# **Annual Governance Statement 2024/25**

**Executive Summary**

The Annual Governance Statement (AGS) provides an overview of the governance framework in place at Chichester District Council (CDC) and provides a review of its effectiveness for the year ending 31 March 2025, up to the date of approval of the 2024/5 Statement of Accounts.

Good governance arrangements are essential for ensuring effective service delivery, meeting our statutory duty to provide ‘Best Value’ and securing continuous improvement. Like many Local Authorities, CDC has been managing increasing demand on critical services alongside reduced resources and decreased funding from Government. National issues including the cost-of-living crisis, the lasting impact of the COVID-19 pandemic and the war in Ukraine have meant Councils and their communities are subject to unprecedented challenges. We have had particular challenges in increased demand for homelessness services and temporary accommodation and some significant staffing changes relevant to governance at a high level in the organisation. Government announcements concerning Devolution and Local Government Reorganisation, particularly the inclusion of Sussex on the Devolution Priority Programme, are also at the forefront of the Council’s future governance planning. Our Governance Action Plan can be found at the end of this AGS and shows the governance issues identified in this review, what action has already been taken to address them and what potential issues have been identified for future years.

Despite these challenges, the Council’s key Officers and Members are confident that the governance framework and controls in place have been effective. The overall assessment is that this AGS accurately summarises the Council’s governance arrangements, that they were fit for purpose in 2024/5, and substantial assurance can be given that there are no significant weaknesses.

The Council remains committed to ensuring good governance by progressing all actions identified for improvement as well as maintaining our existing good performance.

John Ward (Chief Operating Officer)

Cllr Richard Bates (Chair of Corporate Governance and Audit Committee)

**About Chichester District Council**

Chichester District Council (CDC) delivers many day-to-day services to residents in the district of Chichester. The Council comprises 36 Councillors, elected every 4 years to represent 21 wards. A Leader and Cabinet structure is in place, with 8 Cabinet Members who are responsible for individual portfolios. The Council employs around 572 staff who are led by a Chief Executive and 4 Directors of Service who make up the Strategic Management Team (SLT).

**Scope of Responsibility**

The 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. It also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. To achieve this, the Council is responsible for putting in place proper arrangements for the governance of its affairs and the management of risks to delivery of its objectives.

**What Do We Mean by Governance?**

Governance is the arrangements in place to ensure the intended outcomes for local people are defined and achieved. It comprises the systems, processes, culture and values, by which the Council is directed and controlled. Good governance is about making sure the Council does the right things, in the right way for the right people, in a timely, inclusive, open, honest and accountable manner.

**What is the Annual Governance Statement?**

The Accounts and Audit Regulations 2015 require local authorities to review the effectiveness of their governance arrangements at least annually and report publicly on the outcome. This is done through the Annual Governance Statement (AGS). The AGS outlines the Council’s governance arrangements, assesses how effective they have been in 2024/5 and identifies any governance issues we have faced, and sets out how we will secure improvement in these areas.

Throughout the year the council regularly reviews the effectiveness of its governance arrangements through performance reporting, internal and external audit services and the activities of the Cabinet, Overview and Scrutiny Committee (OSC) and Corporate Governance and Audit Committee (CGAC). Together, these measures demonstrate compliance with the Institute of Internal Auditor’s ‘3 Lines of Defence’ model of assurance. The specific functions that contribute to this are highlighted in the report. The AGS is informed by opinions and information from key Officers, and a review of sources of assurance across the Council. An internal audit of our AGS framework was carried out in March 2025 and gave substantial assurance that our AGS was compliant with guidance and processes were working well.

Following approval by the CGAC, the final AGS is published online alongside the Council’s Statement of Accounts and signed by the Chair of CGAC and the Chief Operating Officer, in line with the latest guidance. [Statement of accounts - Chichester District Council](https://www.chichester.gov.uk/statementofaccounts)

**Governance Structures at Chichester District Council**

The Council has several overarching governance structures in place that contribute to many of the established best practice principles for local authority governance. These structures make up the overall framework for how the Council operates.

