

OFFICIAL

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# **ANNUAL GOVERNANCE STATEMENT 2024/2025**



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## EXECUTIVE SUMMARY

### Overall Assessment

Plymouth City Council maintained effective governance arrangements throughout 2024/25, providing **reasonable assurance** over the conduct of its affairs and stewardship of public resources.

### Key Achievements 2024/25

- **CIPFA Assurance Review:** Overall positive assessment of financial position and governance arrangements, noting efficient financial management processes and strong budget ownership. All seven CIPFA recommendations completed.
- **Procurement Governance:** New organisational Procurement Strategy 2024-2026 approved incorporating national and local priorities whilst accounting for upcoming legislative changes including the Procurement Act 2023.
- **Constitutional Framework:** Refreshed Contract Standing Orders and rules of debate approved following comprehensive review. Legal implications sections added to committee and decision report templates.

### Assurance

The Head of Internal Audit, provided '**Reasonable Assurance**' on the adequacy and effectiveness of the Council's internal control framework, confirming sound systems of governance, risk management and control are in place.

Constructive engagement with Grant Thornton external auditors and government reviewers. The self-assessment undertaken demonstrated that the Audit and Governance Committee is operating effectively and in compliance with CIPFA guidance and regular reporting mechanisms ensure ongoing oversight.

### Areas Requiring Management Attention

Internal audit identified several areas receiving **Limited Assurance** opinions:

- **Adult Social Care:** Contract and performance monitoring conducted only on ad-hoc basis with no financial viability checks on providers. Weekly provider intelligence reports now implemented.

- **ASC Payment Systems:** Control failures that failed to prevent overpayments and client financial services resource pressures causing assessment backlogs.
- **Debt Management:** Issues with debt management processes and procurement compliance requiring strengthened arrangements.

### **Armada Way Independent Learning**

The Council has established an action plan for governance-related actions from the Armada Way Independent Learning Review, which was presented to City Council on 02 June 2025. The action plan will be tracked and monitored through a sub-group of the Audit and Governance Committee. Future actions include reviewing constitutional provisions and urgency decision-making processes to ensure alignment with the Council's values of openness and transparency.

### **Priority Actions 2025/26**

- Monitor effectiveness of management responses to Limited Assurance areas across adult social care and debt management
- Deliver Grant Thornton actions from Audits
- Deliver the detailed action plan set out in response to the Armada Way Independent Learning Review and Governance Review.
- Deliver next stage of Organisational Effectiveness – Change Programme

### **Conclusion**

The governance framework operated effectively during 2024/25, supporting achievement of objectives whilst ensuring appropriate stewardship of public resources. Where weaknesses were identified, management took appropriate action.

These arrangements provide **reasonable assurance** that the Council complies with its Code of Corporate Governance and meets the requirements of the Accounts and Audit Regulations 2015.

**Definition of Audit Assurance Opinion Level “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.

## SCOPE OF RESPONSIBILITY AND PURPOSE OF THE GOVERNANCE FRAMEWORK

### Scope

Plymouth City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

The Council also has a duty under the Local Government Act 2000 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, Plymouth City Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of the Council's functions which includes arrangements for the management of risk.

This Annual Governance Statement explains how the Council has complied with the Code of Corporate Governance and also how it meets the requirements of Regulation 6(1) of the Local Government, England and Wales Accounts and Audit Regulations 2015, which requires all relevant bodies to prepare an annual governance statement.

### Purpose

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority 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 system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The governance framework has been in place at Plymouth City Council for the year ending 31 March 2025 and up to the date of the approval of the Statement of Accounts.

## STATEMENT OF ASSURANCE AND CERTIFICATION

We propose over the coming year to take steps to address the matters described at page 37 onwards, to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.



**Councillor Tudor Evans OBE**  
Leader of Plymouth City Council  
Dated: 06 August 2025



**Tracey Lee**  
Chief Executive  
Dated: 06 August 2025



**Ian Trisk-Grove**  
Service Director for Finance (Section 151 Officer)  
Dated: 06 August 2025

## THE CORPORATE PLAN

The Plymouth City Council Corporate Plan 2023-2026 sets out our mission to 'build a better Plymouth'. It was approved by Council in June 2023, and replaced the plan in place since 2021. The new Corporate Plan priorities will be delivered through specific programmes and projects which are coordinated and resourced through the Plymouth Plan, capital investment, directorate business and delivery plans. The Corporate Plan Performance Report is updated on a quarterly basis and presented to Corporate Management Team, Cabinet and Scrutiny committees.

### OUR PLAN BUILD A BETTER PLYMOUTH



#### CITY VISION: Britain's Ocean City

One of Europe's most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone

Plymouth  
Britain's Ocean City

**OUR MISSION:** Making Plymouth a fairer, greener city, where everyone does their bit

#### WE BELIEVE IN:



**DEMOCRACY**  
Because we listen and hear what people want



**RESPONSIBILITY**  
Because we care about the impact of our decisions and actions



**FAIRNESS**  
Because we want to address inequality and inequity in our city



**CO-OPERATION**  
Because we achieve more together than we would alone

#### WE WILL:

Make Plymouth a great place to grow up and grow old  
Minimise the impact of the cost of living crisis

#### OUR PRIORITIES:

- Working with the Police to tackle crime and anti-social behaviour
- Fewer potholes, cleaner, greener streets and transport
- Build more homes - for social rent and affordable ownership
- Green investment, jobs, skills and better education
- Working with the NHS to provide better access to health, care and dentistry
- Keeping children, adults and communities safe

#### DOING THIS BY:

- Providing quality public services
- Trusting and engaging our communities
- Focusing on prevention and early intervention
- Spending money wisely
- Empowering and engaging our staff
- Being a strong voice for Plymouth

## THE ASSURANCE FRAMEWORK - THE THREE LINES OF DEFENCE

The Three Lines of Defence Assurance Model is used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision making, risk and control to achieve effective governance and assurance. The diagram below shows the relationship between these functions:-

### First Line of Defence – Management Controls and Internal Control Measures

Line management are responsible for ensuring that a risk and control environment is established as part of day-to-day operations. Line management should be adequately skilled to create risk definitions and make risk assessments. The risk profile needs to be proactively reviewed, updated and modified for changes to the business environment and emerging risk changes. Active risk management and periodic reporting on risk is crucial to quick identification and response.

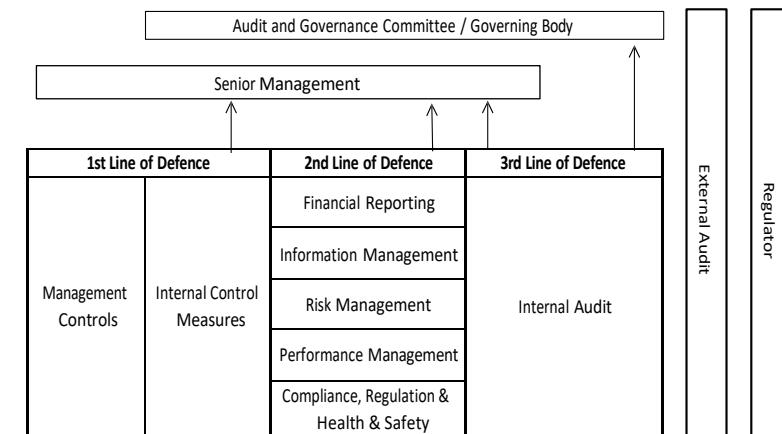
The first line of defence provides management assurance by identifying risks and business improvement actions, implementing controls and reporting on progress.

### Second Line of Defence – Oversight Functions

The second line of defence consists of activities covered by several components of internal governance. This line of defence monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information up and down the organisation. These are usually management functions that may have some degree of objectivity but are not entirely independent from the first line.

### Third Line of Defence

Internal audit forms the third line of defence. An independent internal audit function will, through a risk-based approach to its work, provide assurance to the organisation's senior management. This assurance will cover how effectively the organisation assesses and manages its risks and will include assurance on the effectiveness of the first and second lines of defence. It encompasses all elements of the Council's risk management framework (from risk identification, risk assessment and response, to communication of risk related information) and all categories of organisational objectives.



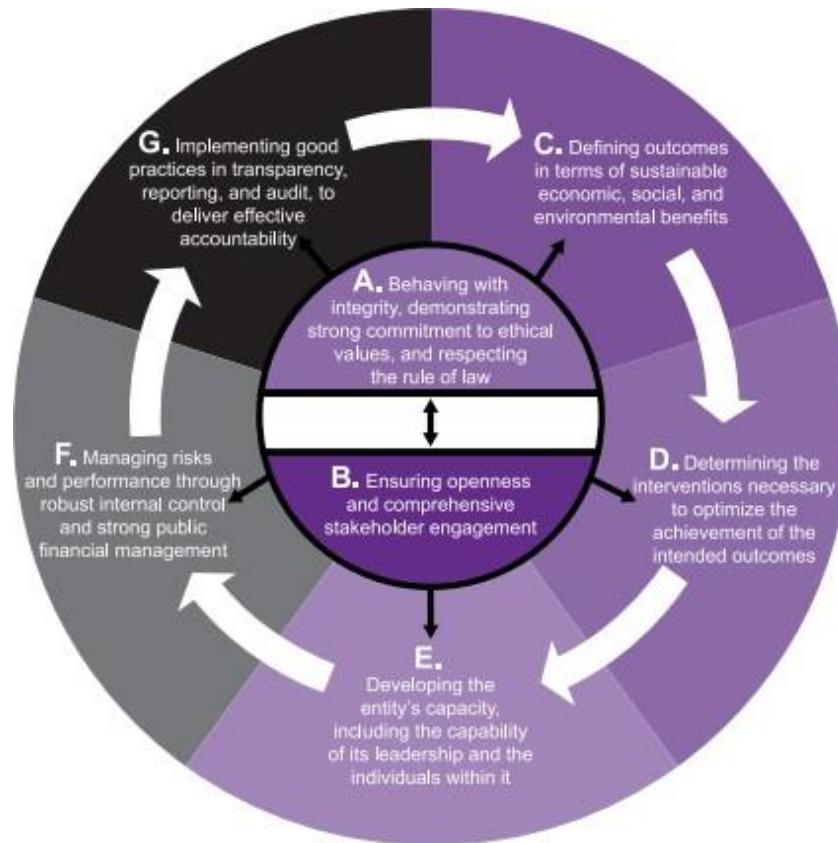
### External Auditors and Regulators

External auditors and regulators reside outside the council structure but have an important role in the overall governance and control structure by providing an independent and objective function to assess the whole, or some part of the first, second or third line of defence.

