
Annual Governance Statement 2024/2025



Elbridge
Borough Council

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Introduction

This is the Annual Governance Statement for Elmbridge Borough Council for the year 2024/2025. This is a statutory document, which explains the processes and procedures in place to enable the council to carry out its functions effectively and provides a key record of the overall effectiveness of the governance arrangements within the authority.

The statement reflects the latest guidance from the Chartered Institute of Public Finance (CIPFA)/Society of Local Authority Chief Executives and Senior Managers (SOLACE) on a strategic approach to governance and demonstrates how key governance requirements have been met.

Executive Summary

The Council has a sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Looking to 2025/2026, there is always more that can be done. There is a considerable amount of change facing Elmbridge Borough Council with Local Government Reorganisation and strong governance will be a key part of the success of steering the authority through that process.

The Council will focus on further embedding a strengthened risk management system, proactive contract management practices, and updating the local code of corporate governance.

Scope of responsibility

Elmbridge Borough Council is responsible for ensuring that:

- Its business is conducted in accordance with the law and proper standards;
- Public money is safeguarded and properly accounted for; and

- Resources are used economically, efficiently, and effectively.

The Council also has a duty to:

- Make arrangements to secure continuous improvement in the way in which its functions are exercised;
- Put in place proper arrangements for the governance of its affairs; and
- Implement and maintain effective processes of internal control, including appropriate arrangements to manage risks.

Governance Framework

The purpose of the Governance Framework

The governance framework comprises the systems, processes, cultures and values which underpin how the Council is controlled and managed internally, and how it engages with taxpayers, service users and the wider community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The governance system at Elmbridge

The Council operates a Leader and Cabinet system of governance. The Cabinet takes the executive decisions and must ensure that the Council's Plan (Vision) and the Budget and Policy Framework as approved by the Council are delivered. The Council has an Overview & Scrutiny Committee in place to scrutinise the work of the Cabinet. The Council also has in place an Audit and Standards Committee which is tasked with reviewing and considering improvements to corporate governance in general and to consider specified cases of allegations of misconduct.

The Council has appointed statutory officers which includes the Head of Paid

Service (Chief Executive), the Section 151 Officer (Head of Finance and S151 Officer) and the Monitoring Officer (Head of Legal & Governance). These three officers have had regular meetings to discuss governance, risk and reputational issues. Where appropriate, the Head of Internal Audit should also attend that statutory officers' meeting. These statutory officers have reviewed the *Code of Good Practice on Governance for Local Authority Statutory Officers June 2024* which further demonstrates the commitment to ensuring effective corporate governance arrangements are in place.

Arrangements for Governance

The Council's governance arrangements are designed to secure compliance with the principles set out in the CIPFA/SOLACE Framework for "*Delivering Good Governance in Local Authorities*" 2016. Although not a requirement until 2025/2026, this AGS takes into consideration of the principles as set out in the May 2025 "*Delivering Good Governance in Local Authorities – Addendum, covering the annual review of governance and the annual governance statement*"

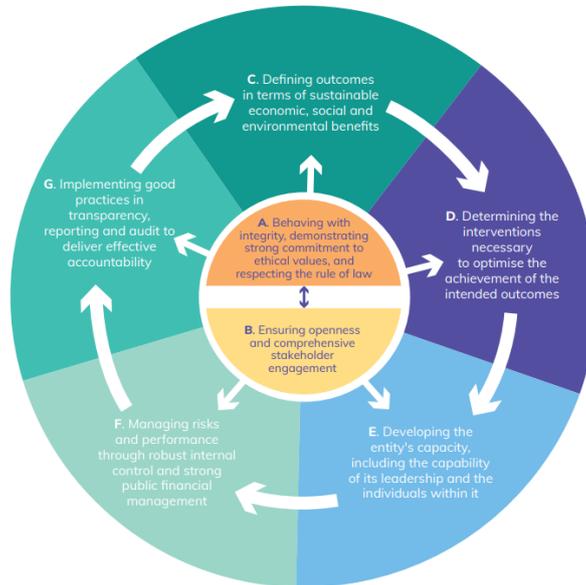
Elmbridge is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The Council also has a duty under the Local Government Act 1999 to make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

The Local Code of Corporate Governance for the 2024/2025 year formed part of the Council's Constitution. This sets out the description of the different aspects of the Council's Governance arrangements.

