

# Member Report

## Annual Governance Statement 2023-2024 and Local Code of Governance



**Report to: Governance Committee**

**Report from: Managing Director (Head of Paid Service)**

**Portfolio: Leader of the Council**

**Report Date: 25 November 2024**

**Decision Type: Committee**

**Council Priority: All priorities**

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### HEADLINE POSITION

#### 1.0 Summary of report

1.1 This report seeks approval for the 2023-24 Annual Governance Statement (AGS) and Local Code of Governance which are required to be published with the Statement of Accounts. Consistent with time period for the Annual Statement of Accounts, the Annual Governance Statement reflects the arrangements in place between 1 April 2023 and 31 March 2024. The draft documents were considered by Governance Committee at its meeting on 22 July 2024 and agreed as a basis for further consultation with both Scrutiny and Cabinet prior to final approval by Governance Committee.

#### 2.0 Recommendation

2.1 Members are asked to approve the Annual Governance Statement and Local Code of Governance for publication with Annual Statement of Accounts.

### DETAILED PROPOSALS

#### 3.0 What are the objectives of the report and how do they link to the Council's priorities?

3.1 Governance is a description given to the systems, processes, culture and values by which a Council is directed and controlled. The Council continuously strives to ensure that its governance processes are robust and capable of underpinning the delivery of its services, ensuring that public money and resources are effectively managed and that the Council remains financially sustainable – always aiming to get the job done to the best of our ability, within available resources.

3.2 In order to ensure that the Council is delivering services for its residents in a cost effective, efficient way it is vital to have strong and proportionate governance arrangements in place. In conjunction with developing and seeking approval of the Council's Annual Statement of Accounts there is a requirement to produce an

accompanying Annual Governance Statement. The statement reflects the governance framework within which the Council operated during 2023-24 although includes some updates where appropriate to do so, for example:

- The new Corporate Plan, Organisational Plan and supporting strategies
- Community pledges
- More recent external and inspection activity
- Recent Member task and finish work

3.3 The draft statement has been prepared taking account of views from relevant officers across the authority including Executive Management Team. It is a narrative document which describes the practical application of the governance framework, reviews progress against the key corporate risks identified in the preceding year and highlights key risks for the coming year. The update position on the risks reflect the latest reported position on the risk register.

3.4 The current draft assumes a continuation of the risks identified last year for the coming year and reflects risks currently included in the corporate risk register:

Risk 1: Balancing the Medium Term Financial Plan

Risk 2: Exclusions and lack of inclusivity of young people in education

Risk 3: Increased numbers of children in our care

3.5 The pressure relating to children's social care, both in terms of demand volume and cost, continues to represent a significant challenge to the Council with increasing rates of children coming into care and a lack of suitable placements. Whilst this clearly contributes to the risk relating to the Medium Term Financial Strategy, it also poses considerable risk in terms of operational performance and service delivery and is identified as a key corporate risk in its own right. The continuing high levels of exclusion risks leading to poor attainment levels of young people impacting on their ability to achieve their best outcomes leaving school. It also places extra pressure on other schools and the Pupil Referral Unit.

3.6 The budget and transformation programme was established in the summer in recognition of the financial challenge facing the organisation and a Budget Task and Finish Group has reviewed specific areas for budget savings/income generation.

3.7 The statement is supported by a Local Code of Governance which succinctly sets out our governance framework for both an external and internal audience, including links to relevant documents on the Council's website. The documents are designed to be read in conjunction with each other.

3.8 As an integral part of the Annual Statement of Accounts, the Governance Committee is the decision maker on the Annual Governance Statement. The statement has been published alongside the Statement of Accounts in its draft form. Views been sought through Cabinet and Scrutiny to ensure that it reflects the views of Members from across the political spectrum prior to final approval by Governance Committee.

#### 4.0 What options have been considered

- 4.1 It is a requirement of the Accounts and Audit Regulations 2015 that the Council publishes an annual statement of internal control. This is the Annual Governance Statement.

#### 5.0 Impact Assessment

- 5.1 **Climate Emergency** - Whilst the production of the Annual Governance Statement and the Local Code of Governance in themselves will not directly impact upon our carbon footprint, progress with achieving the Council's aims in respect of addressing the climate emergency will be monitored through the various governance processes as described within this statement.
- 5.2 **Health and Safety** - Although the presentation of the Annual Governance Statement in itself does not pose any health and safety risk, a good control environment for health and safety is fundamental to our governance arrangements.
- 5.3 **Social Value** - The Council fully supports the voluntary and community sector and recognises the important role the sector plays in enabling communities and citizens to thrive. It is committed to ensuring as much of its spending power as possible is recycled locally to support the economy and communities. The principles of our Social Value Charter are embedded throughout our governance processes.
- 5.4 **Legal** - It is a requirement of the Accounts and Audit Regulations 2015 that the Council publishes an annual statement of internal control. This is the Annual Governance Statement.
- 5.5 **Financial** - There are no direct financial costs associated with the production of the Statement. There is a commitment of officer time. The Statement is published on the Council website, and there are no external costs involved in this. The statement describes the arrangements in place to ensure sound financial decisions are made and priority outcomes are sufficiently resourced.
- 5.6 **Human Resources** - The participation, development and motivation of staff are critical to the Council's success. The development of the Council's vision, values and priorities have all been influenced through the direct involvement of staff. The workforce strategy will ensure that there is a strong and dynamic workforce to support the realisation of the Council's ambitions.
- 5.7 **Equality and Diversity** – The Annual Governance Statement and Local Code of Governance reflect the governance systems and controls which the Council has in place to assist in the delivery of its objectives, which are intended to have a positive impact on individuals of all protected characteristics.

## 6.0 Implementation Plan

- 6.1 **Timetable for Implementing Decision:** The Annual Governance Statement will need to be approved by Governance Committee, as final decision maker on the issue. This is expected to be at its meeting on 25 November 2024.
- 6.2 **Lead Officer** Governance Director.
- 6.3 **Reporting Progress** – Progress against key corporate risks, including those identified within the Annual Governance Statement, is reported at regular intervals through Governance Committee.
- 6.4 **Communications Plan** - The draft AGS will be published on the Council's website with the draft Annual Statement of Accounts and will form the basis of consultation with both Scrutiny and Cabinet. Following approval, the final document will be published on the Council's website.

## 7.0 Consultation and Engagement

- 7.1 As indicated elsewhere in the report, following consideration of the first draft by Governance Committee, the statement has been considered by both Cabinet and Scrutiny to ensure that it reflects the views of Members from across the political spectrum.

## 8.0 Appendices and Background Papers

Appendix 1 – draft Annual Governance Statement  
Appendix 2 – Local Code of Governance

## 9.0 Contact Officer

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