

Halton Borough Council

Annual Governance Statement 2024-25



Governance

Local authorities are accountable to their communities for the money they spend. They are also required under law to ensure they provide value for money, and to achieve this they need to have a governance framework that supports a culture of transparent decision-making.

Good governance in local authorities ensures that decision-making is lawful, informed by objective advice, transparent, and consultative. It is crucial in achieving value for money and in securing financial sustainability. It is therefore important that Halton Borough Council conducts its business in the correct way, for the right people, in a timely, inclusive, open, honest, and accountable manner. Good rules, systems, and information are important in maintaining good governance.

The Council therefore strives to meet the highest standards of corporate governance to help ensure it meets its objectives and serves its communities well. Members and Officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal.

The Council's governance framework comprises the systems and processes, cultures, and values by which the organisation is directed and controlled, and through which it is accountable to, engages with, and leads its communities. It ensures that appropriate mechanisms for control are in place, and that risks and opportunities are managed effectively.

The Council acknowledges its responsibility for ensuring that there is a sound system of governance. In doing so, it has developed a Local Code of Corporate Governance that defines the principles that underpin the governance of the organisation. The Local Code forms part of the Council Constitution and can be accessed on the Council's website.

Halton Borough Council recognises its responsibility to ensure that it:

- Conducts its business in accordance with the law and proper standards
- Safeguards and properly accounts for public money
- Uses public money economically, efficiently, and effectively
- Maintains effective arrangements for the management of risk
- Secures continuous improvement in the way in which its functions are exercised

The Annual Governance Statement

The Council is required by the Accounts & Audit (England) Regulations 2015 to prepare and publish an annual governance statement. This is a public document that reports on the extent to which the Council complies with its own code of governance and explains how the Council has reviewed the effectiveness of its systems of internal control.

In this document the Council:

- Acknowledges its responsibility for ensuring that there is a sound system of governance
- Summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment
- Describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period
- Provides details of how the Council has responded to the issues identified in last year's governance statement
- Openly communicates significant governance issues that have been identified during this year's review and sets out how the Council will develop and secure continuous improvement in these areas over the coming year

The primary aim of the Annual Governance Statement is to provide residents, communities, partners, and businesses in Halton with confidence in the Council's governance arrangements. It demonstrates that the Council operates in an effective, efficient, and consistent manner; makes informed, transparent, and lawful decisions; and properly accounts for the public funds it receives and spends.

The Council's Governance Framework

The Council aims to achieve good standards of governance by adhering to the following key principles set out in the best practice guidance 'Delivering Good Governance in Local Government: Framework 2016':

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the Council's capacity, including capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The Council's governance framework consists of systems and processes designed to maintain a strong control environment and support the effective management of risk and opportunity. This statement outlines the key elements of that framework. Good governance relies not only on these formal structures, but also on the behaviours of members, officers, and partners. This is reflected through adherence to the Council's Constitution, codes of conduct, organisational values, and engagement with the local community.

This Annual Governance Statement (AGS) covers the period from 1 April 2024 to 31 March 2025, and up to the date of approval of the Council's Statement of Accounts. It offers a transparent assessment of the Council's governance arrangements and the challenges it currently faces.

The Council considers that it is compliant with the 'CIPFA Delivering Good Governance in Local Government: Framework 2016', which sets the benchmark for governance standards within UK local authorities.

The following sections of the document set out how the Council has applied the Framework's seven core principles during 2024/25.

How the Council applies the Principles of Good Governance

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- The Council has a constitution that sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, proportionate, transparent, and accountable. The Constitution was reviewed and updated in May 2024.
- The Council's *Local Code of Corporate Governance*, which forms part of the Council Constitution, outlines the processes in place to promote high standards of conduct and effective governance among officers. These arrangements are comprehensive and communicated to staff through various channels, including induction procedures, the Employee Code of Conduct, Financial and Procurement Standing Orders, registers of interests, gifts and hospitality, staff bulletins, whistleblowing procedures, HR policies, and fraud awareness training. The Local Code is reviewed annually to ensure it remains current and effective.
- One of the roles of the Audit and Governance Board is to promote high standards of member conduct. Members of the Board were kept updated during the year of standards issues that had arisen.
- The Council has developed a values and behaviours framework which provides a common language around values, fostering a positive organisational culture where employees feel empowered and motivated to uphold these principles. By defining expected behaviours, the Council is promoting accountability and consistency across all levels, leading to increased trust and cohesion within teams. The framework also serves as a compass in times of uncertainty or conflict, guiding ethical decision-making, and ensuring that actions are in line with the Council's mission and vision.
- All new employees undergoing the corporate induction process during 2024/25 were made aware of the Employees' Code of Conduct. There is an established disciplinary procedure which is invoked when an employee deliberately breaches rules and/or commits acts of misconduct, which are considered sufficiently serious as to warrant formal investigation.
- A complaints process exists for members of the public to raise concerns about standards exhibited by members which can be accessed through the Council's website.
- The Council takes fraud, corruption, and maladministration seriously and has established a suite of policies and processes which aim to prevent or deal with such occurrences. On 25 September 2024, the Audit and Governance Board received an [annual report](#) summarising the operation of the Council's counter fraud and corruption arrangements
- The Director – Legal Services provided legal advice to the Council throughout the year as the Council's Monitoring Officer. One of the key functions of that role is to ensure the lawfulness and fairness of decision-making. There are no known instances of the Council failing to comply with relevant laws and regulations during the 2024/25 financial year.
- The Council publishes an annual Modern Slavery Act Transparency Statement that sets out the Council's actions to understand the potential modern slavery risks related to its business. It also explains the steps the Council has taken to ensure that no slavery or human trafficking takes place in its own business or through its supply chains.

