fire risk assessment programme will complete in January 2026.</p> <p>The implementation of a new housing management system, Cx will be delivered at the end of September 2025. This will enable both modernisation of</p>

No	Original Governance Issue / Theme & Reason for Inclusion	Direction of Travel / Progress to date	Further Action Planned in 2025/26 and beyond, target date for implementation, and Person Responsible
		<p>assurance regime for water quality in all tenanted properties. The Council has implemented the correct testing arrangements, (October 2024), with properties prioritised according to a risk assessment</p> <p>An Improvement Board has been established, independently chaired, and reporting directly to the Cabinet committee, which is meant to address all areas of activity subject to oversight by the government Regulator of Social Housing.</p>	<p>delivery and enhanced information gathering to enable improved services to our tenants.</p> <p>Additionally, the Council is upgrading its repairs and assets systems to enable improved reporting, data management, and agile working.</p>
	A, C, E	<p>The Scrutiny Committee for Growth & Regeneration also has Homes and Neighbourhoods standards within its remit, and it receives timely updates as part of its annual work programme.</p> <p>A report, setting out progress against the Regulator's concerns, as reported to the Cabinet committee in October 2024.</p>	<p>Responsible: Director of Homes & Neighbourhoods</p>
2	<p>Robust governance oversight and management of progress in implementing the significant changes that underpinned the 2024/25 budget that is of key importance to ensuring the financial stability of the Council.</p>	<p>2023/24</p> <p>The serious financial position was partly mitigated by controls introduced in September 2023 including: -</p> <ul style="list-style-type: none"> • Spending and recruitment controls • Review of all reserves- earmarked or otherwise- to determine if any of those reserves could be used to support the in-year position and if any could be moved to unallocated reserves to bolster the Minimum Working Balance (using a 	<p>2025/26 budget provides significant additional funding for demand pressures and where services have overspent. This is expected to reduce the number and scale of budget variations in year.</p> <p>Regular Monitoring of revenue and capital budgets will continue with monthly updates to Executive Leadership, Cabinet and Council.</p>

No	Original Governance Issue / Theme & Reason for Inclusion	Direction of Travel / Progress to date	Further Action Planned in 2025/26 and beyond, target date for implementation, and Person Responsible
		<p>risk-based analysis - as per CIPFA guidance).</p> <ul style="list-style-type: none"> External review of MRP policy to generate short to medium term revenue savings to help the 2023/24 overspend and to provide balances over the next 2 to 3 years whilst the Council's financial position could be stabilised over the medium term. A review of the Council's Capital Programme with a view to reducing the amount of the Council's Prudential Borrowing given its impact on the General Fund Revenue Budget. <p>Collectively these actions helped reduce the revenue overspend from £20.3m (Q1 (23/24) projection) to £7.3m at outturn 2023/24 and consequently reduced the reliance on reserves.</p> <p><u>2024/25</u></p> <p>Completion of a review of the Medium-Term Financial Plan (MTFP) to ensure that it fully reflects both the anticipated income and expenditure of the Council in the period 2025/26 to 2029/30 based on a range of sound assumptions with an aim of providing a more robust base budget going forward.</p> <p>The approved budget for 2024/25 included savings of</p>	<p>Summer 2025 Refresh of MTFP to Cabinet to reflect new revenue pressures, revised capital plans and reserves strategies.</p> <p>The improvement in the Outturn position and the more robust budget for 2025/26 has helped stabilise the financial position of the Council. Controls will be maintained in 2025/26 until such a time that the S151 Officer is content that savings will be delivered and there are no ongoing budget pressures that cannot be resolved.</p> <p>Intention to improve capital plan governance and reporting and monitoring,</p>
	A, C, E, F	<p>Completion of a review of the Medium-Term Financial Plan (MTFP) to ensure that it fully reflects both the anticipated income and expenditure of the Council in the period 2025/26 to 2029/30 based on a range of sound assumptions with an aim of providing a more robust base budget going forward.</p> <p>The approved budget for 2024/25 included savings of</p>	<p><u>Responsible:</u> Director of Finance</p>

No	Original Governance Issue / Theme & Reason for Inclusion	Direction of Travel / Progress to date	Further Action Planned in 2025/26 and beyond, target date for implementation, and Person Responsible
		<p>£42m and these are tracked each month as part of the suite of corporate reports.</p> <p>Quarterly reports to Members continue to highlight the in-year financial position and the need to further use short term reserves to balance the budget. The projected overspend of £9.9m was managed down to an Outturn position of £5.6m overspend, with 75% of the planned savings being achieved in year.</p> <p>Ongoing review of capital programme to ensure it remains affordable, with over £70m slipped into future years. The 2024/25 capital plan involved expenditure of £340m but this fell to £150m of actual expenditure, £70m of which slipped into future years. The capital slippage resulted in a £2.5m saving in the revenue budget in 2024/25.</p> <p>2025/26 to date</p> <p>A balanced budget was approved by Council at the start of March 2025 with £50m to address budget pressures, and £29m of anticipated savings, £11m of which are new.</p> <p>Report to CGAC on MRP policy April 2025.</p>	
3	The management, governance and use of data	The Council's draft Data and Insight Strategy is designed to improve how the Council manages and	The Data and Insights Strategy will be brought forward for sign off in quarter 3,