The Local Code of Corporate Government is due for review and once the review has taken place, this will form a separate document which will be available in a governance section of the Council's website which will also provide an easy way to locate this Annual Governance Statement.

The Local Code of Corporate Governance accords with the seven core principles of "*Delivering Good Governance in Local Authorities*".

These are illustrated as:



Highlighted below is how the Council has met the standards of the framework:

A - Behaving with integrity

The Council's Constitution defines the roles/responsibilities of the Cabinet (Executive), regulatory committees, the Overview & Scrutiny Committee and statutory officers and sets out how these roles are discharged, and the delegations extended to officers and Councillors.

Codes of Conduct are in place for Councillors and officers and are set out in the Council's Constitution. The member/office protocol sets out relationship expectations. All new Councillors and officers receiving training on the expected behavior.

The Council's Section 151 Officer and Monitoring Officer have specific statutory responsibilities to ensure that decisions taken by the Council are lawful and in line with constitutional requirements.

B - Ensuring openness

The Council consults regularly with stakeholders, taxpayers, and service users. The

“My Elmbridge” programme is in place to consult, engage and inform residents about local services. The Council proactively engages with residents, businesses, and partners to maintain the Council’s reputation, gain understanding and support for the organisation’s vision and objectives and keep users informed about priorities, services and campaigns and consultations via digital, in person and social media channels.

The Council’s website provides a key means of communication between the Council and the public in an open and transparent form. The Council provides considerable transparency information on the website. The Council’s website has had a complete refresh to enhance usability.

The Council is a proactive user of social media and other online tools to ensure engagement.

Responsiveness to freedom of information requests is monitored by the Monitoring Officer and the Council’s Management Board.

C - Defining sustainable outcomes

The Council has launched the Elmbridge Vision with a 2025/2026 refresh to take into consideration Local Government Reorganisation. Every year the Council sets out the Annual Delivery Plan with the objectives and priorities for the year.

The vision of the Council is:



Vision statement A sustainable, thriving Elmbridge driven by the power of our community.

To deliver this Vision,

Elmbridge Borough Council will be a high performing, environmentally and financially sustainable organisation.

In order to reach the Council’s goals, it is acknowledged that a period of transformation is necessary, and this has been re-considered in light of Local Government Reorganisation. A plan has been set to show what can be expected in the coming year and until reorganisation is completed.

D – Achieving intended outcomes

The Council has a robust Performance Management Framework in place which flows from the Vision, into the Annual Delivery Plan and into individual service plans.

The Performance Management Framework contains key performance indicators to measure the performance of the services. There is also an organisational development framework in place including continuous performance reviews, one-to-ones, and clear job descriptions.

The Cabinet is responsible for ensuring that actions approved as part of the Budget and Policy Framework are delivered in each service area. The Overview and Scrutiny Committee scrutinise portfolio holders, examine Council performance and future plans. The Overview & Scrutiny Annual Report is then approved by the Council.

Feedback from residents and businesses is obtained through the biannual resident's survey to ensure that a high level of customer service is delivered and that they are happy with the Council's priorities and services.

E – Developing Capacity

Asset capacity is considered in the newly refreshed Asset Management Plan. The Vision and the performance monitoring framework considers capacity (including assets) as to the best services that can be delivered with the available resources.

There is a robust learning and development programme for officers including mandatory e-learning on a wide variety of subjects and management training. Councillors also have a training and development programme in place, which consists of a comprehensive induction programme, specific committee training e.g. planning, licensing and governance issues such as the code of conduct.

F – Managing Risks

A Risk Management Strategy and strategic and operational risk registers are in place, which are regularly reviewed by officers and Councillors. The Strategic Risk Register is reviewed annually and links to the Council's top priorities and strategic objectives. To improve the risk management approach the Council is implementing a revised format of the strategic risk register for greater accessibility.

Financial Procedure Rules together with the Contract Procedure Rules and Officer Employment Procedure Rules, set the framework of internal controls. Internal audit has a programme of work designed to assess how this framework operates in practice and reports to the Audit and Standards Committee.

Partnership working is governed by agreements, memoranda of understanding or protocols relevant to the type of work or relationship involved. The Council's legal services ensure all are fit for purpose and the Council's interests are protected.

The Council has strong IT security requirements which reflect hybrid and virtual ways of working. The Information Governance Group meets quarterly to discuss and monitor compliance with corporate systems of internal control, data security, data protection and governance issues. Any issues are reported to the Council's Senior Information Risk Owner (SIRO).