**Constitution** – The Constitution sets out how the Council operates, how decisions are made and the procedures followed to ensure decisions are efficient, transparent and accountable to local people. Much of the Council’s compliance with the principles of good governance can be evidenced by our Constitution. The Constitution:

* gives clarity on the roles and responsibilities of elected Members (both individually and as Members of Committees) and Senior Officers,
* sets out the powers delegated to Senior Officers and how these are to be used
* includes clear Terms of Reference for all the Council’s Committees and Panels
* includes Financial Regulations setting out how the Council will secure value for money

Changes to the Constitution must be approved by Full Council, although the Monitoring Officer may make minor necessary changes, reporting these annually to CGAC. A report on minor changes for 2024/5 was considered and noted by CGAC on 2 Dec 2024. A more significant change was also approved by Full Council in April 2025 following consideration by CGAC. In recognition of inflation rates and the length of time since limits were last reviewed (10 years), the change increased the level of financial responsibility delegated to Cabinet in relation to approving the use of reserves and funding capital projects. [The Constitution - Chichester District Council](https://chichester.moderngov.co.uk/ieListMeetings.aspx?CId=280&info=1&MD=TheConstitution)

**Decision Making Structure** – The decision-making structure of the Council is set out in the Constitution. The main elements relevant to Governance are:

* **Full Council** comprises all elected Councillors and is the governing body of the Council. Full Council is responsible for the overall Policy Framework and setting the budget.
* **The Cabinet**, made up of the Leader and other Councillors appointed by the Leader, is responsible for making decisions about delivering the Council’s plans and strategies within the approved budget. The Constitution sets out which of these decisions are then subject to approval by Full Council.
* The **Overview and Scrutiny Committee** (OSC) is responsible for scrutinising the Cabinet and publicly holding them to account. They have the right to ‘call-in’ for reconsideration decisions made by Cabinet and to request either Council Officers or officials from external bodies to attend meetings to explain decisions, answer questions and discuss issues of local concern. OSC membership is politically proportional but cannot include the Chair of the Council or Members of the Cabinet. The current Chair and Deputy Chair of OSC are opposition Members.
* The **Corporate Governance and Audit Committee** (CGAC) is responsible for ensuring governance arrangements are effective. They review, monitor and scrutinise the Council’s corporate governance, risks and finances, including the findings of any audits.CGAC membership is politically proportional and includes the Cabinet Member for Finance, Corporate Services and CCS and a representative from OSC.The Committee complies with the current version of the relevant Chartered Institute of Public Finance and Accountancy (CIPFA) guidance (*Audit Committees: Practical Guidance for Local Authorities and Police* – CIPFA 2022).

Both OSC and CGAC report to Full Council annually giving details of their work over the preceding year.Full Council received the 2023/4 Annual Report of OSC in July 2024 and formally noted it following positive comments about the work of the committee. The Annual Report on Corporate Governance has been delayed due to delays to the external audit process (discussed in more detail under Principle G below). A report for 2023/4 was approved by CGAC in January 2025 but has yet to be received by Full Council. The Annual Reports for 2024/5 are expected to be received by the relevant committees in July 2025, before being reported to Full Council.

The Constitution’s Procedural Standing Orders and Rules of Procedure regulate the proceedings of meetings. The Monitoring Officer and Chief Executive attend Cabinet and Full Council meetings to advise on these provisions and ensure they are complied with. OSC and CGAC meetings are also supported by Members of the Strategic Leadership Team. Where a report is being considered, the lead officer will attend to answer Members questions. All Committees are also supported by members of the Democratic Services Team who have either achieved or are working towards a qualification from the Association of Democratic Services Officers (ADSO).

**Statutory Officers** – The Local Government and Housing Act 1989 and the Local Government Act 1972 require local authorities to have certain statutory officers in place; the Head of Paid Service, the Section 151 Officer (or Chief Finance Officer) and the Monitoring Officer. These roles are senior, critical and influential positions and have collective responsibility for good governance. At CDC, job profiles for these roles set out exactly what responsibilities they have and what skills, qualifications and competencies are needed. The Constitution also sets out the responsibilities of the Statutory Officers. To ensure they work effectively as a team, the 3 Statutory Officers have a scheduled meeting fortnightly to discuss issues relevant to governance, demonstrating compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) ‘*Code of Practice on Good Governance for Local Authority Statutory Officers’* (2024). The S151 Officer role and responsibilities comply with the CIPFA guidance on ‘*The Role of the Chief Financial Officer in Local Government’* (2015). At Chichester District Council, these roles are held by:

* **Head of Paid Service:** Diane Shepherd (Chief Executive)
* **Section 151 Officer:** John Ward CPFA (Director of Corporate Services and Chief Operating Officer)
* **Monitoring Officer:** Lorna Turner (Interim Monitoring Officer)

The Council’s Monitoring Officer resigned in October 2024 and was replaced on an interim basis with cover provided 3 days a week. A recruitment process for a permanent post-holder in November 2024 was unsuccessful and was repeated in April 2025. This was successful and a new Monitoring Officer was appointed at Full Council in May 2025. The new postholder will take up the role in July 2025, with interim arrangements remaining in place until then.