How the Council applies the Principles of Good Governance

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- A corporate complaints procedure operated throughout the year to receive and respond to any complaints received. An annual report summarising the complaints received, trends and outcomes is presented each year to the Corporate Policy and Performance Board. The [latest report](#), which covered 2023/24, was presented at the Board's meeting on 21 January 2025. Complaints received are used to inform the development of the Council's services and policies.
- Arrangements exist to ensure that members and officers are not influenced by prejudice, bias, or conflicts of interest in dealing with different stakeholders. These include:
 - Registers of disclosable pecuniary interests were maintained
 - Registers of gifts and hospitality were maintained
 - Opportunities to declare disclosable pecuniary interests and disclosable other interests were provided at the start of meetings.
- The Council's higher value procurement activity is undertaken in accordance with relevant procurement law. The Council has included provisions within its procurement processes which allow for the discretionary exclusion of suppliers that fail to comply with the Modern Slavery Act 2015 and / or breach environmental, social, or labour law obligations.

How the Council applies the Principles of Good Governance

Ensuring openness and comprehensive stakeholder engagement

- Information on the Council's performance, finances and the democratic running of the Council is routinely published on the Council's website. The Council also fully complies with the reporting requirements of the Local Government Transparency Code 2015.
- The Council's Constitution is published on the Council's website. It explains the Council's decision-making processes and delegated authorities. All key decisions taken by the Council are also publicly available on the Council's website.
- The Council engages with key partners and institutional stakeholders in various ways. Formal partnerships include the Health and Wellbeing Board, the Safer Halton Partnership, the Halton Children's Trust, and the Halton Learning Alliance. An executive director from the Halton Clinical Commissioning Group (CCG) is also a member of the Council's Management Team.
- The Health and Wellbeing Board provides a key forum for public accountability of the NHS, Adult Social Care, Children's Services, Public Health, and other commissioned services relating to the wider determinants of health in Halton. The Board met on four occasions during 2024/25. Its work included receiving the following reports:
 - [Public Health Annual Report \(2024\)](#)
 - [Adult Social Care Annual Report \(2023/24\)](#)
- Engagement with citizens and service users is carried out using a variety of methods, including a range of survey techniques and sampling techniques. During 2024/25 the Council consulted on a range of issues, which included:
 - Parent / Carer SEND Services Review: consultation to gather feedback about SEND service provision from Social Care, Health, and Education
 - Library Consultation: to gather feedback from library service users and residents about opening hours and services provided within the libraries
 - Sexual Health services: feedback from service users about a new sexual health services contract
 - Substance Use: Halton school feedback from pupils and staff about the use of alcohol, smoking, vapes, knives and fake ID
 - Play Survey: Consulting with parents and children about which clubs and activities they attend during their leisure time
 - Short Breaks: Asking carers in Halton about their usage of the Short Breaks service, family events and other youth services
- In setting its budget the Council listens to the views of the public and the experience of elected members through their ward work. Individual consultations took place in respect of specific budget proposals and equality impact assessments were completed where necessary.

How the Council applies the Principles of Good Governance

Defining outcomes in terms of sustainable economic, social, and environmental benefits

- The Council's long-term vision for Halton is outlined in the Corporate Plan, which sets out the Council's priorities, values, and guiding principles. Developed through extensive stakeholder engagement, the Plan identifies six key priorities and covers the period from April 2024 to 2029.
- The Council's Corporate Planning Framework provides the means by which the Council's activities are developed and monitored. A regular system of reporting to the Council's Management Team, Executive Board, and Policy and Performance Boards records progress against key business plan objectives and targets.
- Directorate and Departmental Business Plans for 2024/25 were developed to outline key developments and emerging issues within each Council department. These plans clearly set out strategic objectives, key milestones, and performance measures for each service area, providing a structured approach to service delivery and performance management.
- The Council routinely publishes information on the Council's vision, strategy, plans, finances, and performance on its website.
- The Council has implemented a Climate Change Strategy and Action Plan focused primarily on reducing carbon emissions from its own operations. As the Plan progresses, the Council is committed to expanding its scope by developing proposals for a wider, borough-wide climate strategy.
- The Council has approved the principles set out in the LCR Zero Waste 2040 Strategic Framework to reduce waste related carbon emissions. The Council also approved continued partnership working with Merseyside Recycling and Waste Authority (MRWA) and the other LCR local authorities to deliver action to meet our individual and collective climate targets and objectives.
- The Council's Big Halton Forest project supports a green recovery post-pandemic and directly addresses the climate emergency by enhancing green infrastructure across Runcorn, Widnes, and surrounding villages. The initiative involves working with individuals, communities, organisations, and businesses, with the ambitious goal of planting one tree for every Halton resident by 2030.
- In 2024/25, work began on updating the Social Value Policy, reinforcing the Council's commitment to using its commissioning and purchasing power to support a stronger society, fairer economy, and more sustainable environment across Halton.