No	Original Governance Issue / Theme & Reason for Inclusion	Direction of Travel / Progress to date	Further Action Planned in 2025/26 and beyond, target date for implementation, and Person Responsible
	<p>is not always effective, meaning that decisions are not necessarily informed by robust evidence, as well as creating unintended financial and operational risks.</p> <p>A, F</p>	<p>uses data. Its content has regularly evolved as the council's needs have changed in the past two years and is subject to reassessment and sign-off in 2025/26. Implementation of priority activities continues, alongside the Technology and Information Governance Strategies. For example, performance dashboards have been introduced, which supports the regular reporting of performance across the council.</p>	<p>2025/26. This will be subject to a robust implementation programme alongside the Technology Strategy.</p> <p>Responsible: Director of Strategy & Innovation</p>
4	<p>The effective implementation of the "Safety Valve" programme to address overspending and historic deficit on special education needs (SEND) budgets as part of the Dedicated Schools Grant (DSG).</p>	<p>There is an agreed plan with the Department for Education to reduce the High Needs Block cumulative deficit by 2029/30. This requires the continuation of the DfE's annual safety valve contributions and funds from the Council (which is factored into the 2025/26 budget and the latest version of the MTFP). This Plan has been revised with agreement of DfE.</p> <p>Council Services will continue to work collaboratively with schools and other partners to effectively manage the High Needs Block expenditure. Woodley Moor, a Satellite to Woodley School and College opened 01/10/2024 enabling an increased number of children to be placed in state funded provision (ahead of the new larger school being built). A similar plan is in train for Josphe Norton Academy to enable more places to be made available locally ahead of the new, larger school being built.</p>	<p>The Safety Valve plan includes</p> <ul style="list-style-type: none"> - New special schools (one to be completed by autumn 2026) with larger capacity to meet sufficiency pressures. - Further Additionally Resourced Provisions and Special School Satellite Provision, (a second phase of new ARPs is due to be in place by 01/09/2025). - More effective processing and resource allocation as a part of the initial EHC needs assessment. (first phase completion by 31/03/2025). - Additional Alternative Provision capacity by way of a DfE approved Free School.

No	Original Governance Issue / Theme & Reason for Inclusion	Direction of Travel / Progress to date	Further Action Planned in 2025/26 and beyond, target date for implementation, and Person Responsible
	A, E, F	<p>However, substantially increased demand, as well as complexity of need alongside other difficulties means that achievement of the goals requires, and is being given, substantial continued attention.</p> <p>Changes made to processes for Education, Health and Care needs assessments, have meant there is an improvement to timeliness, although issues of volumes, staff turnover and skill shortages across the partnership continue to impact on a full resolution of issues.</p> <p>The DSG deficit is now £63m, which is c £20m higher than the previous year. Further guidance on SEND is anticipated from DfE during 2025.</p>	<p>Responsible: Executive Director of Children's Services</p>

New Issue

The annual review of the effectiveness of our governance arrangements in 2025 considered potential areas of heightened concern, risk, or significant uncertainty that require a corporate response. In addition to those issues retained from the 2023/24 Statement, the following new one has emerged through this process which requires further remediation and management action.

New Issue which requires action

No	<u>Governance Issue / Theme</u>	<u>Reason for Inclusion</u>	<u>Action Taken and Planned in 2024/25 and beyond</u>
1	Ensuring that the council effectively manages contracts and projects.	Both external and internal auditor’s reports have highlighted concerns about the effectiveness of contract management arrangements in some areas. This relates to ongoing management of long term contracts, and also the effective commissioning and delivery of (typically) construction projects.	<p>Transformation team support obtained, and a project group has been established with attendance from key stakeholders in the organisation to review and update arrangements in contract management to ensure best practice.</p> <p>All senior leadership teams have been attended to ascertain their views and steer around the project. The Contract Assurance Board have agreed the refreshed strategic governance framework.</p> <p>Four workstreams have been identified and are progressing well within the associated timeline which is scheduled for completion in September 2025.</p> <p>The first workstream of strategic governance framework refresh has been completed and the group is moving onto learning resources.</p> <p><u>Responsible:</u> Director of Legal, Governance & Commissioning</p>

The Executive Leadership Team and the Corporate Governance & Audit Committee will monitor progress during 2025/26 and beyond.