The Divisional Manager for Financial Services previously also held the role of Deputy S151 Officer. However, following retirement of the postholder in March 2024, a new postholder was recruited who does not hold the required qualification. The Chief Executive was the only other suitably qualified member of staff and has been acting as Deputy S151 Officer when required. Plans to appoint another, suitably qualified member of Financial Services staff to the Deputy S151 Officer role are in progress.

**The Good Governance Framework and Principles**

In 2016, CIPFA and SOLACE published a framework and best practice guidance for governance in local authorities. The ‘*Delivering Good Governance in Local Government Framework*’ sets out 7 key principles that should underpin the governance of each local authority.

The following sections set out how Chichester District Council is delivering on each of the principles and how effectively our arrangements have performed during 2024/5. Any areas for improvement identified in the review are detailed in the Action Plan in Appendix 1.

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

**Anti-Fraud and Corruption Policy –** The Anti-Fraud and Corruption Policy defines the framework for the prevention, deterrence, detection, and investigation of fraud and corruption and redress actions to be taken in response.Fraud investigations and their outcomes are reported to CGAC annually. The Anti-Fraud and Corruption Policy was last updated in October 2022 and a Fraud Prevention Report for 2023/4 was considered by CGAC on 15 July 2024. Further information about Fraud Investigations can be found under Principle F below.

**Codes of Conduct** – Part 5 of the Constitution includes Codes of Conduct for Members and for Employees. The Code of Conduct for Employees is also published separately as the Conduct of Staff Policy, available to all Staff on the Intranet. This forms part of employees’ Terms and Conditions of Employment and is signed by staff, with a copy kept by Human Resources. The Code of Conduct for Members isbased on the general principles of public life (The Nolan Principles).On their election, Members sign a declaration of Acceptance of Office, following which, they are bound by the Code of Conduct. Members are signposted to the Code of Conduct in their welcome packs, and it is also covered in their initial training delivered by the Monitoring Officer.

The Constitution also sets out the procedure for dealing with allegations of failure to comply with the Code, which is the responsibility of the Monitoring Officer and the Standards Committee. In 2023, the Standards Committee set up a Task and Finish Group to review the Members Code of Conduct. The Group reported back in June 2024, recommending changes to clarify and strengthen the Standards arrangements including updates to the process for making a complaint against a member, introduction of a glossary of terms and a flowchart to illustrate the process. These changes were supported by Standards Committee, noted by Full Council on 1 October 2024 and have now been implemented. [How to make a complaint about a Councillor - Chichester District Council](https://www.chichester.gov.uk/councillorscodeofconduct)

**Contract Standing Orders** – Part 4 of the Constitution includes Contract Standing Orders (CSOs) to govern how the Council will award and manage contracts. CSOs provide a framework to ensure the Council uses its resources efficiently to obtain best value in public services, complies with all relevant procurement legislation and safeguards its reputation from any implication of dishonesty and corruption. The Procurement Act 2023 came into effect on 24 February 2025 and required the CSOs to be amended to ensure compliance. A review and rewrite were undertaken by Hampshire County Council who provide professional procurement advice to CDC. The review was extensive and finalised only in mid-February 2025. To ensure we could comply with the new Act on the day it came into force, amended CSOs were adopted by way of an Urgent Decision Notice, which was reported to Full Council on 8 April 2025.

**Declarations of Interest –** The Members Code of Conduct includes a detailed section on the various types of interests and how and when each should be declared. All declarations of Members Interests are reviewed by the Monitoring Officer. Interests are published online and verbally declared at the start of each meeting, which is recorded in the minutes. The Code of Conduct for Staff includes guidance on when and how staff should declare interests.

**Gifts and Hospitality** - The Conduct of Staff Policy includes a procedure for the acceptance of gifts and hospitality by Officers but indicates that, other than in very limited circumstances, these should not be accepted. The Gifts and Hospitality Procedure is available separately to all staff on the intranet and was last updated in June 2024. In line with the Policy, each Service is responsible for keeping a register of gifts and hospitality. For Members, detailed guidance on gifts and hospitality is appended to the Members Code of Conduct. Members must declare the value and details of any gifts or hospitality received over £50, which they can do using an online form. Submissions are then checked by the Monitoring Officer or Democratic Services and published online.

**Standards Committee –** The Standards Committee supports the Council in its duty to promote and maintain high standards of conduct by Members. The Standards Committee Terms of Reference are set out in the Constitution, along with directions as to its make-up. In accordance with the Localism Act 2011, this includes Parish Council representatives, and an Independent Person. The Independent Person attended 1 of the 2 Standards Committee meetings in 2024/5 and was involved in the work of the Committee’s Task and Finish Groups. Parish Council representatives were present at both meetings, although the Committee currently has 2 vacancies for Parish Council representatives. Steps have been taken by the Committee Chair and Monitoring Officer to fill these vacancies in 2025.