How the Council applies the Principles of Good Governance

Determining the interventions necessary to optimise the achievement of the intended outcomes

- The Council's Corporate Planning Framework in operation during the year provided the means by which the Council's activities were developed and monitored.
- The Council operates a well-established overview and scrutiny framework through six Policy and Performance Boards (PPBs), each aligned to a corporate plan priority. The PPBs hold the Executive to account, monitor performance, and contribute to policy development. At the May 2025 annual meeting, Council will be asked to approve updated PPB titles and terms of reference to reflect the revised priorities in the new Corporate Plan. The Lead Member for Scrutiny also meets regularly with the S31 Scrutiny Officer and chairs the Scrutiny Chairs Group, which brings together the Chairs of each Board.
- Performance monitoring reports were produced throughout the year recording progress against key business plan objectives and targets. These reports were presented to the Council's Management Team, to the Executive Board, and to the Policy and Performance Boards.
- The Council operates a corporate complaints procedure and specific complaints procedures for Adult Social Care, Children's Social Care, schools, and complaints relating to elected members. These procedures allow the Council to identify areas where things may have gone wrong and to put them right and prevent them from happening again.
- The Council aims to ensure that the purchase or commissioning of goods, services or works required to deliver services is acquired under best value terms. The Council's procurement activity is undertaken in line with the Council's Procurement Strategy and within clearly defined rules set out in Procurement Standing Orders, which are reviewed and updated annually.
- The Council's internal audit team carried out a comprehensive programme of audits during the year reviewing both front line and support services. The implementation of recommendations arising from the work of internal audit assists the Council in identifying and managing risks that may impact on the achievement of intended outcomes. Implementation of agreed actions from internal audit reports is monitored by the Audit and Governance Board through a robust follow up process.
- The Council recognises that it has a responsibility to manage both internal and external risks as a key component of good corporate governance. Risk is defined as being the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. In order to manage risks effectively the Council operates a formal process to identify, evaluate and control risks. The Council's Corporate Risk Register summarises the key strategic risks faced by the Council and includes details of arrangements established to ensure that intended outcomes are achieved.
- The Council continued to implement a Children and Young People's Improvement Plan in response to the OFSTED inspection in October 2021. The plan sets out how the Council will ensure that children and young people in Halton are safeguarded and achieve the Council's aspiration that all its services for children and young people are good or better. Implementation of the improvement plan is continuing to be monitored by the Halton Children and Families Improvement Board

How the Council applies the Principles of Good Governance

Determining the interventions necessary to optimise the achievement of the intended outcomes

- During 2024/25, the Council updated its Business Continuity Plan format to address emerging threats, including enhanced disaster recovery measures with a focus on IT security. A related training exercise was also carried out during the year.

How the Council applies the Principles of Good Governance

Developing the Council's capacity, including capability of its leadership and the individuals within it

- Elected members are provided with the opportunity for an annual review to identify their development requirements, which are set out in a Member Action Plan.
- The Council's Member Development Group oversees key performance indicators related to member development and promotes awareness of learning and development opportunities. It also serves as a forum for members to raise training or support needs to assist them in their roles.
- Members of the Audit and Governance Board received training during the year to assist them in their role as the Council's Audit Committee.
- During 2024/25, the Council developed a structured Employee Review Process, which will provide regular feedback to help employees understand their performance, recognise achievements, and identify development needs. The process aligns individual goals with organisational priorities, promotes transparency and fairness, and supports career development. It will also help to identify training requirements and fosters greater engagement and retention by demonstrating that staff contributions are valued.
- The Council has also developed a new approach to succession planning to address workforce changes and to help prepare for future leadership needs. The approach focuses on continuous talent development, aligning succession plans with evolving organisational priorities. It will support the transfer of knowledge, encourage innovation and diversity, and help to retain skilled employees by providing clear development and growth opportunities. This will help to ensure that the Council is resilient, agile, and able to respond to future challenges.
- The Organisation Development (OD) Team has maintained the Council's Leadership capability, and this has remained a top priority with the following taking place during 2024/25:
 - 14 employees undertaking the Institute of Leadership & Management (ILM) level 5
 - 17 employees undertaking CMI/ILM Level 7 in Leadership & Management
 - 4 employees undertaking Leadership & Accountancy qualifications
 - 10 employees undertaking Level 5 Coaching & Mentoring
 - 1 employee undertaking 5 Diploma in leadership for Health and Social Care and young people's services
 - 1 employee undertaking BA (Hons) Childhood and Youth Studies
 - 1 employee undertaking Level 6 Diploma in Career Guidance and Development
- The OD team commissioned North West Employers to deliver a specific Leadership and Management programme for those managers' working in Children's services. The programme consisted of the following modules and was attended by 31 service managers:
 - Explore change and the processes that enable the management of change
 - Communication skills
 - Managing resistance and conflict
 - How do we recruit, retain, and develop our staff
 - Leadership and actions

How the Council applies the Principles of Good Governance

Developing the Council's capacity, including capability of its leadership and the individuals within it

- A modern approach to leadership and management development continues to be promoted through the e-learning platform, offering modules on topics such as:
 - Change Management
 - Cross Functional Working Teams
 - Understanding Organisational Culture & Ethics
 - Communication Skills
 - Project Management
 - Planning & Running Effective Meetings
 - Difficult Conversations
 - Stress Awareness for Managers