### Audit and Governance Committee's Role

All three lines of defence have specific tasks in the internal control governance framework. It is the Audit and Governance Committee's role to maintain oversight and to monitor the effectiveness of internal controls and risk management processes, as well as internal audit activities.

## PLYMOUTH CITY COUNCIL'S CORPORATE GOVERNANCE FRAMEWORK



The Council's Code of Corporate Governance is consistent with the principles of the CIPFA/SOLACE 2016 Framework Delivering Good Governance in Local Government.

This diagram illustrates how the various principles for good governance in the public sector relate to each other. To achieve good governance the Council should seek to achieve their intended outcomes while acting in the public interest at all times.

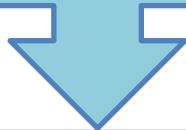
As overarching requirements for acting in the public interest, principles A and B apply across all other principles (C - G).

A high-level summary of the Council's local arrangements in place for 2024/25 to comply with each of the principles is set out below.

Details within the Code and the Annual Governance Statement aim to provide assurance that:-

- the Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- Performance statements are accurate.

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



Council's [Constitution](#)

[Scheme of Delegation](#)

Committee [Structure](#)

Corporate [Plan](#)

Codes of Conduct

Anti-Fraud, Bribery and Corruption Policy

Whistleblowing Policy

Statutory Officer Roles

Register of Interests/ Hospitality

Protocol for Member Officer Relations

Risk and Opportunity Management Strategy

Whistleblowing Policy

Customer feedback and complaints

The Council's organisational values are underpinned by its system of internal control and governance arrangements to ensure compliance with its Code of Corporate Governance.

The [Council's Local Code of Corporate Governance](#) (appendix 2) as described in this Governance Statement has been reviewed in line with CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016 and has been reviewed in light of the Financial Reporting Council updated Code of Corporate Governance issued in 2018.

Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law is acknowledged as key to the delivery of good governance and underpins the delivery of council priorities and services for the community.

The standards of conduct and personal behaviour expected of Members and Officers, its partners and the community are defined and communicated through Codes of Conduct and Protocols within the Council's Constitution. Arrangements are in place to ensure that Members and Officers are aware of their responsibilities under these Codes and Protocols.

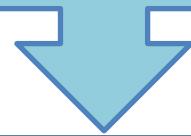
Elected Members and Senior Officers are collectively responsible for the governance of the Council. Decision making and scrutiny of decisions has been separated through the executive arrangements introduced by the Local Government Act 2000.

Ward-based governance and engagement arrangements for Councillors, multi-agency problem solving arrangements, reliable casework handling and feedback and customer insight to inform decision-making are all elements of our plans, equipping Councillors to do their job.

The Head of Devon Assurance Partnership has overall responsibility for the maintenance and operation of the whistleblowing policy. This includes monitoring the policy and maintaining a record of the concerns raised and outcomes, which will be reported to the Audit and Governance Committee in an anonymised format.

Arrangements are in place for Members and Officers to declare gifts and hospitality and to register interest and manage conflicts of interest.

## Principle B – Ensuring openness and comprehensive stakeholder engagement



### [Statement of Community Involvement](#)

### [Customer feedback & complaints](#)

Committee meetings, webcast and agendas publication

### [Public Questions and Petitions](#)

### [Plymouth City Survey and Residents Survey](#)

Annual Reports

Partnerships

### [Thrive Plymouth](#)

### [Social media pages](#)

### [Our Approach to engaging with local communities](#)

Ensuring openness and comprehensive stakeholder engagement is considered essential in meeting the Council's corporate ambitions and framework of values and regarded as key to effective service delivery. Communication supports the decision-making process and helps to improve service quality and foster good relationships between staff, Members and stakeholders.

Our approach to engagement explains how we value the views and opinions of everyone who lives, works, studies, and volunteers in the city and we want to ensure that everyone is treated with respect, has equal opportunity to have their voice heard, get involved and feels that their contributions are valued. The Statement of Community Involvement (SCI) sets out the minimum requirements for consultation and involvement that must be followed by the local planning authorities (LPA) of the Councils when preparing planning documents or consulting on planning applications. The document also sets out how the LPAs will support groups undertaking neighbourhood planning.

The Council has a system for recording Customer Feedback which enables learning from feedback and complaints to facilitate effective monitoring of information provided by customers to review future service delivery. There is a formal process for corporate complaints as well as for Children's and Adults statutory complaints.

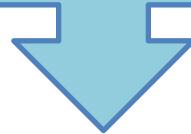
Committee meetings, including Full Council and Cabinet are webcast live and archived as part of our drive to make our decision making more open and transparent. Performance information, including financial performance is regularly reviewed by the Executive and Scrutiny in public. There are many ways the public can get involved in local decision making or raise issues that are important to them and other members of the community such as asking questions at Committees, attending public meetings and submitting petitions.

The Plymouth city survey represents the findings of a resident survey that was sent to households across the authority area to capture an insight into residents' perceptions and feelings about the city, their community and their life.

Partnerships including; Health and Wellbeing Board, [Safer Plymouth](#), [Safeguarding Adults partnership](#), [Plymouth Safeguarding Children's Partnership](#) continue to review representation and where appropriate includes greater community and voluntary sector representation.

Following an in-depth evaluation of the past 10 years, Thrive Plymouth re-launched in November 2024 with a new underlying construct which aims to take a holistic approach to person's wellbeing and considers different factors that impact on people's health. The construct is Healthy Body, Healthy Mind, Healthy Places and Healthy Communities

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



Corporate [Plan](#)

[The Plymouth Plan](#)

[The Net Zero Action Plan](#)

Plymouth Local Care Partnership System Plan

The Plymouth and South West Devon Joint Local [Plan](#)

Capital Business Cases

Procurement Strategy

Social Value Policy

[Plan for Homes 4](#)

[Economic Strategy](#) 2024 - 2034

Our Corporate Plan is focused on our vision to be ‘one of Europe’s most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone’. That means everyone working together towards our shared ambition to be a democratic, responsible, fair and collaborative city.

The Plymouth Plan provides the strategic direction for decision making in the city. It brings together all statutory and non-statutory plans forming a holistic strategy for people and place.

The Council uses its operating model to develop more appropriate outcomes for people and more effective service delivery, standardising, simplifying and sharing wherever possible, through the Plymouth Family or wider partnerships.

The Plymouth Local Care Partnership System Plan sets out ambitious plans to improve health and care services for people across Devon in a way that is clinically and financially sustainable.

The Plymouth and South West Devon Joint Local Plan looks at the big issues, including where to build homes, where roads should go and how to ensure economic growth and prosperity for Plymouth residents and those living in the towns and villages of West Devon and the South Hams. We carried out a major consultation asking people where land should be set aside for homes and work and what should be protected as green space.

Economic benefits are integrated into decision-making processes, with business case requirements for capital investments and service changes. The Council's procurement strategy includes social value requirements, ensuring that spending decisions contribute to local economic and social benefits.

The Net Zero Action Plan (NZAP) is a three-year delivery plan, setting out the City Council's proposals to reduce its greenhouse gas emissions. It responds to the Net Zero Plymouth challenge set out on the Climate Connections Plymouth website and explains how the City Council will aim to play its part in delivering the Plymouth Plan's policy aim that Plymouth achieve net zero by 2030.

Procurement has a key role to play in reducing scope 1, 2 and 3 emissions directly, by the Council controlling what and how it decides to procure. The Climate Impact Assessment is a visual tool that helps the Council's decision-makers to understand the likely climate impacts of their judgements before a decision is made.

This Economic Strategy provides the direction for economic growth over the next 10 years 2024-2034

Plan for Homes 4 is our latest housing strategy. The plan aims to deliver at least 5,000 homes over 5 years including more homes for social rent and low cost home ownership.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes



Medium Term Financial [Strategy](#)

Business Planning

[Cabinet](#)

Overview and Scrutiny  
[Committees](#)

Performance and Accountability  
Framework

Corporate Plan Performance  
[Reports \(and delivery plans\)](#)

Key Performance Indicators

Service Standards

Portfolio Holder meetings

[Complaints procedure](#)

[Counter Fraud Report](#)

[Audit reports](#)

The Medium-Term Financial Strategy (MTFS) sets out how the Council will finance the priorities for the Council, having regard to the Plymouth & South West Devon Joint Local Plan and the Corporate Plan.

The system of internal financial control is based upon a framework of regular management information, financial regulations, Contract Standing Orders, administrative procedure and a structure of delegation and accountability.

The Section 151 officer, as documented in the Constitution, has responsibility for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts and maintaining an effective system of internal financial control.

Cabinet is our main decision making body, made up of the Leader of the Council and nine Councillors.

The scrutiny function is delivered through the Overview and Scrutiny Committees. Scrutiny provides an important check and balance within the governance system on the decisions of Cabinet and the Leader and acts as a 'critical friend' to the Cabinet and other decision makers in order to promote better services, policies and decisions.

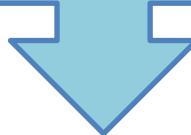
The Corporate Fraud Team fulfils the Council's statutory obligation to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption.

Key performance indicators are used to track performance of the Council's priorities as outlined in the Corporate Plan.

Service Standards have been implemented across the Council to improve the way we listen and respond to our customers.

Internal Audit partners undertake an annual review of audits to identify key themes, themes that are considered for action by Corporate Management Team. This is considered good practice.

Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it



Organisational Development

Hybrid working

People Strategy

Staff survey

Employee recognition Programme

Learning and development  
Programme

Councillor Development  
Programme

Apprenticeship Programme

Management and Leadership  
development programme

Staff performance discussions

Staff Wellbeing and Resilience  
Survey

An Organisational Effectiveness and next stage of change programme is being developed to shape the organisation and ensure its alignment to the purpose of the Council and the context in which it operates.

Our People Strategy fits with the bigger plans for our city and shows our dedication to creating a lively, caring, innovative, and inclusive organisation. This means we are not only handling today's challenges with flexibility and strength but also building strong foundations for a successful future.

A big part of this is taking care of and developing our workforce. We want to grow talent, encourage continuous learning, and use the diverse skills of our employees to provide exceptional public services and to ensure the development of our city. Our plans aim to make jobs satisfying, improve employee wellbeing, and create opportunities for career growth, ensuring our workforce stays motivated and prepared to meet our community's changing needs.

Our strategy is about empowerment—helping our employees excel in their jobs, supporting our community to thrive, and enabling Plymouth to achieve new heights of success and sustainability. This will be achieved whilst upholding the values and standards required of those who work in the public sector. By aligning our people strategy with the city's vision and the corporate plan, we are setting the stage for a future where every member of staff feels they can contribute to and benefit from Plymouth's growth and vibrancy.

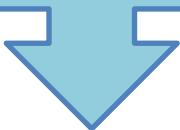
Our People Strategy is our high level medium term plan for how we will provide a motivated, engaged and skilled workforce focused on meeting the needs of the citizens of Plymouth.

- Annual staff survey
- Management and Leadership Programme
- Annual Staff 'Star Awards'
- Induction training carried out for new Members and employees
- Learning and Development Programme
- Apprenticeship Programme

Digital Services is now fully owned and operated from within the Customer & Corporate Services Directorate and is continuing to improve digital activities for customers and staff through website improvements, digital processes and workflows created and improved reporting mechanisms being used.

Opportunities for new income streams are reviewed regularly by all services.

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



Performance and Accountability Framework

[Corporate Plan performance report](#)

Departmental Performance Scorecards

Risk and Opportunity Strategy

Strategic Risk Register

Operational Risk Register

Joint Integrated Commissioning Risk Management Framework

Information Lead Officer Group

Management of Information Security Forum

Contract Standing Orders

The Council consider and counter risk across a broad range of areas. An approved Risk Management Strategy and Policy and guidance are available for staff on the Council's website together with E-Learning.

Risks are formally reviewed and monitored quarterly by the Corporate Management Team and reported to the Audit and Governance Committee and Scrutiny Management Board.

Risks to planned outcomes are considered as part of the business planning process.

Alignment of risk information with performance management has been improved this year with strategic risk updates now being included within operational performance reports, scrutinised monthly by services.

A Joint Integrated Commissioning Risk Management Framework has been developed with NHS Devon ICS to support our joint co-operative commissioning approach.

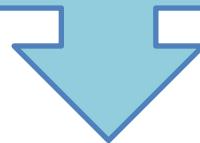
Information Lead Officer Group direct work streams within the overall governance of information assets and the Management of Information Security Forum ensure there is clear direction and visible management support for security initiatives.

Risks that threaten the health, safety and wellbeing of employees and other people using Council premises are monitored by the Health, Safety & Wellbeing Steering Group via the HSW risk register.

Internal control arrangements include comprehensive financial regulations, contract standing orders, and internal audit coverage. The Head of Internal Audit provides annual assurance opinions based on systematic audit coverage and continuous monitoring of control effectiveness.

Financial management demonstrates compliance with CIPFA standards through qualified staffing, comprehensive budget processes, and effective monitoring arrangements. The Section 151 Officer provides statutory financial oversight with direct access to all areas of the organisation.

**Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability**



[The Devon Assurance Partnership Internal Audit Plan](#)

External Audit

The Audit and Governance Committee

[Audit and Governance Committee Self-Assessment](#)

Overview and Scrutiny Committees

[Constitution](#)

[Scheme of Delegation](#)

[The Forward Plan of Key Decisions](#)

### **Internal and External Audit**

The Devon Assurance Partnership (DAP) has been formed under a joint committee arrangement comprising of Plymouth, Torbay and Devon Councils. DAPs Internal Audit Plan is based on the high risks reported within risk registers and is presented to and approved by the Audit and Governance Committee on an annual cycle. The plan is published on the Council's website with the Audit and Governance Committee agenda. The Council's arrangements for providing economy, efficiency and effectiveness are reviewed by the external auditors on an annual basis. Their Annual Report provides a summary of the activity undertaken during the year. They also review the Annual Governance Statement.

### **Audit and Governance Committee**

An effective Audit and Governance Committee is in place whose purpose is to provide independent assurance of the adequacy of the internal control environment, and to oversee the financial reporting process. The Committee has one independent member and a vacancy for one other.

The Audit and Governance Committee monitor and review the Council's corporate governance arrangements, financial reporting, internal control system, risk management system and internal and external audit functions. In line with good practice, Audit and Governance Committees should assess their effectiveness annually. The self-assessment undertaken demonstrated that the Audit and Governance Committee is operating effectively and in compliance with CIPFA guidance.

### **Overview and Scrutiny Committees**

The scrutiny function is delivered through the Overview and Scrutiny Committees, and is another way to monitor audit reviews and associated recommendations. The Overview and Scrutiny Committees for 2024/2025 were;

- Scrutiny Management Board
- Children, Young People and Families Scrutiny Panel
- Health and Adult Social Care Scrutiny Panel
- Housing and Community Services Scrutiny Panel
- Natural Infrastructure and Growth Scrutiny Panel

The Constitution establishes the governance framework within which the Council operates alongside the Scheme of delegation for decision making. The Forward Plan provides advance notice of key decisions with opportunities for input from Councillors and Members of the public.

## KEY GOVERNANCE AND DELIVERY AREAS

### Part A: Key Governance Recommendations & Actions

Overall we can confirm that the Council has the appropriate systems and processes in place to enable good governance. During the course of 2024/25 the following actions have been completed on the basis of recommendations from internal and external audit, Council Members and Officers.

Governance Issue	Lead Officer	Assurance Statement	Reported Through
<b>Progress against Audit recommendations</b>			
<p><b>External Audit Recommendations – Audit Findings</b></p> <p>A number of recommendations were made by Grant Thornton, the Council's External Auditors, during 2024/25. These relate to findings from the audits of the 2020/21 and 2023/24 accounts.</p> <p>The recommendations (42 in all) are set out in full in the published Audit Findings Reports for <a href="#">2020/21</a> and <a href="#">2023/24</a>, and the Auditor's Annual Report for <a href="#">2023/24</a>. These reports were considered by the Council's Audit and Governance Committee and are published on the Council's website.</p>	Service Director Finance (Section 151)	<p>Progress against External Audit recommendations is tracked by the Finance Department, with oversight by the Audit and Governance Committee and the Corporate Management team.</p> <p>At the time of writing, 22 out of 23 External Audit recommendations arising from the audit of the council's 2020/21 accounts have been implemented and closed as complete. Further work relating to the final recommendation (concerning working papers and audit trail for asset accounting) is ongoing, with further training for capital project managers planned during 2025/26.</p> <p>8 of 15 External Audit recommendations arising from the more recent audit of the council's 2023/24 statement of accounts have been closed, with implementation of the remaining 7 recommendations underway.</p>	<p>Audit and Governance Committee</p> <p>Corporate Management Team</p>
<b>External Audit Recommendations – Annual Report</b>	Service Director Finance (Section 151)	The External Auditor's Annual Report for 2023/24 contained three Key Recommendations for the Council in relation to the Council's arrangements for securing	

Governance Issue	Lead Officer	Assurance Statement	Reported Through
<p>The Council's External Auditors also consider and comment on the Council's arrangements for securing Value for Money as part of their annual audit. Grant Thornton's Annual Report for the 2023/24 financial year was presented to the Council's Audit and Governance Committee on 12 November 2024 and is published on the Council's <a href="#">website</a>.</p>		<p>value for money. One of these recommendations, relating to the DfE Improvement Notice for children's social care has now been lifted by the DfE following the Ofsted Inspection of Children's Services in January 2024. Actions to address two further Key Recommendations (relating to the links between Transformation Plans and the Council's Medium Term Financial Strategy) remain ongoing and will be implemented through the forthcoming MTFP round, and through the emerging Transformation Programme.</p> <p>Five further Improvement Recommendations were also made in the most recent Annual Report; of these, two have been addressed, with actions to address a further three remain in progress. A further detailed update will be reported to Audit and Governance Committee at its September 2025 meeting.</p>	
<p><b>Data Quality Strategy</b></p> <p>The Council should develop a data quality strategy articulating how it will obtain assurance over the quality and integrity of the data used for the KPI's in its corporate performance framework, with a view to including an assessment of specific data sets within non-financial performance reports.</p>	<p>Director for Public Health</p>	<p>The Council recognises the importance of good quality data; consistent, accurate, timely and comprehensive information is vital to facilitate the Council's decision-making process and to deliver better quality services to our customers. This strategy achieves a coordinated approach and to ensure consistently high standards are achieved both within and across services with respect to data quality.</p> <p>The outcomes expected from the adoption of this strategy are that Council data will be accurate and verifiable and that all staff will know the part they play in this process. High-quality data leads to accurate performance information, which informs better decision-making, prioritisation, and planning</p>	<p>Audit and Governance Committee</p> <p>Corporate Management Team</p>