In June 2024, Standards Committee received a report from the Monitoring Officer detailing activities to investigate complaints about District and Parish Council Members in the preceding year. As part of the report, details of complaints and their outcomes were provided confidentially to Members of the Standards Committee to allow them to have oversight of work carried out to ensure compliance with the Code of Conduct. This report was repeated for 2024/5 and considered by the Standards Committee in June 2025.

The Constitution also provides for an Assessment Sub-Committee and Hearing Sub Committee to be convened by the Monitoring Officer, if required, to determine action to take and the outcome of complaints against District or Parish Council Members.No such committees have been convened in 2024/5.

**Whistleblowing Policy -** The Whistleblowing Policy encourages employees and others to raise serious concerns within the Council rather than ignoring a problem or raising matters externally. The Policy sets out that any disclosures should be made in writing and states the roles they can be made to, including the Monitoring Officer. The Policy is available for all staff on the intranet and is also available on the Council’s website for members of the public. The Policy was last updated in December 2024. There have been no disclosures made under the Whistleblowing Policy in 2024/5.

**Principle B: Ensuring openness and comprehensive stakeholder engagement**

**Complaints and Compliments** – The Council’s compliments and complaints procedure, which can be found on our website sets out how compliments and complaints can be made and how they will be dealt with. In addition, a Complaints Scheme is included in Part 4.7 of the Constitution. An overview of complaints received is reported to CGAC each year. The 2023/4 report on Complaints, Freedom of Information and Data Protection Analysis was received at CGAC on 21 October 2024. The report noted that, of 148 complaints investigated by the Council, 87 (59%) were not upheld, 31 (21%) were partially upheld and 30 (20%) were upheld. Of the 10 complaints made to the Local Government Ombudsman in the year, only 1 was upheld. The report concluded that the Council’s complaints resolution compares favourably with similar Councils and that training had been provided where necessary in response to upheld complaints. The report also noted that 107 compliments had been received. [Corporate compliments and complaints - Chichester District Council](https://www.chichester.gov.uk/complimentsandcomplaints)

**Consultation –** The Communications Team carries out regular consultations to give people the chance to have their say before decisions are made. Each major consultation has a Communications Plan, which highlights how people will be made aware of it, particularly those who may be directly affected. Consultations are promoted in a wide variety of ways, including the ‘Let’s Talk’ panel, emails, social media, website, exhibitions, focus groups, local media and community groups. The results of recent consultations are also regularly published online. Consultations run in 2024/5 have included a wide-ranging consultation to inform a new Climate Emergency Action Plan, and consultation for stakeholders on a new Housing, Homelessness and Rough Sleeping Strategy. [Consultation and feedback - Chichester District Council](https://www.chichester.gov.uk/letstalk)

**Decision Making –** The Council is committed to open and accessible decision making and makes decisions in public with only limited exceptions. The procedures for decision making are set out in Part 4 of the Constitution. Decisions the Cabinet expects to take are published in our Forward Plan, which can be found online. As required by law, this gives at least 28 days’ notice before key decisions are made. The Constitution also provides for decisions which must, for reasons of urgency, be taken outside of the usual process. Urgent Decisions require the approval of the Chair of OSC and are reported to the next meeting for information. Of 104 decisions taken in 2024/5, urgency procedures were used for 10 of them. [Browse forward plans - Chichester District Council](https://chichester.moderngov.co.uk/mgPlansHome.aspx?bcr=1).

A minimum of 5 clear working days prior to a meeting, an agenda and any reports for consideration will be published online. The only exceptions will be reports containing exempt information, which will be made available only to Members and relevant officers. The Access to Information Procedure Rules in Part 4.2 of the Constitution set out the limited circumstances where information is exempt, which are in line with Schedule 12A of the Local Government Act 1972 and will generally include information relating to individuals or the financial affairs of the Council. Of 104 decisions taken in 2024/5, 19 of them were taken in Part 2. In all cases, this was because the decisions concerned the Council’s financial or business affairs. Where possible, report authors are encouraged to put exempt information into appendices, which can then be restricted under Part 2, while allowing the principles of the decision outlined in the main report to be debated and decided in public.

The public can attend most meetings, and exceptions are limited. All public meetings are recorded, and most are broadcast live on the Council’s website. In 2023, this was extended to include meetings of Panels, which are formed to consider and advise the Council on specific policy issues. Video recordings of meetings remain available online for around 18 months. Provided they comply with the Scheme for Public Question Time set out in Part 5.6 of the Constitution, the public also have the right to ask questions at meetings. 32 questions from the public have been asked and answered at meetings in 2024/5. [View council meetings - Chichester District Council](https://www.chichester.gov.uk/viewcouncilmeetings).