How the Council applies the Principles of Good Governance

Managing risks and performance through robust internal control and strong public financial management

- The Council provides decision-makers with full and timely access to relevant information. The executive report template requires information to be provided explaining the policy, financial and risk implications of decisions, as well as implications for each of the corporate priorities and any equality and diversity implications.
- The Council has a well-established Audit Committee (the Audit and Governance Board), which met regularly during 2024/25. The Board has clearly defined responsibilities and provides oversight and challenge in regard to the Council's governance, risk management, audit, efficiency and improvement, accounts, procurement, and counter fraud and corruption arrangements.
- The Council has embedded risk management arrangements. Directorate and corporate risk registers outline the key risks faced by the Council, including their impact and likelihood, along with the relevant mitigating controls and actions. The annual review of the [Corporate Risk Register](#) was approved by the Audit and Governance Board at its meeting on 26 June 2024.
- The Council has a Head of Internal Audit and a continuous internal audit service, which has been externally assessed as conforming to the Public Sector Internal Audit Standards. Internal audit plays a key role in reviewing and improving the effectiveness of the Council's risk management, governance, and control arrangements. No restrictions are put on the role of internal audit and management regularly engages internal audit to examine specific areas which are causing concern.
- The Head of Internal Audit provides an annual opinion on the Council's risk management, control, and governance processes. The annual opinion is based upon the internal audit work completed during the year. The [Head of Internal Audit opinion covering 2023/24](#) was presented to the Audit and Governance Board on 26 June 2024.
- The Council has a well-established information governance framework. The Data Protection Officer is supported by the Information Governance Service, which ensures continued compliance with data protection and security requirements. The service oversees data management and risk, corporate security policies, staff training, and reporting to the Council's Senior Information Risk Owner. In 2024/25, one data breach was reported to the Information Commissioner's Office; however, no action was taken.
- Quarterly reports on the Council's overall capital and revenue net spending position and forecast outturn position were presented to the Executive Board throughout the year.
- Demand-led services continue to place pressure on the Council's financial position, particularly within Children's Social Care, where net departmental spend for 2024/25 reached £45.707m, which represents an increase of £6.132m (15%) from the previous year. However, encouragingly, there are signs that spending growth is beginning to slow. Actual expenditure was approximately £1.5m lower than forecast earlier in the year, reflecting the early impact of targeted investment through the Children's Social Care Improvement Plan. This investment has supported reductions in agency staffing and placement costs, contributing to greater financial stability in this critical service area.

How the Council applies the Principles of Good Governance

Managing risks and performance through robust internal control and strong public financial management

- The Council produces a Medium-Term Financial Strategy (MTFS), which is refreshed each year. The [MTFS covering the period 2025/26 to 2028/29](#) was approved by the Executive Board at its meeting on 14 November 2024. The strategy represents the “finance guidelines” that form part of the medium-term corporate planning process. These guidelines identify the financial constraints which the Council will face in delivering its key objectives over a three-year period and are an important influence on the development of the Corporate Plan, Service Plans and Strategies.
- The Council produces an annual Capital Strategy which provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability. The Strategy is reviewed and approved annually by Executive Board.
- In compliance with the requirements of the CIPFA Prudential Code and the CIPFA Treasury Management Code, the Council produces an annual Treasury Management Strategy Statement. This sets out the Council’s strategy for borrowing and also includes an Annual Investment Strategy, which sets out the Council’s policies for managing its investments. The strategy enables the Council to maximise its financial yield whilst keeping within the principles of security and liquidity as set out in the Prudential Code. The Treasury Management Strategy Statement is reviewed and approved annually by Executive Board. A half-yearly update report and annual report on treasury management activity is also provided to the Executive Board.
- The Council’s external auditor is required to provide an opinion on whether the Council’s financial statements provide a true and fair view of the financial position of the Council and its income and expenditure for the year. On 20 November 2024, the Council’s [external auditor reported](#) to the Audit and Governance Board that they anticipated issuing an unmodified audit opinion on the Council 2023/24 financial statements.
- The Council has a strong performance management framework, with quarterly reports tracking progress against key service objectives in the Corporate Plan. These reports are presented to the Management Team, Executive Board, and Policy and Performance Boards.