Governance Issue	Lead Officer	Assurance Statement	Reported Through
		A Data Quality strategy has been created and reported through the Audit and Governance Committee at 1 April 2025 meeting.	
<p><b>Procurement Strategy</b></p> <p>The Council should produce a procurement strategy, as part of a review of its procurement arrangements, to ensure that the Council's policies, procedures and practices up to date in terms of a better analysis of spend, budget and risk.</p>	Service Director Finance (Section 151)	<p>The Audit and Governance Committee approved a new organisational Procurement Strategy for the period 2024-2026 at 23 July 2024 meeting.</p> <p>The strategy incorporated current national and local priorities as well as taking account of known upcoming government legislative and policy changes.</p> <p>The strategy is structured into three parts:</p> <ul style="list-style-type: none"> <li>1- The Council's chosen strategic procurement framework- category management,</li> <li>2- The Council's nine strategic procurement themes to delivered within this framework,</li> <li>3- The five key enablers to the successful monitoring of the strategy.</li> </ul>	Audit and Governance Committee Corporate Management Team
<p><b>Procurement Readiness Action Plan</b></p> <p>The Council's Procurement Readiness Action Plan should be reported to the Audit and Governance Committee so it has assurance that the Council will be implementing the requirements of the new procurement regulations in a timely manner by the deadline of February 2025</p>	Service Director Finance (Section 151)	<p>The Procurement Readiness Action Plan was considered at 14 January 2025 Audit and Governance Committee.</p> <p>The purpose was to ensure the Council is ready for the new regime.</p> <p>The Council has complied with all the statutory requirements that went live on the 24 February 2025 and work is in progress to ensure the Council will comply with the statutory requirements due to come into force in the Autumn 2025 (no release date yet confirmed).</p>	Audit and Governance Committee Corporate Management Team

<b>Governance Issue</b>	<b>Lead Officer</b>	<b>Assurance Statement</b>	<b>Reported Through</b>
<b>Internal Audit</b>	Service Director Finance (Section 151)  Audit Manager	<p>Based on work undertaken in 2024/25, and drawing on current year progress and prior audits, the Head of Internal Audit has provided 'Reasonable Assurance' on the adequacy and effectiveness of the Council's internal control framework.</p> <p>There are generally sound systems of governance, risk management and control in place across the organisation. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of some of the strategic and operational objectives. This statement of opinion is underpinned by:</p> <p><i>Internal Control Framework</i></p> <p>The Council's policies, procedures, and systems generally supported effective decision-making, compliance, resource efficiency, and achievement of objectives. While some areas of non or partial compliance were identified, none materially affected operations or governance. Core financial and administrative systems were reviewed and found to be operating effectively overall.</p> <p><i>Risk Management</i></p> <p>The Council maintains a sound risk management framework, including a clear strategy, defined roles, and oversight by senior leadership. Risk is embedded in decision-making through structured reporting and monitoring. Opportunities for improvement are recognised such as developing the integration of audit findings into performance and risk management</p> <p>The Council has engaged with the Risk Management team at Devon Assurance Partnership to undertake</p>	Audit and Governance Committee  Corporate Management Team

Governance Issue	Lead Officer	Assurance Statement	Reported Through
		<p>work in 2025/26 to assist with strengthening overall risk maturity.</p> <p><i>Governance Arrangements</i></p> <p>Governance was considered across all audits. While arrangements are broadly effective, opportunities remain to improve consistency and alignment with business needs. These areas will continue to be reviewed in 2025/26.</p>	
<b>Progress against issues identified in Annual Governance Statement 2023/24</b>			
<p><b>Governance Review (CIPFA)</b></p> <p>The Council agreed to work with Government appointed reviewers, CIPFA, to undertake a governance review with a programme of work developed that was anticipated to be completed by December 2024.</p> <p>Further details of the recommendations and actions taken are set out in Part C, below.</p>	<p>Service Director for Finance (Section 151)</p> <p>Service Director for Legal (Monitoring Officer)</p>	<p>The scope of the Government-commissioned review tasked CIPFA with assessing Plymouth City Council's financial position, including its financial resilience, financial management, and capital programme. The report provided this assessment across three key themes:</p> <ul style="list-style-type: none"> <li>• financial management and sustainability</li> <li>• capital programme, debt, investments and assets</li> <li>• improvement plan and roadmap:</li> </ul> <p>The review determined 7 key risks and recommendation, which are addressed in Part C of this report. CIPFA's overall assessment of the Council's financial position was positive, noting that:</p> <p>“The Council has efficient and effective financial management processes in place for financial planning and budget monitoring. There is strong and clear ownership of budgets across the corporate leadership team.”</p>	<p>Cabinet</p> <p>Audit and Governance Committee</p> <p>Council</p>
<p><b>Family of Companies</b></p> <p>It was agreed that an action plan would be developed to address governance issues</p>	<p>Service Director for Legal (Monitoring Officer)</p>	<p>Audit and Governance Committee approved the Family of Companies Governance Framework on 10 September 2024 with implementation commenced through establishment of formal oversight structures.</p>	<p>Corporate Management Team</p> <p>Audit and Governance Committee</p>

Governance Issue	Lead Officer	Assurance Statement	Reported Through
		<ul style="list-style-type: none"> <li><i>Governance Framework Approval</i> - Family of Companies Governance Framework approved by Audit and Governance Committee providing clear oversight structure for council company interests</li> <li><i>Shareholder Officer Group</i> – The Monitoring Officer established committee with first meeting held 9 September 2024, Terms of Reference and required attendees agreed, future meeting agenda items confirmed</li> <li><i>Shareholder Committee</i> – The Monitoring Officer established formal committee with first meeting held 16 December 2024, Terms of Reference and attendance requirements agreed, ongoing agenda planning completed</li> <li><i>Operational Framework</i> - Both committees become operational with clear governance arrangements, defined membership, and structured approach to ongoing oversight responsibilities</li> </ul>	Scrutiny Panel(s)
<p><b>Constitution</b> To make the remaining changes from the 2023/24 review of the Constitution:</p> <p>Contract Standing Orders</p> <p>Rules of Debate</p>	Service Director for Legal (Monitoring Officer) Head of Procurement Head of Elections	<p>Audit and Governance Committee approved refreshed Contract Standing Orders on 23 July 2024 following comprehensive review and consultation process.</p> <ul style="list-style-type: none"> <li><i>Comprehensive Review Process</i> - Conducted thorough review incorporating feedback from multiple sources including business-as-usual delivery feedback from Procurement and Legal Services teams and input from individual officers.</li> <li><i>Governance Approval</i> - Audit and Governance Committee approved refreshed Contract Standing Orders and recommended changes to City Council for formal adoption</li> </ul>	Corporate Management Team Audit and Governance Committee Council

Governance Issue	Lead Officer	Assurance Statement	Reported Through
		<ul style="list-style-type: none"> <li>• <i>Constitutional Updates</i> - City Council agreed amendments to Part B Council Procedure Rules and new Rules of Debate as set out in appendices</li> </ul>	
<b>Information Access Provision</b> A business case and action plan were being developed to address the issues raised for implementation in 2024/25.	Information Governance Manager	<p>The Corporate Management Team have reviewed the outcomes of the audit. A business case and action plan has been developed to address the issues raised for implementation in 2025/26, which has been approved by CMT.</p> <p>The action plan includes greater centralisation of Information Access to introduce efficiencies and improved quality of responses, along with enhanced compliance with the Data Protection Act.</p> <p>Implementation will take place during 2025/26</p> <p>The Council has delivered 64% of the recommendations from the ICO Audit including:</p> <ul style="list-style-type: none"> <li>• Increasing staff numbers to meet the demand.</li> <li>• Improved policies and templates.</li> <li>• Introduction of digital request forms.</li> <li>• Enhanced guidance for staff.</li> </ul>	Corporate Management Team
<b>Organisational Effectiveness Plan (OEP)</b> The Senior Leadership Team had been involved in working towards the development of an OEP in 2023/24. The Corporate Management Team had agreed to the development of an appreciative	Service Director HR & OD	Work on Organisational Effectiveness in 2024/25 included a number of programmes. These included: The development of a new People Strategy, to be launched in September 2025; new Management & Leadership Development programmes; a Digital Academy to develop skills in data and artificial intelligence; project management training	Corporate Management Team

Governance Issue	Lead Officer	Assurance Statement	Reported Through
<p>inquiry programme to include governance, structure, training programme, communication plans and evaluation techniques.</p> <p>And</p> <p>The development of a programme to move staff to using M365 tools, supported by a comprehensive training and development programme</p>			
<p><b>Performance Framework</b></p> <p>Development of a new framework was underway to be reported on to the Corporate Management Team before further consideration by relevant governance bodies.</p>	<p>Senior Performance Advisor</p>	<p>Performance Framework development progressed with draft framework presented to Corporate Management Team and approach agreed in principle, but further work required following officer leadership changes and introduction of new Local Government Outcomes Framework.</p> <ul style="list-style-type: none"> <li>• Framework Development - A comprehensive Corporate Performance Management Framework drafted incorporating outcome-driven approach, strong leadership principles, and clear accountability structures</li> <li>• Governance Structure - Established systematic approach to monitoring Corporate Plan delivery across six key priorities with defined oversight responsibilities at multiple levels</li> <li>• Performance Reporting Principles - Defined reporting framework aligning with council priorities, clear accountability, and visual interactive web-based performance dashboards</li> <li>• Roles and Responsibilities - Detailed framework outlining performance management responsibilities</li> </ul>	<p>Corporate Management Team</p> <p>Scrutiny Panel(s)</p> <p>Cabinet</p> <p>Audit and Governance Committee</p>

Governance Issue	Lead Officer	Assurance Statement	Reported Through
		for Elected Members, Strategic Leadership Team, Head of Service, and Individual Employees	
<b>Continuous Improvement</b>			
<b>Capital Programme Governance and Handbook</b>	Service Director for Finance (Section 151)	<p>The council has produced a comprehensive 'Capital Handbook' dated 26 July 2024, which sets out the governance processes in place in the council in respect of the Capital Programme and in relation to individual capital projects.</p> <p>The Capital Projects Officer Group (CPOG) is an officer group that has responsibility for managing and overseeing the capital programme. This includes endorsing (or not endorsing) all Capital Mandates and Business Cases for presentation to decision makers, and testing proposals against the Council's priorities and policies.</p> <p>The Capital Programme Board has as core members the Leader of the Council and the Cabinet Member for Finance, together with the CEO, S151 Officer and the Service Director for Strategic Planning &amp; Infrastructure as 'standing advisors to the Board'. Other Members and Officers are by invitation depending on the capital project under consideration.</p> <p>The role of the Capital Programme Board is to:</p> <ul style="list-style-type: none"> <li>• Assess all submissions for capital expenditure prior to them entering into the normal reporting process for approval</li> <li>• Advise the appropriate decision-maker / forum (Leader, Cabinet, Cabinet Member, and Council) on the use of capital resources in delivering the vision, mission, and priorities of the Corporate Plan.</li> </ul>	<p>Corporate Management Team</p> <p>Capital Projects Officer Group</p> <p>Capital Programme Board</p>