For decisions that are subject to call-in, a list is published within 2 days following the meeting. In addition, although there is no requirement to do this, a list of decisions taken by our Planning Committee is made available the same day and provided to our Customer Services team to allow them to effectively answer enquiries about planning application outcomes.

Minutes are drafted by the Democratic Services Team as soon as possible following a meeting. It is expected that minutes are available, at the latest, as part of the committee papers for the next scheduled meeting, at which they are confirmed as correct and signed. Past meeting papers, including reports and minutes remain online indefinitely.

**Effective Scrutiny** – With support from Officers, the Overview and Scrutiny Committee holds an annual workshop to set their work plan for the coming year. This will generally include items relating to the Council’s corporate priorities, items responding to community concerns and some standing items, although the plan can evolve during the year as issues arise. A workshop was held on 5 February 2024 and the resulting Work Plan for 2024/5 included reports on the Social Prescribing and Supporting You services, the emerging Housing, Homelessness and Rough Sleeping Strategy, and outcomes from the Development Management service review. All these items were subsequently presented to OSC during 2024/5. An OSC Work Plan for 2025/6 is being developed, informed by the annual workshop held on 10 April 2025.

One of the functions of OSC is to make recommendations to the Cabinet to inform their decision-making. In 2024/5, OSC recommended to Cabinet that the emerging Housing, Homelessness and Rough Sleeping Strategy go out for consultation prior to adoption and that the recommendations of the Planning Committee Review Task and Finish Group be further recommended. OSC also endorsed the transformation programme for the Building Control service.

**Partnership Working** – Working in partnership is essential for the benefit of the district but requires robust governance arrangements. The Annual Partnerships Report documents how our strategic partnerships are reviewed to ensure they have appropriate governance measures in place. The Report includes a risk assessment for each partnership, completed by the lead CDC officer. The 2023/4 Annual Partnerships Report was received by CGAC in July 2024. At that time, the Council was part of 9 strategic partnerships, and Officers were satisfied that all had appropriate governance arrangements in place. The report noted that some of the partnerships do not have exit strategies, but Officers accept that CDC do not lead or manage these partnerships and are satisfied with how they are managed. Changes in partnerships over the preceding year were also noted in the report.

**Website** – The Council’s website conforms to the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018. An Accessibility Policy is in place to ensure all Web contributors and external contractors who create web pages and applications under the CDC domain comply with these regulations. This was last updated in 2022.   Accessibility training is incorporated into the programme of Web training and the Web Design Guidelines and standards.  Our Accessibility Statement reflects the current position with accessibility compliance and was last updated in January 2025. [Accessibility statement - Chichester District Council](https://www.chichester.gov.uk/accessibilitystatement)

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

**Awareness of local need** – The Council continues to track national events and assess the likely local impact, as well as maintaining awareness of local pressures. Officers are committed to finding and developing solutions and supporting Members with decision making.

Introduced in 2022 as a response to the cost-of-living crisis, the Supporting You Team have supported over 5,000 clients to date and are now funded until March 2026. The Team’s work is reported regularly to OSC.

Like many District Councils, we have continued to experience an increase in demand for support for those suffering from or at risk of homelessness. There has been a resulting increase in costs to the Council as more households are placed in nightly-paid accommodation. In response, the Housing Team have explored options for providing additional accommodation including a new agreement with our existing Strategic Housing Partner to support them to purchase suitable homes on the open market and leasing homes in multiple occupation that have become available locally. These projects have received approval from Cabinet and Council and ongoing project governance is in line with the Council’s Project Management Guidance. The Council’s Housing, Homelessness and Rough Sleeping Strategy has also been refreshed this year to take account of this increase in need, the underlying reasons for it and the necessary measures to address it.

**Budget Review Group** – In 2023 Cabinet agreed the formation of a Budget Review Group with Terms of Reference to include identification and consideration of options and ideas for addressing the estimated funding gap over the medium term. The Group made a first set of recommendations as part of the process to set the budget for 2024/5 and have continued to meet to do the same for the 2025/6 budget. The Group have considered budget options, commissioned reviews of Services and carried out an initial appraisal of project proposals using the Resource Allocation Framework (see below). Their recommendations accepted for the 2025/6 budget included continuing funding for the Supporting You Team and discontinuing the Landlord Accreditation Scheme due to low take up and government legislation now in place. The group will continue to meet in 2025/6 to consider proposals for the 2026/7 budget.