How the Council applies the Principles of Good Governance

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

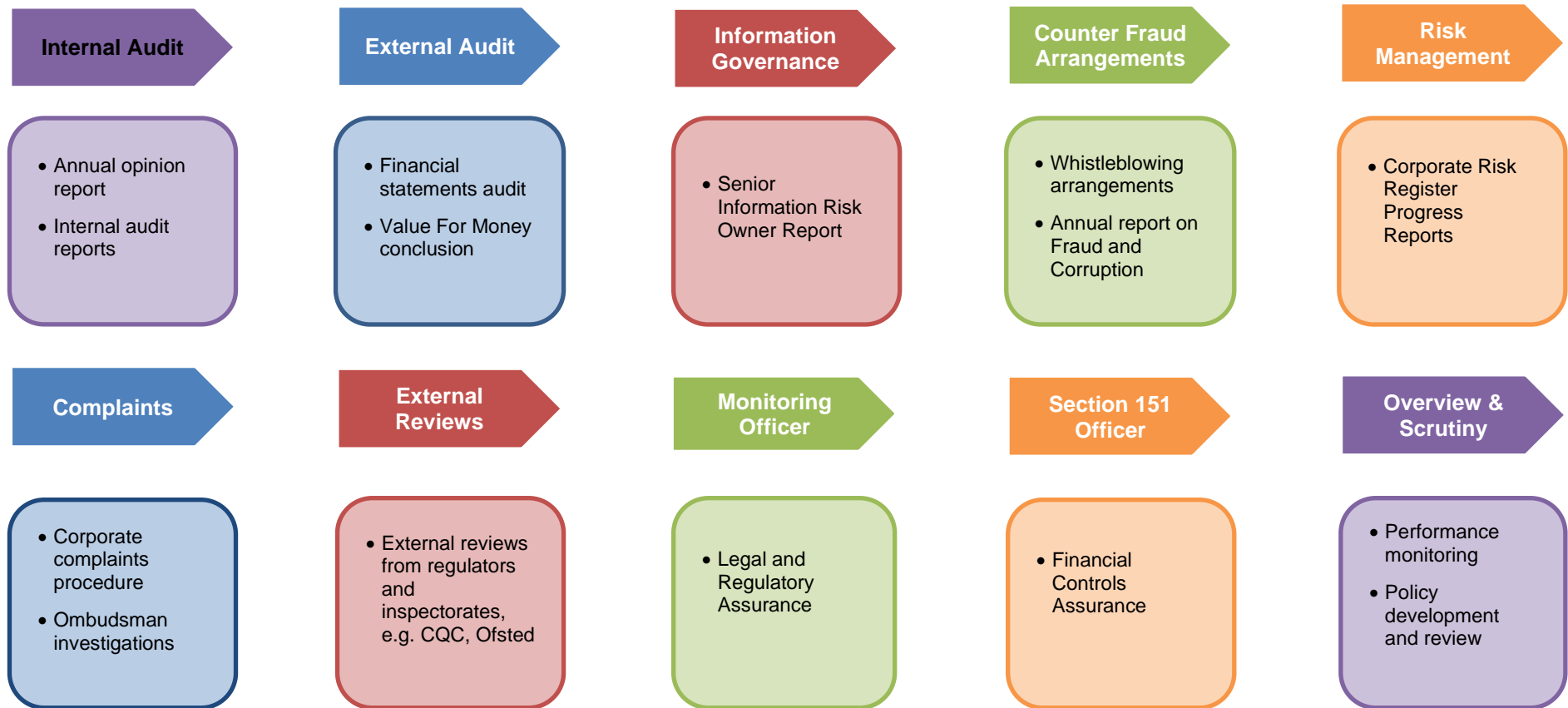
- The Council complies with the Local Government Transparency Code 2015 and publishes a wide range of information on its website. This includes details of meetings, minutes and agendas, policies and plans, the Council Constitution, the Statement of Accounts, details of members' allowances and expenses, details of senior staff pay, contract awards, and details of land and building assets.
- The Council operates clear and effective processes for dealing with Freedom of Information (FOI) requests and Subject Access Requests (SAR).
- All Council meetings are open and can be attended by members of the public with the exception of those where confidential or personal matters may be disclosed.
- The Council's commitment to transparency is reflected in the high proportion of reports considered in the public (Part 1) sections of committee meetings, the publication of a Forward Plan, an informative website, and an active presence on social media.
- The Council has an effective Audit and Governance Board that provides a source of assurance over the Council's risk management, control, and governance arrangements.
- The Council has established various ongoing arrangements that provide effective assurance. These include the work of Internal Audit, the Council's risk and performance management arrangements, the work of the Information Governance Group, the work of the Policy and Performance Boards and the work of the Audit and Governance Board.
- The Council operates a whistleblowing procedure and has well-publicised arrangements for employees and the wider community to raise any concerns relating to fraud, misconduct, or other issues. All whistleblowing complaints and referrals received were assessed and investigations undertaken where sufficient information was provided.
- To support continuous improvement, during 2024/25, the Council commissioned a Corporate Peer Challenge (CPC) through the Local Government Association. CPC forms a key part of the improvement and assurance framework for local government, and the process involved a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending four days at Halton Borough Council to provide robust, strategic, and credible challenge and support. A copy of the report from the review can be accessed [here](#).

The roles of those responsible for developing and maintaining the governance framework

Council	<ul style="list-style-type: none">- Approves the Corporate Plan- Approves the Constitution- Approves the policy and budgetary framework
Executive Board	<ul style="list-style-type: none">- The main decision-making body of the Council- Comprises ten members who have responsibility for particular portfolios
Audit and Governance Board	<ul style="list-style-type: none">- Designated as the Council's Audit Committee and provides assurance to the Council on the effectiveness of its governance arrangements, risk management framework, procurement strategy, and internal control environment.- Promotes high standards of member conduct
Policy & Performance Boards	<ul style="list-style-type: none">- There are six Policy & Performance Boards aligned to the Council's six Corporate Plan priorities- They hold the Executive to account, scrutinise performance, and develop policy proposals for consideration by the Executive
Management Team	<ul style="list-style-type: none">- Implements the policy and budgetary framework set by the Council and provides advice to the Executive Board and the Council on the development of future policy and budgetary issues
Internal Audit	<ul style="list-style-type: none">- Provides assurance over the Council's governance, risk management, and control framework- Delivers an annual programme of audits- Makes recommendations for improvements in the management of risk and value for money
Managers	<ul style="list-style-type: none">- Responsible for maintaining and developing the Council's governance and control framework- Contribute to the effective management and governance of the Council