The Council's Emergency Planning and Resilience specialist oversees and monitors the Council's range of business continuity plans including the Corporate Business Continuity Plan. Business Continuity desktop exercises are regularly held with the Emergency Planning and Resilience specialist.

G – Transparency and accountability

All Council meetings are held in public, and minutes and webcasts are available on the Council's website.

There is an effective Audit and Standards Committee with defined roles and responsibilities and undertakes core functions in accordance with relevant CIPFA guidance. The external Annual Audit Report is submitted to that committee.

The Annual Report of the Audit & Standards Committee was approved by the Council in April 2025.

Annual financial statements include a narrative summary on the Council's performance during the year as well as reporting the financial position.

The Council's governance arrangements for budgeting, the accounts, financial decision making and compliance with codes of practice and legislation are in accordance with the financial management standards set out in the Financial Management code. No significant issues or concerns have been raised by internal or external audit.

Our assessment of effectiveness

The Council uses several ways to review the effectiveness of governance arrangements. One of the key assurance statements is the Corporate Governance Review 2024/2025 undertaken by Internal Audit and which provided substantial assurance on the arrangements in place. This is an increase in the assurance level from 2023/2024.

Internal Audit reviewed the following areas which have particular relevance to the Annual Governance Statement:

- Corporate governance framework arrangements
- Risk management
- Performance management
- Business continuity and emergency planning
- Information governance

The review of effectiveness is also informed by:

- The work of the Council Management Board and the senior managers who have responsibility for the development and maintenance of the governance environment;
- The Council's risk management framework;
- The Audit and Standards Committee internal audit progress reports;
- Comments made by external auditors and other review agencies and inspectorates;
- The Head of Internal Audit's Annual Report; and
- The completion of Annual Assurance Statements by all Heads of Service as at 31 March 2025.

All Heads of Service returned completed Annual Assurance Statements as at the 31 March 2025. The Annual Assurance statements highlighted the following matters for consideration:

- Embedding of health and safety measures in green spaces
- Operational health and safety in Community Support Services
- Reconciliation of Community Infrastructure (CIL) monies across systems

The Council's Management Board has been made aware of all these issues. The issues which have arisen in relation to the Council's Community Support Service were highlighted in the previous AGS and considerable steps have been taken to improve service delivery including training and management support. A triangulated approach to consideration of this has taken place which included the Directors report, Internal Audit report and an independent report by the Council's Risk Management Partners. Each of these reports indicated the positive steps that had been taken, and this has been reported to Councillors (Cabinet, Audit & Standards and Full Council). The Council has considered its approach to health and safety and has taken steps to ensure IOSHH training has been put in place for Heads of Service, Statutory Officers and Directors. A number of key staff have also had full IOSHH training. The resources for health and safety have also been addressed.

The reconciliation of the systems for the CIL monies has now taken place.

The Head of Internal Audit's Opinion for the year 2024/2025 is:

Audit Opinion

Reasonable Assurance - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

It is confirmed that the Local Code of Corporate Governance was in place for 2024/2025 and is being reviewed for 2025/2026 and accords with the principals of the CIPFA/SOLACE "*Delivering Good Governance in Local Government Framework*" 2016 as updated in May 2025.

The Council's financial management and assurance arrangements conform with the governance requirements of the CIPFA statement on the Role of the Chief Finance Officer in Local Government 2016.

CIPFA published the Code of Practice on "*Managing the Risk of Fraud and Corruption*" in 2014. The Council has adopted an approach that is appropriate for its fraud & corruption risks and commits to maintain its vigilance to tackle fraud. We have no knowledge of any actual, suspected, or alleged fraud affecting the Authority which would cause a material misstatement in the financial statement's either through fraudulent financial reporting and/or misstatements resulting from misappropriation of assets for 2024/2025.

Outcomes, value for money and improvements during the year

The Audit and Standards Committee received the Council's appointed External Auditor's (Grant Thornton) Audit Findings for 2023/2024 in February 2025. This report contains an unqualified opinion on the 2023/2024 financial statements.

The Auditor's Annual Report was also reported to Council in March 2025 under all three areas of 1) financial sustainability, 2) Improving economy, efficiency and effectiveness and 3) Governance that the conclusion was that there are no risks of significant weaknesses identified.

The direction of travel for the Council is reported as stable for financial stability with one improvement recommended. The direction of travel for governance and improving economy, efficiency and effectiveness way on an upwards curve with no improvements needed.