Governance Issue	Lead Officer	Assurance Statement	Reported Through
		<p>The Capital Handbook also sets out how capital spend is reported, stating “The reporting of Capital Programme expenditure and funding is currently included in the monthly Finance Monitoring Report presented to CMT and Cabinet plus the management Scrutiny Board. At the end of each reporting quarter, the Capital Budget Monitoring Report will be presented to Full Council”.</p> <p>CIPFA reviewed the governance of the Capital Programme, as set out in the Capital Handbook, and confirmed it is “fit for purpose”.</p>	
<b>Committee and decision report templates (Legal implications)</b>	Senior Governance Advisor	<p>Committee and decision-making templates have been reviewed to include a legal implications section. This has been added to the corporate report templates as agreed at CMT.</p> <p>This ensures that where a decision is prepared, that the legal implications are formally documented and can be considered by the decision maker</p>	Corporate Management Team

## Part B: Progress Against Key Delivery Areas

Whilst we are satisfied that those enhancements undertaken set out in Part A have worked to improve our overall governance framework, reviews have identified the following governance issues and key delivery areas of concern. The following areas received a judgement of Limited Assurance in internal audits conducted in 2024/25, these are areas of concern that may impact on our system of internal control. Management have taken action in the 2024/25 financial year and further actions are planned across 2025/26. These are presented alongside an assurance statement on how we will manage the issues raised.

Key Delivery Area	Lead Officer	Progress / Assurance Statement	Reporting Through
<p><b>Limited Assurance - ASC Service Provider Viability</b></p> <p>The issues identified during the audit were:</p> <ul style="list-style-type: none"> <li>• Contract and performance monitoring of ASC providers is only conducted on an ad-hoc basis.</li> <li>• There are no financial viability checks undertaken on ASC providers.</li> <li>• Concerns raised by the outgoing manager of the care home were not pursued as it was not clear if they were valid.</li> <li>• The pre-placement contracts currently in place for ASC providers are very old and generic.</li> <li>• There are no written procedures/guidance in place as to how requests for advance payments should be administered.</li> </ul>	<p>Strategic Director for Adults, Health and Communities Service Director for Integrated Commissioning</p> <p><b>Target date:</b> All actions complete apart from incorporating credit scoring data into risk dashboards – due to be complete by 31/03/2026</p>	<p><b>Actions Implemented</b></p> <ul style="list-style-type: none"> <li>• Provider Risk Management - Weekly intelligence reports now capture data from CQC and complaints, reviewed by Strategic Commissioning Managers, Safeguarding teams, and Service Director, with escalation to DASS when required</li> <li>• Commissioning for Quality Policy - Established to define provider monitoring processes and response actions, currently being reviewed to ensure explicit financial check requirements</li> </ul> <p><b>Actions Planned</b></p> <ul style="list-style-type: none"> <li>• Financial Viability Integration - Ready to incorporate credit scoring data into risk dashboards once data source is secured</li> <li>• Contract Recommissioning - Cabinet-approved business case (September 2024) will deliver new procurement in 2025, including mandatory due diligence on insurance and financial viability for successful bidders</li> <li>• Terms and Conditions Refresh - Current contracts and service specifications being updated to incorporate audit recommendations</li> </ul>	<p>Adults, Health and Communities Management Team</p>

Key Delivery Area	Lead Officer	Progress / Assurance Statement	Reporting Through
<ul style="list-style-type: none"> <li>Extra work created by the advance payments was not billed to the ASC provider.</li> </ul>		<ul style="list-style-type: none"> <li>Regional Learning - Will engage with Devon Council through commissioning networks to understand their new financial monitoring approach</li> </ul>	
<p><b>Limited Assurance - ASC Debt Management 2024/25</b></p> <p>The issues identified during the audit were:</p> <ul style="list-style-type: none"> <li>Policies are out of date and have not been reviewed;</li> <li>Write off procedures do not ensure requests are approved within the Service Area prior to agreement by the Service Director for Finance;</li> <li>ASC Debt Meetings were discontinued and although recently restarted would benefit from a Terms of Reference to ensure members are clear on the objectives and their responsibilities;</li> <li>Insufficient monitoring and chasing of high risk debt including unsecured debt in the name of Executors;</li> <li>Debts from Devon ICB not paid regularly affecting collection rates and impacting on staff time;</li> <li>Bad debt provision is understated and calculation methods could be</li> </ul>	<p>Strategic Director for Adults, Health and Communities Head of ASC and Retained Client</p> <p><b>Target date:</b> All actions now complete apart from Policy review/ updates which are due to be completed by 31/03/2026</p>	<p><b>Actions Implemented</b></p> <ul style="list-style-type: none"> <li>ASC Debt Meetings - Reinstated with agenda including objectives and frequency, Terms of Reference have been formalised and agreed, incorporating governance and risk escalation processes</li> <li>Write-off Process Controls - Additional step built in to ensure write-off instructions only come from ASC management, with all requests to be agreed at ASC Debt Meetings. Income Recovery Team ensure ASC budget holder approval before submitting to Service Director for Finance for write-off approval</li> <li>Suspended Invoices Management - One team member assigned to suspended invoices report, with Legal Services recommendations for irrecoverable debts to be discussed at ASC Debt Meetings. However further action will be reliant on additional resource, an invest to save business case has been proposed, risk accepted.</li> <li>Risk-based Approach - Income Recovery implementing risk-based approach to high value/high risk cases, particularly where unwillingness to pay suspected, with early evidence gathering for LPA applications by 31/1/2025</li> <li>Resource Issues Escalation - Bottlenecks and resource issues preventing debt recovery to be</li> </ul>	<p>Adults, Health and Communities Management Team Debt Management Group</p>

Key Delivery Area	Lead Officer	Progress / Assurance Statement	Reporting Through
<ul style="list-style-type: none"> <li>reviewed to improve accuracy based on individual risk;</li> <li>Inaccurate / overstated debtors accounts where debt is considered not recoverable but remaining on Debtors showing as recoverable.</li> </ul>		<p>discussed at ASC Debt Meetings with escalation to DMT where appropriate.</p> <ul style="list-style-type: none"> <li>Bad Debt Provision has been uplifted using 2025/26 budget uplift fully covering the provision required in line with current methodology this will be subject to ongoing monthly review.</li> <li>Free Text records cleared and subject to ongoing monitoring. Management Reporting debt section added to weekly income reports, with email alerts sent to Management Team when debt levels peak</li> </ul> <p><b>Actions Planned</b></p> <ul style="list-style-type: none"> <li>Income and Credit Management Policy Review is in progress, this includes ASC debt recovery and potential use of enforcement agencies. Awaiting trial results from another Local Authority prior to submission to Committee in September 2025 for formal approval and publication.</li> <li>Charging Policy Review is in progress, Head of ASC and Retained Function reviewing with Income Recovery teams to ensure policy is current and income maximised, including new online financial self-assessment system (Better Care Finance) to be completed by September 2025.</li> </ul>	
<p><b>Limited Assurance - CSC to ASC Social Care Transitions 2024/25</b></p> <p>The issues identified during the audit were:</p> <ul style="list-style-type: none"> <li>The lack of an approved documented strategy and “Protocol”/policy: There is</li> </ul>	<p>Strategic Director for Adults, Health and Communities Strategic Director for Children’s Services Head of ASC and Retained Client</p>	<p><b>Actions Implemented</b></p> <ul style="list-style-type: none"> <li>Governance Policy - Recently implemented governance policy between PCC and Livewell Southwest to ensure direct oversight of performance and practice for all Care Act duties</li> <li>Transitions Research - Currently reviewing Transitions models across Southwest region and</li> </ul>	<p>Federated Leadership Team</p>

Key Delivery Area	Lead Officer	Progress / Assurance Statement	Reporting Through
<p>currently no approved and documented strategy or policy/protocol that has been agreed upon by all relevant stakeholders. This absence hinders a unified approach to managing transitions effectively. It is noted that a draft “Protocol” (procedures guidance) document is in development.</p> <ul style="list-style-type: none"> <li>Non-compliance with the preferred referral process: The preferred referral process is not being adhered to, leading to inconsistencies and potential delays in managing transitions.</li> <li>Unclear, inconsistent, and incomplete data in the case management system (Eclipse): The data regarding transitions in the case management system,</li> <li>Eclipse, is unclear, inconsistent, and incomplete. This lack of reliable data affects the ability to track and manage transitions effectively.</li> <li>Limited financial monitoring processes: There are limited established financial monitoring processes specifically related to social care transitions. This lack of financial oversight/insight can lead to budgetary issues and inefficient allocation of resources.</li> </ul>	<p><b>Target date:</b> All updates completed as planned by July 2025 apart from updates to PCC website and POD needs extending to Dec 2025 due to resource needs.</p>	<p>beyond, considering ADASS/Impower paper findings and recommendations to inform future Plymouth model</p> <ul style="list-style-type: none"> <li>Contract Oversight - Maintaining oversight of Livewell Southwest services through wider ICB contract with University Hospitals Plymouth, with ongoing review of commissioning arrangements</li> </ul> <p><b>Actions Planned</b></p> <ul style="list-style-type: none"> <li>New Reporting Systems - Will develop new reports on existing data sets and create reports to support new Eclipse Process</li> <li>CYPF/ASC Finance Coordination - Reinstating regular information sharing between CYPF and ASC finance teams during 2025/26 financial year, establishing reporting requirements for budget planning and monitoring</li> <li>Website Updates - Officers reviewing existing information to ensure transitions specifically covered on POD and PCC websites with clear signposting and referral information. Sites will be updated with new Transitions Strategy when complete</li> <li>Automated Monitoring - New automated report being set up to monitor transitions and link to new referral process, with relevant Teams receiving automated updates</li> <li>Service User Tracking - New report to monitor CYPF Service users with/without ASC Referral using existing data, with CYPF/ASC Finance teams using new reporting processes for provider payment assurance</li> </ul>	