How the Council monitors and evaluates the effectiveness of its governance arrangements

The Council annually reviews the effectiveness of its governance framework including the system of internal control. The key sources of assurance that inform this review are outlined below:



Review of the effectiveness of the governance framework

The Council has a responsibility to undertake, at least annually, a review of the effectiveness of key elements of its governance framework including the system of internal control. The Council has carried out this review in accordance with the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016). The initial review of the Council's governance framework was led by a small core group of officers supported by other officers across the Council. The core group comprised the following officers:

- [Director of Legal and Democratic Services](#)

This post is designated as the Council's Monitoring Officer under section 5 of the Local Government and Housing Act 1989, as amended by paragraph 24 of schedule 5 Local Government Act 2000. The Monitoring Officer is responsible for ensuring that the Council acts and operates within the law.

- [Director of Finance](#)

This post is designated as the s151 Officer appointed under the 1972 Local Government Act. The post holder is the Council's Chief Financial Officer and carries overall responsibility for the financial administration of the Council.

- [Head of Audit and Operational Finance](#)

This post is responsible for the Council's internal audit arrangements, including the development of the internal audit strategy and annual plan and providing an annual audit opinion on the Council's governance, risk management and control processes.

In preparing the annual governance statement the Council has:

- Reviewed the Council's existing governance arrangements against its Local Code of Corporate Governance
- Considered any areas where the Local Code of Corporate Governance needs to be updated to reflect changes in the Council's governance arrangements and best practice guidance
- Taken account of various internal and external sources of assurance over the operation of the Council's governance framework
- Assessed the effectiveness of the Council's governance arrangements and highlighted any planned changes in the coming period
- Reviewed previously identified governance issues and the progress made against these during 2024/25

Management Team, which is chaired by the Chief Executive, has also reviewed the annual governance statement, and considered the significant governance issues facing the Council.

The Audit and Governance Board provides assurance to the Council on the effectiveness of its governance arrangements, risk management framework, and internal control environment. As part of this role the Board reviews and approves the annual governance statement.

The following pages summarise how the Council has responded to the governance issues identified from the 2023/24 annual governance statement. An action plan is also included setting out the issues identified from this year's review of the effectiveness of the Council's governance framework.

2023/24 Governance Review

Action Plan Update

Development areas identified in 2023/24 review	Progress achieved
<p><u>Transformation Programme</u></p> <p>The Council is to ensure that the Transformation Programme is sufficiently developed to meet the medium-term financial funding gap and to replenish its reserves.</p>	<p>The reshaping of the Transformation Programme has been informed by comprehensive benchmarking in conjunction with Grant Thornton (CFO insights). This has indicated key areas for examination and quantified budget variances against the average sector spend. Viability assessments have been undertaken against some of the areas identified, and are in progress against others. These are being considered by the Transformation Delivery Board (officers) and the Transformation Programme Board (Members), to ensure that all levels of governance are satisfied that the potential for business improvement and cost effectiveness is sufficient to justify the inclusion of work in the Programme. This work is also aligned with the budget savings agreed within the setting of the 2025/26 budget, ensuring a focus on budget reduction and directing capacity towards the generation of savings.</p> <p>The additional process and data analysis skills that have been brought into the Transformation Delivery Unit (TDU) are accelerating the scoping of projects in areas where cost benchmarking has been applied, to ensure a coherent understanding of cost variances and how they translate into opportunities to effect cost reductions.</p> <p>Subject matter experts are being engaged in projects where technical knowledge and expertise is required quickly to fully understand the operating environment and associated cost reduction opportunities.</p> <p>Benefit tracking continues to be developed as part of the governance reporting regime for the Programme.</p> <p>Significant work is in progress on the development of a new risk management approach for the Council. An adapted version of this, specific to the Programme, will be finalised in Q1 of 2025/26 to deliver a robust approach to risk management and issue reporting within the Programme governance arrangements</p>

Development areas identified in 2023/24 review	Progress achieved
<p><u>Risk Management</u></p> <p>The Council will continue to improve and develop its approach to risk management in accordance with the recommendation made by the external auditor.</p>	<p>The Council is undertaking a comprehensive overhaul of its risk management approach. A new Risk Management Policy has been drafted in collaboration with subject matter experts from Zurich Municipal, the Council's insurers. This revised approach reflects recommendations agreed with the Council's external auditors in 2024.</p> <p>Once approved, the new policy will be accompanied by the introduction of an updated risk register and monitoring framework, supported by training for both officers and Members.</p>
<p><u>Performance Management</u></p> <p>The Council will continue to improve and develop its approach to performance management in accordance with the recommendation made by the external auditor.</p>	<p>A core set of Key Performance Indicators (KPIs) has been incorporated into quarterly performance reporting. As the revised Risk Management approach is implemented, the Performance Management Framework will expand to include relational KPIs linked to corporate risk management and priorities. A corporate data project will deliver a unified platform by Q1 2025/26, enabling real-time performance data to be streamed to stakeholders via tailored dashboards.</p>