**Corporate Plan** – The Corporate Plan sets out the Council’s priorities and objectives and provides the framework for evaluating our performance and progress towards them. The Corporate Plan is reviewed annually to ensure the key projects and performance measures are still relevant and that we are continuing to progress towards the intended outcomes. The version of the Corporate Plan that was in place for 2024/5 was approved at Full Council on 23 January 2024. [Corporate plan and performance - Chichester District Council](https://www.chichester.gov.uk/corporateplan)

**Equalities** – The Council is committed to providing equality of opportunity in all our activities and ensuring discrimination does not occur. As required by the Equality Act 2010, we have an Equality Strategy in place to set equality objectives and we publish an Annual Report on Equalities to document how we are progressing towards them. The Council’s current Equality Strategy runs from 2022 to 2026 and will be due for review during 2025. Where required, the Council uses Equality Impact Assessments (EIAs) to assess the likely impact of any major new or amended policies. In 2024/5, an EIA was carried out for the introduction of a universal domestic food waste service. The EIA was drafted by the Service and signed off by the Project Board, comprising senior Officers and Members responsible for the project. [Equality Strategy - Chichester District Council](https://www.chichester.gov.uk/equalitystrategy)

**Financial Planning** – Part 4.3 of the Constitution sets out how the Council will arrive at and set its budget. The process requires development of a Financial Strategy, which must set out the likely resources available to the Council over the following 5 years, the key financial principles to be put in place and key actions to be taken to ensure the Council can continue to balance its finances. The Financial Strategy must be considered by CGAC, Cabinet and Council. A 5-Year Financial Model accompanies the Strategy and includes the latest information on the Council’s costs and anticipated income to give an early indication of any funding gaps. The Financial Strategy and 5-Year Financial Model for 2024/5 were adopted by Full Council on 28 November 2023, following approval by CGAC and Cabinet.

Following adoption of the Financial Strategy, a Budget Task and Finish Group is set up to discuss the emerging budget, review what is happening in the current year for any potential impact on the coming year and any likely changes in priorities or service demands. The Group reports back to CGAC and OSC. Following approval of a Terms of Reference, a Budget Task and Finish Group was set up and met in January 2024. Finally, a draft budget is prepared, taking into account feedback from the Task and Finish Group, CGAC, OSC and proposals from the Budget Review Group. The final budget is approved by Cabinet and Council. The budget for 2024/5 was approved by Full Council on 27 February 2024. Any variances in the agreed budget will be identified and reported through the Statement of Accounts (see Principle G below).

The process to set the 2025/6 budget began with approval of an updated Financial Strategy and 5 Year Model by Full Council on 19 November 2024. This report forecast a small surplus in the 2025/6 budget, but noted that a deficit was expected from 2026/7, which could rise to around £3.2m in 2029/30. This will continue to be addressed with careful financial management, efficient and effective service delivery, use of the Resource Allocation Framework and the continuing work of the Budget Review Group.

A Capital Strategy and a Treasury Management and Investment Strategy underpin the financial management of the Council and adhere to the national regulatory framework and CIPFA Guidance. These documents are reviewed annually and approved prior to the start of each financial year, in line with legislation. The Strategies in place for 2024/5 were approved by Full Council on 27 February 2024, following consideration by CGAC and Cabinet. The review for 2025/6 has taken place and refreshed documents with only minor changes proposed were approved on 25 February 2025.

**Resource Allocation Framework -** The Council’s Resource Allocation Framework provides a coordinated corporate planning cycle, bringing together the Corporate Plan and the annual budget process to help guide Members in their financial decision making. The framework sets out 7 categories for scoring proposed projects in order to prioritise them effectively. The categories are strategic fit (alignment with strategic and local priorities), statutory responsibility, community impact, economic impact, environmental impact, financial impact and deliverability. Following approval in September 2024, the current Framework was used by SLT and Members to prioritise proposed projects, culminating in approval of five projects for delivery in 2025/6 by Full Council in February 2025.

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

**Committee Reports** – All reports to committee follow a template to ensure all the required information is included. The template includes:

* details of the proposal under consideration
* alternative proposals that have been considered, along with reasons for discounting them
* consultation undertaken on the proposals
* the resource and legal implications of a proposal
* the likely community impacts and any corporate risks associated with it.

There is a robust process for approving reports before Committee, which involves sign off from the relevant member of SLT, as well as review by the S151 Officer and Monitoring Officer. An area for development has been identified in relation to the report sign-off process as it is not formally documented. This is included in the action plan below.

The Committee report template and associated guidance have been reviewed and updated in 2024/5. In preparation for launch of the new template, training was delivered by the Association for Democratic Services Officers in May 2025. The new report template is expected to be in use for Committees from summer 2025.