Key Delivery Area	Lead Officer	Progress / Assurance Statement	Reporting Through
<ul style="list-style-type: none"> <li>Limited information on the PCC website and Plymouth Online Directory (POD): There is insufficient information regarding transitions available on the PCC website or the POD. This lack of accessible information can leave stakeholders and service users uninformed about the transition processes.</li> <li>Limited data on ASC and CS Dashboards: The dashboards for ASC and CS have limited data regarding transitions. This lack of comprehensive data hampers the ability to monitor and evaluate the effectiveness of transition processes.</li> </ul>		<ul style="list-style-type: none"> <li>Pathway Plan Enhancement - Officers discussing about adding two questions to Pathway Plan form for Children in Care/Care Leavers: "Is an Adult Social Care referral needed?" and "Has the Adult Social Care Referral been made?" to enable tracking of young people needing referral</li> <li>Transitions Protocol - Will provide clear governance and expectations regarding roles and functions of all partner organisations including Livewell Southwest</li> <li>Additional Resources - Currently requesting additional project resource to help implement transitions work</li> </ul>	

## Part C: CIPFA Review

The Council requested Exceptional Financial Support (EFS) from the Ministry for Levelling Up, Housing and Communities (now renamed Ministry of Housing, Communities and Local Government – MHCLG) in the form of a Capitalisation Direction. An outstanding issue remained over the accounting principles, which has been reported regularly to the Audit and Governance Committee, in respect of a transaction made in October 2019 to restructuring the Council's pension deficit.

As part of the work required to progress this matter, an assurance review was instructed by MHCLG to be undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) following the in-principle support agreed in February 2024. The review by CIPFA provided an overall positive assessment of the Council's financial position, noting the efficient and effective financial management processes and strong and clear ownership of budgets across the corporate leadership team. In total seven key recommendations were made, all of which have been actioned and completed.

The following table sets out the recommendations and has been updated to reflect the actions taken by the Council in response.

<b>Governance Issue</b>	<b>Lead Officer</b>	<b>Assurance Statement</b>	<b>Reported Through</b>
There is a lack of clarity and focus on financing costs (interest and Minimum Revenue Provision (MRP)) to support decision-making.	Service Director for Finance (Section 151)	<p>The recommendation that the budget report, budget monitoring reports and the Medium-Term Financial Strategy (MTFS) should clearly identify financing costs (interest and MRP) as a separate budget item was actioned immediately and included in the 2025/26 Budget report.</p> <p>Visibility of the impact of these amounts will be in the 2025/26 Monitoring Reports from month 3 onwards, to ensure these are closely monitored and reported</p>	Cabinet Scrutiny Committee
The council recognises the built-in growth for Adults and Children's Social Care is insufficient to cover the increasing pressures.	Service Director for Finance (Section 151)	Recommendation - Regular monitoring and forecasting of changes in demand and costs combined with financial modelling as part of the MTFS.	Cabinet

Governance Issue	Lead Officer	Assurance Statement	Reported Through
		<p><b>Implemented immediately and included in 2025/26 Budget Report</b> which states:</p> <p><i>“Our budget plans for 2025/26 reflect that the Council’s administration is ambitious in its vision and objectives for the city and is committed to ensuring that services to children and vulnerable adults, this budget does not include reductions to critical services and does not introduce any new charges for services.</i></p> <p><i>The Children, Young People and Families service is experiencing increased placement costs and demand has led to Service needing to use more residential children’s homes placements to meet more complex needs, these placements are at much higher cost than alternatives, plus increased numbers of children placed outside of the city results in increased average weekly costs of placements. Additional budget has been allocated to meet demand from these placements’ pressures of £16.284m.</i></p> <p><i>Within the Adults, Health and Communities Directorate, the additional cost and volume of adult social care packages has been allocated an increase of £7.711m. The increase to the National Living Wage (NLW) requires an additional allocation of £4.395m.”</i></p> <p>The Budget report included a revised MTFS covering the demand pressures and additional costs. There is a regular Children’s Services Monitoring Report presented at Cabinet meetings.</p> <p>There is a Children’s Services Board, chaired by the Chief Executive which meets monthly to review Children’s Services.</p>	

Governance Issue	Lead Officer	Assurance Statement	Reported Through
		Each Finance Monitoring Report sets out the current position for Adults and Children, and updated modelling will inform the council's MTFS for 2026/27 and beyond.	
Sufficient savings proposals are not agreed to close the 2025-26 gap of £17.279m.	Service Director for Finance (Section 151) CMT and Cabinet	<p>Recommendation - The Council ensures it retains focus on taking the decisions necessary to set a balanced budget in 2025/26.</p> <p>The 2025/26 Revenue and Capital Budget was approved at Full Council on 24 March 2025. It is a balanced budget which does include savings targets, as presented by the Strategic Directors and agreed with Cabinet.</p> <p>The budget was subject to two full days of scrutiny by Members.</p> <p>Work has already started on the approach to the 2026/27 Budget and sustainable savings plans.</p>	Council
Implementation of the recommendations to strengthen corporate governance of the Family of Companies (FoC) is delayed.	Service Director for Legal (Monitoring Officer)	<p>Recommendation - The council ensures implementation of the recommendations to strengthen corporate governance of the FoC is given appropriate priority.</p> <p>Monitoring Officer set up 2 committees:</p> <ol style="list-style-type: none"> <li>1) Shareholder Officer Group <i>first meeting held 9 September 2024</i></li> <li>2) Meetings will be held quarterly unless additional meetings required to deal with specific issues.</li> <li>3) Shareholder Committee <i>first meeting held 16 December 2024</i></li> </ol>	Corporate Management Team Audit and Governance Committee Cabinet

<b>Governance Issue</b>	<b>Lead Officer</b>	<b>Assurance Statement</b>	<b>Reported Through</b>
		<p>At these first meetings Terms of Reference and required attendees agreed plus agenda items for future meetings.</p>	
A single Shareholder Committee does not have sufficient capacity to provide oversight across the breadth of the entities within the FoC	Service Director for Legal (Monitoring Officer)	<p>Recommendation - Consider the establishment of further Shareholder Committees (or Sub-Committees) with a specific remit in relation to a single company or group of companies based on function, size, degree of control and financial risk to the council.</p> <p>Recommendation noted and for 2) Shareholder Committee specific Cabinet Members will form sub-groups dependent on which company they are associated with.</p>	<p>Corporate Management Team</p> <p>Audit and Governance Committee</p> <p>Cabinet</p>
Capital Programme underspends in 2024-25 with resulting impact on delivery of approved capital projects and knock-on effect in subsequent years.	Service Director for Finance (Section 151)	<p>Recommendation - Undertake a robust review of the profile of the Capital Programme to identify a realistic forecast outturn for 2024-25.</p> <p>The revised governance – Capital Programme Officers Group (CPOG) and Capital Programme Board (CPD) – have now been in operation for over six months. A review of the profile of the programme for 2024/25 was undertaken during Q3 of 2024/25, with a re-profiled programme reported in the Q3 monitoring report. The 2024/25 outturn position was within 90% of the reprofiled programme.</p>	<p>Capital Programme Officer Group</p> <p>Capital Programme Board</p>

<b>Governance Issue</b>	<b>Lead Officer</b>	<b>Assurance Statement</b>	<b>Reported Through</b>
		Further improvements in monitoring the delivery of capital projects and the profile of spend are underway in 2025/26.	
Financing costs as a proportion of net revenue continue to increase, impacting on financial sustainability and the availability of revenue resources to fund council spending priorities in the context of the currently forecast budget gaps in 2025-26 to 2028-29.	Service Director for Finance (Section 151)	<p>Recommendation - Calculate forecast financing costs as a proportion of net revenue through to 2028-29 to provide greater clarity on the cost of future borrowing to fund the Capital Programme and inform decisions on the scale, profile and funding of the Capital Programme.</p> <p>This was actioned during 2024/25 through budget monitoring reports. Work is underway on a Capital Strategy to inform the 2026/27 MTFS and guide affordable investment going forward.</p>	<p>Corporate Management Team</p> <p>Cabinet</p> <p>Audit and Governance Council</p> <p>Scrutiny Management Board</p>

## Part D - Armada Way Independent Learning Review Action Plan

In May 2025, Plymouth City Council published the findings of an independent learning review into the events surrounding the felling of trees on Armada Way in March 2023 — and committed to a comprehensive action plan to improve how it delivers major projects and engages with residents.

Commissioned by the current administration and led by a panel of independent experts through SOLACE, the review explored how decisions were made, how the project was managed, and how the Council communicated with the public. In response, a detailed action plan has been published outlining how the Council will address the findings and ensure that lessons are fully embraced. This includes strengthening decision-making processes, improving consultation and communication, and introducing a new corporate approach to project management.

Outlined below are the key recommendations in relation to Governance matters contained in the review, and the Council statement in response. The full responses and the detailed action plan can be found [here](#)

The action plan as a whole, including the actions we intend to take, will be tracked and monitored through a sub-group of the Audit and Governance Committee as agreed at Council in June 2025.