Development areas identified in 2023/24 review	Progress achieved
<p><u>Special Educational Needs / Disabilities (SEND)</u></p> <p>The Council will work with partners to address the five key areas for priority action that were outlined in the CQC and Ofsted inspection of the Halton Local Area Partnership that took place in November 2023.</p>	<p>A Priority Action Plan was developed in collaboration with key stakeholders and subsequently approved by Ofsted and the Care Quality Commission.</p> <p>The Local Area SEND Strategic Improvement Board is independently chaired and meets monthly in order to drive forward the actions outlined in the improvement plan and the impact of the work undertaken since the inspection. Each of the five Priority Action Plans has a Senior Responsible Officer who oversees the work within their area. The SEND Partnership has appointed a senior officer to co-ordinate and lead upon the improvement plan, as well as support the co-production of our new SEND Strategy.</p> <p>There are a number of key areas of progress since the previous inspection including the establishment of a clear governance structure, the implementation of a QA framework for EHCPs and improved timeliness of plans within the 20-week timescale.</p> <p>Progress against all five areas of the Action Plan was reported to the Children, Young People and Families Policy and Performance Board during 2024/25. These updates included clear identification of delivery risks and the control measures implemented to mitigate them.</p>

Development areas identified in 2023/24 review	Progress achieved
<p><u>Workforce Development Strategy</u></p> <p>The Council will continue to implement its Workforce Development Strategy to identify skill gaps and by designing interventions to equip employees with the necessary competencies to meet the demands of the evolving organisation.</p> <p>The three key areas of the strategy are:</p> <ul style="list-style-type: none"> • Implement the Values and Behavioural Framework • Develop and implement an Employee Review Process • Developing a new approach to Succession Planning 	<p>This remains a work in progress. The “Employer of Choice” projects within the Transformation Programme have now concluded and been handed over to the operational HR service. As part of this, the Council has implemented updated recruitment procedures, market engagement strategies, and a new Employee Value Proposition (EVP).</p> <p>A targeted project is underway to reduce the organisation’s reliance on agency workers. The scope of a managing attendance project has been reviewed by the Transformation Programme Board and is now progressing toward implementation.</p> <p>In addition, a new Employee Performance Framework is being introduced through the Organisational Development function, and significant engagement with managers around succession planning is beginning. This will help identify future skills needs.</p> <p>However, it should be acknowledged that the Council continues to face broader challenges presented by current employment market dynamics. Representations around the wider local government terms and conditions model continue to be made through the LGA via the Regional Employers Organisation and Liverpool City Region partners.</p> <p>A full staff survey is to be undertaken in May 2025.</p>

Development areas identified in 2023/24 review	Progress achieved
<p><u>Corporate Complaints Procedure</u></p> <p>The Local Government Ombudsman – Complaint Handling Code was launched in February 2024. The Code sets out a process for organisations that will allow them to respond to complaints effectively and fairly. The purpose of the Code is to enable organisations to resolve complaints raised by individuals promptly, and to use the data and learning from complaints to drive service improvements.</p> <p>The Code has been issued as “advice and guidance” for all local councils in England under section 23(12A) of the Local Government Act 1974. This means that councils should consider the Code when developing complaint handling policies and procedures and when responding to complaints.</p> <p>The Council will therefore complete a review of its corporate complaints procedure during 2024/25 and adopt the Code into its existing working practices.</p>	<p>The introduction of the Code has been deferred by the Ombudsman to allow for piloting with a small number of local authorities. Full implementation is now scheduled for April 2026.</p>
<p><u>CIPFA Financial Management Code</u></p> <p>A self-assessment against the CIPFA Financial Management Code will be completed. The Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.</p>	<p>The self-assessment will be reported to the Audit and Governance Board at its meeting on 24 September 2025.</p>

Development areas identified in 2023/24 review	Progress achieved
<p><u>Connect2Halton Joint Venture</u></p> <p>The Council has entered into a joint venture partnership with the Commercial Services Group, for the provision of agency staffing required within Council departments. Robust governance arrangements for the joint venture partnership will be established prior to the partnership becoming operational later in the 2024/25 financial year.</p>	<p>During 2024/25, the Council and Commercial Services Group entered a Joint Venture with equal controlling shares to ensure a collaborative and mutually beneficial partnership. This structure supports the Council's long-term objectives and aims to deliver the Council with financial returns to invest in local services.</p> <p>Governance is managed by a Main Board, which meets quarterly and includes a senior officer from each party. An Operational Executive Board also meets monthly and comprises senior officers and other stakeholders.</p> <p>The Main Board oversees strategic decisions, while the Operational Board manages day-to-day performance, monitors progress against the Business Plan and ensures effective service delivery. The Chair of the Main Board rotates annually. Both boards remain accountable to the shareholders, with a focus on transparency, accountability, and continuous improvement.</p> <p>An internal audit of the governance arrangements of the Joint Venture is planned for 2025/26.</p>