**Project Management** – A comprehensive set of project documentation and guidance is available to support officers with planning and delivering projects. This includes templates, process maps and a matrix to score projects against various criteria to determine their scale. The process begins with an Initial Project Proposal document (IPPD), which gives enough information for a decision to be made about whether the project should commence. IPPDs are assessed by the Budget Review Group using the Resource Allocation Framework (see above). Projects that are prioritised will be reported to Cabinet and Council for approval.

If approved, the Lead Officer will prepare a Project Initiation Document (PID) which will build on the IPPD. The PID will explore all options for delivering the project and may recommend a preferred option. The project can commence following approval of the PID by SLT (for a medium project) or Cabinet / Full Council (for a large project). Projects in progress are subject to regular monitoring in line with the Performance Management Framework. Further information about this can be found under Principle F below.

Following project delivery, a Post Project Evaluation (PPE) is completed to confirm the benefits that have been realised and document any lessons learned that could be useful for future projects. The PPE will be reported to the body that approved the PID.

A review of the project management documentation took place in 2024/5, to bring the process in line with the Resource Allocation Framework. The review also recommended increasing the thresholds for project approval delegated to Cabinet and to SLT. This was included in proposed amendments to the Constitution approved by Full Council on 8 April 2025. The Project Management Guidance has been updated to reflect this change.

**Task and Finish Groups –** On occasion, Task and Finish Groups may be set up to work through a particular issue and report back. Task and Finish Groups are made up of a selection of Members with the required knowledge, supported by relevant officers. They are governed by a protocol set out in Part 5.7 of the Constitution and must have clear Terms of Reference. The following Task and Finish Groups were set up in 2024/5:

|  |  |  |  |
| --- | --- | --- | --- |
| **Convenor** | **Subject** | **Start** | **End** |
| Housing, Communities, Culture and Sport Panel | Housing, Homelessness and Rough Sleeping Strategy | June 2024 | Dec 2024 |
| OSC | Corporate Plan Mid-Year Review | Sept 2024 | Dec 2024 |
| Standards Committee | Ways of making complaints about Members and associated web pages | June 2024 | Dec 2024 |
| OSC / CGAC | Budget Scrutiny | Sept / Oct 2024 | Feb 2025 |
| Cabinet Member for Planning | Planning Committee External review recommendations | Oct 2024 | Feb 2025 |

The Budget Scrutiny Task and Finish Group meeting did not proceed as planned as the meeting was not quorate. Members that were in attendance received an informal briefing on the draft budget. The Group could not be reconvened before the required date to set the budget; however, no concerns were raised at subsequent meetings of CGAC, Cabinet and Full Council. This was an unusual situation, and the Task and Finish Group will be convened to feed into next year’s budget setting process as planned.

**Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it**

**Members Induction and Training** – 22 out of the 36 Councillors elected at the last all-out election in May 2023 were new to the role. A comprehensive induction programme was implemented at that time. Where Members are elected in between all-out elections, they are directed to recorded versions of essential training that they can access online.

Members who sit on committees with quasi-judicial responsibilities must attend training before they can play an active role. Training is delivered by Senior Officers and attendance is monitored by Democratic Services. External training for Members is also facilitated where required. In July 2023, the Centre for Public Scrutiny delivered a training session for Members of OSC and Arlingclose, the Council’s treasury advisor delivers an annual session on treasury management to Members of CGAC. This year, a quarterly training/briefing session has been introduced for the Planning Committee.

Ad hoc briefings for Members on key issues are also arranged as needed. This year, sessions have included briefings on Devolution and Local Government Reorganisation, a tour of development sites and presentations by local partners including water management authorities and the NHS.

**Senior Officers and Members** – The Officers that make up SLT each have over 30 years local government experience and undertake continuous professional development as required. The relationship between Members and Senior Officers is governed by a protocol set out in Part 5.4 of the Constitution. This provides for occasions when Senior Officers may need to give advice or express a view on professional matters to Members. The protocol makes clear that this is to be supported, whether or not it corresponds to the view of the administration and that Members and Officers should treat each other with mutual respect at all times.

A monthly informal meeting between SLT and the Cabinet takes place to discuss relevant updates, including the progress of key projects. In addition, each Cabinet Member holds a monthly briefing with Senior Officers to cover any issues of note in their portfolio. These meetings have recently been extended in time to ensure detailed discussion can take place.

**Service Reviews** – The Corporate Plan sets an objective to maintain a programme of reviews to ensure services are delivered efficiently and effectively. Service Reviews are delivered by the Corporate Improvement Team, who provide independent challenge and look for efficiencies and improvements. A review will usually involve benchmarking with similar councils to assess quality of service and value for money. In 2024/5 Budget Review Group commissioned a review of the Development Management Service. The review produced an action plan to increase the efficiency of the service and manage workloads, in anticipation of major changes to national legislation. The final proposals were reported to OSC in March 2025 and approved by Cabinet and Full Council in May 2025.