Governance Issue	Lead Officer	PCC Response / Assurance Statement	Reported Through
<b>Review the Constitution, including urgency provisions</b>  Completion: November 2025	Service Director for Legal (Monitoring Officer)	<p>We acknowledge the panel's recommendation that PCC review its Constitution, particularly in relation to delegated decision-making, the role of key boards, and the urgent decision-making process. While the Constitution is already subject to regular review, we recognise the importance of ensuring that it remains clear, transparent, and aligned with the Council's values — especially in light of recent learning.</p> <p><i>Constitutional Oversight:</i> PCC's Constitution is reviewed in accordance with its own provisions, allowing for both periodic updates and amendments at any time when necessary. The Monitoring Officer is responsible for this ongoing review and brings forward any proposed changes to the Audit and Governance Committee as part of the Council's governance framework.</p> <p><i>Delegated Decision-Making:</i> The Leader's Scheme of Delegation complies with legislative requirements and provides flexibility in how executive decisions are delegated — whether to Cabinet, individual Cabinet Members, or officers.</p>	Corporate Management Team  Audit and Governance Committee

Governance Issue	Lead Officer	PCC Response / Assurance Statement	Reported Through
		<p><b>Urgent Decision-Making:</b> The Constitution includes provisions for urgent decisions, which meet all legal requirements. These are reserved for exceptional circumstances and are now subject to additional scrutiny by PCC's statutory officers. This ensures that urgency is justified and that alternative options have been fully considered. Where urgent decisions are taken, a post-decision reflection is conducted to identify learning and prevent recurrence.</p> <p><b>Decision-Making Boards:</b> The Terms of Reference for formal decision-making boards are set out in the Constitution. Other boards and sub-committees — including officer-led groups — operate in an advisory or preparatory capacity to support formal decision-making processes.</p>	
<p><b>Enhance the recording of advice and decisions</b></p> <p>Completion: November 2025</p>	Service Director for Legal (Monitoring Officer)	<p>The learning review rightly identified weaknesses in the consistency and formality of record-keeping, particularly in relation to 'non-formal' but key meetings and internal advice — including during periods where litigation was foreseeable. While some of these issues stemmed from project management processes, others reflected a broader cultural informality in how advice and decisions were captured.</p> <p>PCC recognises the importance of accurate, transparent, and proportionate approach to well-documented decision-making. We have already taken steps to strengthen our approach and embed more rigorous standards across the organisation.</p> <p><b>Decision-Making Guidance and Support:</b> A comprehensive Decision-Making Guide has been developed for report authors and decision-makers. This is supported by an intranet resource hub, including Frequently Asked Questions and practical tools to support consistent and compliant decision-making.</p> <p><b>Training for Staff:</b> Training on decision-making processes is available to all staff involved in report writing and management.</p>	Corporate Management Team Audit and Governance Committee

Governance Issue	Lead Officer	PCC Response / Assurance Statement	Reported Through
		<p>Directorate-wide sessions have already been delivered, and ongoing training is coordinated through the Democratic Support Team and Monitoring Officer to ensure continued access and support.</p> <p><i>Improved Governance and Recording Systems:</i> As part of our enhanced governance framework:</p> <ul style="list-style-type: none"> <li>• A new system for recording officer decisions has been introduced to ensure greater transparency and traceability.</li> <li>• A dedicated section has been added to decision reports requiring legal advice to be sought and formally recorded before decisions are made.</li> </ul> <p>These measures are designed to ensure that advice, actions, and decisions — particularly in the context of capital projects and delegated authority — are properly documented and aligned with good governance standards.</p>	
<p><b>Extend the rolling Forward Plan for Council decision making</b></p> <p>Completion: November 2025</p>	<p>Service Director for Legal (Monitoring Officer)</p>	<p>We acknowledge the recommendation to extend the Forward Plan to provide greater visibility and lead-in time for key decisions. We recognise that a longer planning horizon can support improved project and programme management, enhance transparency, and give residents and stakeholders earlier opportunities to engage with the Council's decision-making process. However, the current legal requirement is for a 28-day notice period for key decisions, which Plymouth City Council adheres to as part of its constitutional processes.</p> <p>The current forward plan is published on the <a href="#">Council website</a> along with information on how to make representations in respect of decisions.</p>	<p>Corporate Management Team</p> <p>Audit and Governance Committee</p>
<p><b>Ensure that internal advisory and decision-making Capital Project Boards have Terms of Reference</b></p>	<p>Service Director for Finance (Section 151)</p>	<p>We acknowledge that, in the case of the Armada Way project, the governance arrangements — including the clarity and consistency of Terms of Reference for internal boards — were not as robust as they should have been. This contributed to a lack of clarity around roles,</p>	<p>Corporate Management Team</p> <p>Audit and Governance Committee</p>

Governance Issue	Lead Officer	PCC Response / Assurance Statement	Reported Through
Completion: November 2025		<p>responsibilities, and decision-making authority, which was highlighted in the learning review.</p> <p>In response, we are taking clear steps to strengthen governance across all capital projects to ensure that such issues do not recur.</p> <p><i>Directorate-Led Review:</i> Each Strategic Director is currently reviewing all existing capital project and programme boards within their directorate to ensure that Terms of Reference (ToR) are in place. These ToRs will clearly define:</p> <ul style="list-style-type: none"> <li>• Membership and chairing arrangements</li> <li>• Frequency of meetings</li> <li>• Decision-making authority</li> <li>• Reporting lines and escalation routes</li> </ul> <p><i>Capital Programme Handbook:</i> In 2024, PCC introduced a Capital Programme Handbook which formalised governance arrangements for all capital programmes. This includes a corporate ToR template and checklist to ensure consistency and clarity across all boards involved in capital decision-making.</p> <p>These actions are designed to embed a more structured, transparent, and accountable approach to project governance, aligned with the Council's wider commitment to continuous improvement and learning.</p>	
<b>Review the Council's approach to Scrutiny and Cabinet</b>  Completion: November 2025	Service Director for Legal (Monitoring Officer)	<p>We recognise the importance of ensuring that both Scrutiny and Cabinet functions are clearly defined, well-coordinated, and effective in supporting robust, transparent decision-making — particularly in relation to capital projects. While the Council has already taken steps to strengthen these functions, we acknowledge the need to continue demonstrating their effectiveness to the wider community and ensuring they remain fit for purpose.</p> <p><i>External Review and Constitutional Update:</i> An external review of Scrutiny was undertaken in 2022/23. The findings informed a broader</p>	Corporate Management Team Audit and Governance Committee

Governance Issue	Lead Officer	PCC Response / Assurance Statement	Reported Through
		<p>constitutional review in 2023/24, which included clarifying the roles and responsibilities of Scrutiny and Cabinet.</p> <p><i>Strengthened Scrutiny Oversight:</i> At the City Council AGM in May 2024, changes were agreed to enhance the role of the Scrutiny Management Board. The Board now:</p> <ul style="list-style-type: none"> <li>• Reviews the Forward Plan of Key Decisions and Private Business.</li> <li>• Oversees Scrutiny Work Programme sessions, where Chairs can identify which key decisions they wish to scrutinise further.</li> </ul> <p><i>Ongoing Monitoring of Capital Programmes:</i> The Scrutiny Management Board receives quarterly finance updates, including on capital programmes. This enables members to identify and prioritise areas for further scrutiny based on risk, scale, or public interest.</p> <p><i>Cabinet Decision-Making:</i> Cabinet operates in line with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, ensuring transparency and accountability in executive decision-making.</p>	
<b>Enhance the role of the Statutory Officers by ensuring they meet regularly and take shared responsibility to address key governance issues</b>	Service Director for Legal (Monitoring Officer)	<p>Statutory officers meet on a formal basis every six weeks and have done so since 26 July 2024 when the national guidance was introduced.</p>	Complete
<b>Review the approach to the Pre-Election period</b>  Completion: December 2025	Service Director for Legal (Monitoring Officer)	<p>We acknowledge the learning review's observations regarding the Council's approach to the pre-election period during the Armada Way project.</p> <p>We recognise that pre-election guidance is a complex and sensitive area, requiring careful balance between legal compliance, political neutrality, and the need to continue delivering essential Council business. The learning from this experience has reinforced the</p>	Corporate Management Team  Audit and Governance Committee

Governance Issue	Lead Officer	PCC Response / Assurance Statement	Reported Through
		<p>importance of clarity, proportionality, and flexibility in how we apply this guidance.</p> <p>In advance of each election, the Monitoring Officer prepares a Pre-Election Guidance Document. This is informed by:</p> <ul style="list-style-type: none"> <li>• Relevant legislation on publicity,</li> <li>• Guidance from the Local Government Association (LGA),</li> <li>• The Government's Code of Practice on Local Authority Publicity.</li> <li>• The guidance ensures that the Council does not publish material or make decisions that could be perceived as influencing public support for a political party. However, it also recognises that 'business as usual' must continue, and that the pre-election period should not unnecessarily hinder decision-making or disrupt the delivery of services.</li> <li>• Each decision is reviewed on a case- by-case basis to assess whether it can be taken during the pre-election period without compromising impartiality or public confidence.</li> </ul>	
<p><b>Refresh Good Governance training</b></p> <p><b>Ensure greater rigour in decision-making reports so they are accurate, accessible, based on sound evidence.</b></p> <p><b>Ensure that the political and officer leadership work together to maintain a common understanding and collective grip over the application of good governance across Council</b></p>	Monitoring Officer and Head of Elections	<p>We acknowledge that the Armada Way decision-making process exposed weaknesses in how governance principles were applied — particularly in the preparation of reports, the use of urgency powers, and the shared understanding of roles and responsibilities between officers and members.</p> <p>The Council makes over 200 formal decisions a year and we strive to ensure that reports are as comprehensive as possible. Whilst the learning review has highlighted the need for greater rigour, transparency, and accountability in how decisions are developed, scrutinised, and recorded. It also reinforces the importance of a shared commitment to good governance across the Council — from senior leadership to frontline officers.</p> <p>We have already:</p>	Corporate Management Team Audit and Governance Committee

Governance Issue	Lead Officer	PCC Response / Assurance Statement	Reported Through
<p><b>Ensure that Officers take responsibility for the advice that they give, and Councillors take responsibility for the decisions that they make.</b></p> <p>Completion: December 2025</p>		<p><i>Improved Oversight of Urgent Decisions:</i> A new process has been introduced by the Monitoring Officer to ensure that urgent decisions are only used in truly exceptional circumstances. This includes a formal review by statutory officers before any urgent route is approved.</p> <p><i>Stronger Legal Oversight in Reports:</i> All decision-making reports must now include a section on legal implications, based on advice from the Monitoring Officer or a senior legal officer. This ensures that legal risks are properly considered and recorded before decisions are made.</p> <p><i>Training and Development for Members:</i> We are strengthening our training offer for both staff and elected members, with a renewed focus on:</p> <ul style="list-style-type: none"> <li>• The principles of good governance,</li> <li>• The respective roles and responsibilities of officers and councillors,</li> <li>• The importance of accurate, fair, and evidence-based reporting, and</li> <li>• The legal and ethical standards that underpin decision-making.</li> </ul> <p>This training is being embedded into our Management &amp; Leadership Development Programme and will be available to all report authors, project leads, and senior officers.</p>	

## Appendix I – Senior Leadership Team Survey

### Overall Themes

As part of our annual review of governance effectiveness, a comprehensive survey was conducted across all directorates with 27 senior officers participating. The results provide valuable insights into our governance culture and highlight areas requiring management attention.