2024/25 Governance Review

Development Areas

Development areas identified from 2024/25 review	Lead Officer	Timescale
<p><u>Council Finances</u></p> <p>The Council continues to experience severe financial pressures, especially in respect of Adults and Children's Social Care. The scale of the 2024/25 forecast overspending and the forecast funding gaps over the next four years demonstrated by the Medium-Term Financial Strategy, led to the Council in December 2024 applying for the Government's Exceptional Financial Support (EFS) arrangement, for which provisional approval was received in February 2025. EFS is a temporary measure permitting annual revenue costs to be capitalised, to provide further time for the Council to bring annual spending back in line with available funding over a number of years.</p> <p>The primary way for the Council to deliver reduced spending will be via the re-shaping and re-prioritising of the Transformation Programme. During Summer 2025 the Ministry of Housing Communities and Local Government (MHCLG) will commission the Chartered Institute of Public Finance and Accountancy (CIPFA) to undertake a financial resilience review, to assess the Council's financial position, financial governance arrangements, and its ability to resolve the financial situation over the coming years whilst supported by EFS.</p>	Director of Finance	31 December 2025

Development areas identified from 2024/25 review	Lead Officer	Timescale
<p><u>Commissioner's report on the options for children's services in Halton Borough Council</u></p> <p>An Ofsted Focused Visit in 2021 identified serious weaknesses in the Council's social work practice, including inadequate management oversight and supervision that failed to safeguard and promote children's welfare. As a result, inspectors issued two areas for priority action. In response, the Secretary of State for Education issued an Improvement Notice on 13 January 2022 and appointed an Improvement Advisor to provide support and challenge.</p> <p>Following a full Ofsted inspection in May 2024, Children's Services in Halton were judged to be 'Inadequate' across all areas. Consequently, on 30 August 2024, the Secretary of State issued a Statutory Direction requiring urgent improvements and appointed a Children's Commissioner.</p> <p>The Commissioner worked closely with the Council and published a report in December 2024, which concluded that, "although the Council is still in the early stages of its improvement journey, there is clear evidence of the capacity and capability to deliver sustainable, long-term change".</p> <p>To support this, the Commissioner made 24 recommendations for the Council and its partners to implement. Implementation of the Commissioner's recommendations is being monitored by the independently chaired Children's Ofsted Improvement Board.</p>	Executive Director of Children's Services	Ongoing throughout 2025/26
<p><u>Risk Management</u></p> <p>During 2025/26, the Council will further develop its approach to risk management through the approval of a new Risk Management Policy. This will be accompanied by the introduction of an updated Corporate Risk Register and monitoring framework, supported by training for both officers and Members.</p>	Corporate Director, Chief Executive's Delivery Unit	Ongoing throughout 2025/26

Development areas identified from 2024/25 review	Lead Officer	Timescale
<p><u>Performance management</u></p> <p>As the revised Risk Management approach is implemented during 2025/26, the Performance Management Framework will be expanded to include relational KPIs linked to corporate risk management and priorities. A corporate data project will deliver a unified platform, enabling real-time performance data to be streamed to stakeholders via tailored dashboards.</p> <p>The Council's scrutiny processes are also under review by the Scrutiny Chairs Group, with proposed changes to Policy and Performance Board titles and terms of reference to align with the Corporate Plan's new priorities, with external advisors supporting the enhancement of scrutiny.</p>	Corporate Director, Chief Executive's Delivery Unit	Ongoing throughout 2025/26
<p><u>Services for young people with special educational needs and / or disabilities (SEND)</u></p> <p>A six-monthly stock take with the Department for Education and National Health Service Executive is due to be completed in June 2025, and the Council anticipates that it will receive a monitoring inspection on the progress to date in the coming months.</p>	Executive Director of Children's Services	Ongoing throughout 2025/26
<p><u>Audit and Governance Board</u></p> <p>Changes are to be made to the terms of reference for the Audit and Governance Board so that it aligns with the model terms of reference recommended by CIPFA in its publication 'Audit Committees: Practical Guidance for Local Authorities and Police (2022 edition)'.</p> <p>Arrangements will also be made to appoint a suitably qualified co-opted independent member to provide additional expertise to the Board.</p>	Director of Finance	May 2025

Development areas identified from 2024/25 review	Lead Officer	Timescale
<p><u>Corporate Peer Challenge (CPC)</u></p> <p>In June 2025, a review will be undertaken to assess the Council's progress in addressing the issues identified in the Corporate Peer Review report. Senior leadership from the Council will engage with peers to share progress against the CPC recommendations, reflect on early outcomes and learning, and receive feedback on the implementation of the Council's RAG-rated Action Plan.</p>	Corporate Director, Chief Executive's Delivery Unit	June 2025
<p><u>Adult Social Care – Care Quality Assurance Process</u></p> <p>The Care Quality Commission (CQC), the independent regulator of health and social care in England, conducted an inspection of the Council's Adult Social Care services in March 2025. The assessment aimed to evaluate the Council's performance, assure the CQC and the Department of Health and Social Care of the quality of care in Halton, and identify any areas for improvement.</p> <p>At the time of preparing this Annual Governance Statement, the outcome of the inspection had not yet been reported. The Council is however committed to responding promptly to any required actions and addressing any governance issues that may arise from the inspection.</p>	Executive Director – Adult Services	To be confirmed

Certification

The Audit and Governance Board has advised us on the outcome of the review of the Council's governance framework, which provides good overall assurance that the current arrangements remain fit for purpose.

The review has however identified specific opportunities to maintain or strengthen governance practices. We are committed to addressing these over the coming year and will monitor progress as part of the next annual review.

Signed on behalf of Halton Borough Council:

Stephen Young - Chief Executive

Mike Wharton - Leader of the Council

Date -

Date -