Other governance outcomes are shown below

Issues Identified	Performance in 2024/2025
Formal reports by Chief Finance Officer or Monitoring Officer to the Council	None
Outcomes from Audit and Standards Committee or Monitoring Officer Investigations	<p>The Monitoring Officer received 6 complaints about member conduct in 2024/2025 some of which were against more than one Councillor in a single complaint. The outcomes of these are:</p> <p>Two complaints about two separate Councillors have been dismissed as appropriate apologies have been given.</p> <ul style="list-style-type: none"> • Two complaints about two separate Councillors around conduct at planning committee meeting have been closed as after initial response provided complaint not taken further.

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Issues Identified	Performance in 2024/2025
	<ul style="list-style-type: none"> • One complaint against three Councillors dismissed as no merit in investigation. • One complaint proceeded to investigation but has now been resolved with a local resolution.
Proven frauds carried out by Councillors or officers	None
Objections received from local electors	None
Local Government Ombudsman (LGO) referrals upheld	Of the 23 complaints referred to the LGO 2 where upheld, both of which have been remedied, one with an apology being given and the other with financial recompence.
Information Commissioner referrals upheld	None

The Council continued the monitoring of performance to ensure that continuous improvements are made.

The Council has a People Strategy and a delivery plan which sets out the five key commitments that provide focus for growth as an organisation to deliver our Vision until reorganisation. These are all about supporting and developing high performing teams, valuing diversity of the workforce and engaging people at all levels to ensure we are one council.

How we have improved our governance arrangements in 2024/2025

The key work to improve the governance arrangements in 2024/2025 was a further review of the Council’s constitution, the purpose of the review was to:

- Improve readability using modern language, making it more user friendly and removing duplications;

- Provide greater governance control and accountability;
- Provide greater transparency;
- Streamlining and aligning arrangements and financial thresholds;
- Providing a clear scheme of delegations to officers; and
- Updating to ensure that all legislative provisions are up to date.

This included a complete overhaul of the Contract Standing Orders and Financial Procedure Rules. Training has been provided to officers on decision making processes within the Council.

An independent review of the Council's Strategic Risk Register was undertaken by the Council's Risk Management Partners to ensure that best practice is incorporated,

Where our governance needs to improve

We need to ensure that our Local Code of Corporate Governance is reviewed and that this is accessible to both officers, members and the public. To achieve this, it has been removed from the constitution and will be available once reviewed on a governance section of the Council's website.

The use of AI is becoming more prevalent. The Information Governance Group is aware of the importance of ensuring the correct use. It is acknowledged that an AI use policy needs to be put in place for the Council and this is being developed.

It is acknowledged that the Council could strengthen its contract management processes and procedures and is embarking on a project to develop more robust practices.

Although the independent review confirmed that the Strategic Risk Register is fit for purpose, it is considered that this can be structured to make it clearer as to the steps the Council have taken to mitigate risk and the impact those mitigation measures have had on those risk levels. A new register format is being produced and appropriate officers and all councillors are being provided with training on risk management and insurance.

The changes taking place with Local Government Reorganisation present both opportunities and challenges. The Council must continue to engage in a broad

programme of innovation, service review and redesign work so it can provide services for residents which are efficient, effective and deliver value for money, using available resources.

Forward look on governance

The overall direction of travel by the Council is one of strengthening its governance arrangements, which can be observed through the work that has been undertaken and acknowledged in the external audit opinion. However, we must ensure we are not complacent, and we will set out a programme to address where we have highlighted our governance needs to improve.

Having a dedicated section of the website on governance will ensure accessibility to important documents such as the Local Code of Corporate Governance and this Annual Governance Statement. The transparency will highlight the steps that the Council are taking to ensure that robust governance systems are in place.

Conclusion and Certification

Good governance is about doing things properly. It is the means by which the Council demonstrates that it is taking decisions for the good of the people of Elmbridge in an open and equitable way. It recognises the standard of behavior that supports good decision making. It is the foundation for the delivery of good quality services and fundamental to showing that public money is well spent.

Certification

We have been advised on the results of the annual review of the effectiveness of the Council's governance framework, as set out above. We will continue to monitor best practice and potential improvements as part of our next annual review.

We confirm to the best of our knowledge, that this statement provides an accurate and fair view of the Council's operations and governance framework.

Signed on behalf of Elmbridge Borough Council by:



Mike Rollings, Leader of the Council



Adam Chalmers, Chief Executive