Theme	Summary of findings
Member-Officer Relations	Exceptionally strong foundation with 96% agreement on integrity, honesty, impartiality and objectivity in duties. High levels of trust and professionalism maintained.
Committee Effectiveness	Strong performance with agreement that committees meet their terms of reference.
Values Communication	Mixed effectiveness - strong internal communication (100% to members, 96% to officers)
Business Planning & Performance	Clear strategic alignment achieved, but gaps in benchmarking capabilities
Financial Management	Robust systems in place, though some service areas require strengthening of controls
Risk Management	Systematic risk identification processes effective, but concerns about IT systems and staff capacity impacting implementation.

### Key Insights by Governance Principle

CIPFA Principle	Leadership View
A – Integrity, Ethics, Rule of Law	Strong foundation - confidence in duty performance with integrity. Members' Code of Conduct well understood.
B – Openness and Engagement	Effective transparency but community confidence challenged by difficult financial decisions

C – Defining Outcomes	Business planning satisfactory with clear strategic alignment
D – Planning Interventions	Strong financial planning integration
E – Leadership and Capacity	Strong people management systems but project management training gaps identified
F – Risk and Control	Systematic risk processes in place, top risks clearly identified.
G – Transparency and Accountability	Strong complaints handling and access to information.

## 2025/26 Actions Informed by Survey Feedback

- **Enhance Project Management:** Implement formal training programme for all project managers
- **IT Systems Review:** Address recurring system issues
- **Performance Framework:** Complete implementation of revised Performance and Accountability Framework with clear metrics and strengthen benchmarking

**APPENDIX 2 - CODE OF CORPORATE GOVERNANCE****Introduction**

Each year the Council conducts a review of the effectiveness of its system of internal control and governance arrangements to ensure compliance with its Code of Corporate Governance. This review forms part of the assurance gathering process to produce the Annual Governance Statement (AGS). The Code has been revised in accordance with the CIPFA/ SOLACE Delivering Good Governance in Local Government Framework 2016.

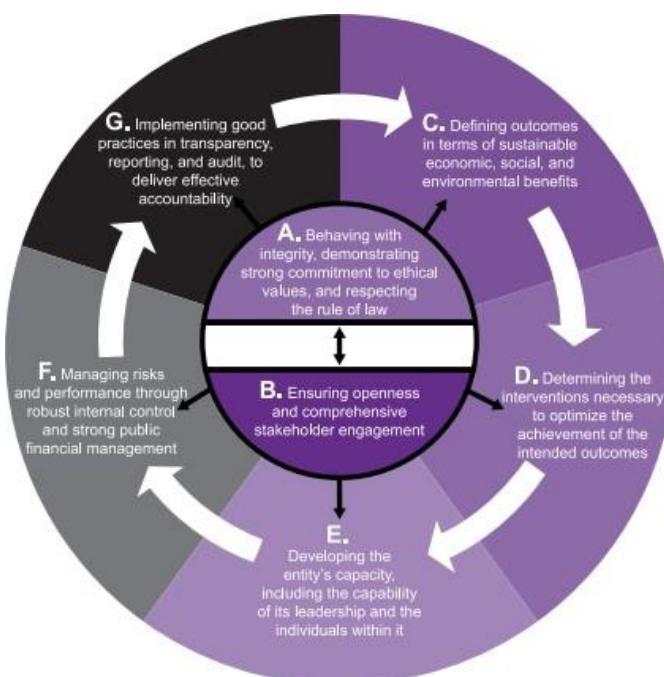
A summary of Plymouth City Council's local arrangements in place to comply with each of the core principles can be found in the Annual Governance Statement (AGS) which is prepared on behalf of the Leader of the Council and the Chief Executive and submitted to the Audit and Governance Committee for consideration and review. It is the Audit and Governance Committee's responsibility to monitor the performance of the Council's governance procedures against the Code. Following approval, the AGS is published alongside the Statement of Accounts on the Council's website.

**Code of Corporate Governance**

Governance is about how the Council ensures that it is doing the right things in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems, processes, cultures and values by which the Council is directed and controlled and through which it accounts to, engages with, and leads its communities.

The diagram below illustrates how the various principles for good governance in the public sector relate to each other. The seven core principles each contain a set of supporting principles, which in turn have a range of specific requirements that apply across the Council's business and these are described in detail on the following pages.



**Core principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

**Description:** Local government organisations are accountable not only for how much they spend, but also how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values to respect the rule of law.

**Sub-principles:****Behaving with integrity**

- Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.
- Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).
- Leading by example and using these standard operating principles or values as a framework for decision making and other actions.
- Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.

**Demonstrating strong commitment to ethical values**

- Seeking to establish, monitor and maintain the organisation's ethical standards and performance.
- Underpinning personal behaviours with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.
- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.
- Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.

**Respecting the rule of law**

- Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.
- Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.
- Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.
- Dealing with breaches of legal and regulatory provisions effectively.
- Ensuring corruption and misuse of power are dealt with effectively.

**Core principle B – Ensuring openness and comprehensive stakeholder engagement**

**Description:** Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

**Sub-principles:****Openness**

- Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.
- Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.
- Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.
- Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action.

**Engaging comprehensively with institutional stakeholders**

- Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.
- Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.
- Ensuring that partnerships are based on:
  - Trust,
  - a shared commitment to change,
  - a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.

**Engaging stakeholders effectively, including individual citizens and service users**

- Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.
- Ensuring that communication methods are effective and members and officers are clear about their roles with regard to community engagement.
- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.
- Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.
- Balancing feedback from more stakeholder groups with other stakeholder groups to ensure inclusivity.
- Taking account of the interests of future generations of tax payers and service users.

**Core principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits**

**Description:** The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

**Sub-principles:****Defining outcomes**

- Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.
- Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.
- Delivering defined outcomes on a sustainable basis within the resources that will be available.
- Identifying and managing risks to the achievement of outcomes.
- Managing service user's expectations effectively with regard to determining priorities and making the best use of the resources available.

**Sustainable economic, social and environmental benefits**

- Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.
- Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.
- Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.
- Ensuring fair access to services.

**Core principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes**

**Description:** Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

**Sub-principles:****Determining interventions**

- Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.
- Consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills and assets and bearing in mind future impacts.

**Planning interventions**

- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.
- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.
- Considering and monitoring risks facing each partner when working collaboratively including shared risks.
- Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.
- Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.
- Ensuring capacity exists to generate the information required to review service quality regularly.
- Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan.
- Informing medium and long term resource planning by drawing up realistic estimates of revenues and capital expenditure aimed at developing a sustainable funding strategy.

**Optimising achievement of intended outcomes**

- Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.
- Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
- Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues of responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
- Ensuring the achievement of 'social value' through service planning and commissioning.

**Core principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it**

**Description:** Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience

of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

**Sub-principles:****Developing the entity's capacity**

- Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness.
- Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.
- Recognising the benefits of partnerships and collaborative working where added value can be achieved.
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.

**Developing the capability of the entity's leadership and other individuals**

- Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.
- Publishing a statement that specifies the type of decisions that are delegated and those reserved for the collective decision making of the governing body.
- Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.
- Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by;
  - Ensuring members and staff have access to appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.
  - Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.
  - Ensuring personal, organisational and system wide development through shared learning, including lessons learned from governance weaknesses both internal and external.
- Ensuring that there are structures in place to encourage public participation.
- Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
- Holding staff to account through regular performance reviews which take account of training or development needs.
- Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

**Core principle F – Managing risks and performance through robust internal control and strong public financial management**

**Description:** Local government needs to ensure that the organisation and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

**Sub-principles:****Managing risk**

- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.
- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
- Ensuring that responsibilities for managing individual risks are clearly allocated.

**Managing performance**

- Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.
- Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.
- Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible. Encouraging effective and constructive challenge and debate on policies and objectives to support balance and effective decision making.
- Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.
- Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).

**Robust internal control**

- Aligning the risk management strategy and policies on internal control with achieving the objectives.
- Evaluating and monitoring the authority's risk management and internal control on a regular basis.
- Ensuring effective counter fraud and anti-corruption arrangements are in place.
- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
- Ensuring an Audit and Governance Committee or equivalent group or functions which is independent of the executive and accountable to the governing body;

- Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment.
- That its recommendations are listened to and acted upon.

### Managing data

- Ensuring effective arrangements are in place for the safe collection, storage, and use and sharing of data, including processes to safeguard personal data.
- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.
- Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.
- Strong public financial management
- Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.
- Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

## Core principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

**Description:** Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

### Sub-principles: Implementing good practice in transparency

- Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
- Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.

### Implementing good practices in reporting

- Reporting at least annually on performance, value for money and the stewardship of its resources in a timely and understandable way.
- Ensuring members and senior management own the results reported.
- Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an evidence to demonstrate good governance (annual governance statement).
- Ensuring that the framework is applied to jointly managed or shared service organisations as appropriate.
- Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.

## **Assurance and effective accountability**

- Ensuring that recommendations for corrective action made by external audit are acted upon.
- Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.
- Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.
- Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.
- Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.