**Staff Appraisals** – Annual Appraisals give all staff an opportunity to assess, with their manager, how they are performing in their job, capture any training needs and set individual targets for the coming year. Managers assess staff against 4 competencies: job knowledge, collaboration/teamwork, dependability and accountability and communication. For staff who manage others, there is an additional leadership competency. A Performance Development Plan will be produced if performance is below required standards.

**Staff Induction –** A thorough interview and selection process ensures officers with the right level of skills and experience are appointed to Council roles. DBS checks are part of the process where required. New staff attend an induction session with the HR Team and complete mandatory e-learning sessions on health and safety, safeguarding and information management. A new-starter checklist for Managers ensures all required topics are covered. The HR Team monitor recruitment, selection and induction processes to ensure all Services comply.

**Staff Training** – The Council has access to an online learning portal as part of the Sussex Training Consortium with a variety of courses available as e-learning, including health and safety, diversity and inclusion and information management. These are made mandatory as required. More extensive training, including professional qualifications and apprenticeships can also be supported. Training covering recruitment, appraisals and stress management is available for managers through the portal. In addition, a successful First Line Managers course for new and aspiring managers was last run in 2022/3 with 20 attendees and in 2018, Portsmouth Business School delivered a programme of leadership training to Divisional Managers. Training programmes for new Divisional Managers are designed to meet individual needs and the requirements of their role. A Training and Development Policy is published on the Intranet and was last updated in June 2018.

**Workforce Development Plan –** A Workforce Development Plan helps make sure we can recruit and retain the right staff; staff have the right skills, and any future skills gaps are identified along with ways to fill them. The current Workforce Development Plan was reviewed in 2023 and is in place until 2027.It is supported by an action plan, led by the HR team**.**

Linked to the Workforce Development Plan is the Succession Planning Strategy, which ensures the workforce can react to the loss of key staff and still deliver the Council’s objectives. It sets out a process to identify key roles, potential talent to fill them in the future and put in place plans to develop those staff. The Succession Planning Strategy was last updated in July 2018.

**Staff Wellbeing –** The Wellbeing Team co-ordinate initiatives to support staff wellbeing across the Council. These include an Employee Assistance Programme (a free phone service to help employees deal with personal problems that might impact their work performance, health or wellbeing), stress management tools, and support with issues such as weight management, alcohol support, and stopping smoking.Staff also have the option to add 30 minutes a week to their lunchbreak to attend exercise classes or wellbeing activities.

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

**Business Continuity Management** – Business Continuity Plans are in place for each of the Council’s services and an annual process to review and update them is co-ordinated by the Safety and Resilience Team. The Safety and Resilience Manager reports annually to CGAC on Corporate Health and Safety and Business Continuity Management. This was last received at the CGAC meeting in July 2024 and the report confirmed all arrangements were in place and working well.

**Cyber Security** – The Council acknowledges the importance of robust cyber security practices in protecting our ability to function, protecting financial assets, maintaining public trust and fulfilling our legal and ethical obligations to protect data and the privacy of our residents. This is reflected in the current version of the ICT and Digital Strategy, which was approved by Cabinet in July 2024. This year, the ICT Team have taken out a comprehensive cyber security insurance package, which includes access to expert support for a cyber security incident response. Following Government guidance, the Team also intensified cyber security checks around the general election period. The Council has successfully maintained the Public Sector Network accreditation in 2024/5 and has begun the process to assess our approach to the management of cyber security risks through the Cyber Assessment Framework, developed for local government by the National Cyber Security Centre. The Council’s arrangements for cyber security are considered to be effective and no incidents resulted in any loss of service in 2024/5.

**Data Management** – The Council manages personal data in accordance with the six data protection principles in the UK General Data Protection Regulations (UK GDPR). These principles are published in a dedicated Data Protection area of our website, along with our Retention Scheme, Register of Data Processing and Privacy Notices for individual services. [Data protection and freedom of information - Chichester District Council](https://www.chichester.gov.uk/dataprotectionandfreedomofinformation)

All staff have mandatory basic GDPR training as part of their induction and, if a need for additional training is identified by a service, further modules are available. A Data Protection Policy Statement, based on the GDPR principles forms part of the staff handbook.

Where a project or policy may have data protection implications, a Data Protection Impact Assessment (DPIA) is completed to document that the GDPR principles have been considered. A template and guidance, developed from the Information Commissioner’s Office (ICO) standard document are available on the Intranet. In 2024/5 DPIAs were completed for the use of drones by the Building Services and Estates Teams, the use of body-worn video cameras by Environmental Protection and a new software system for the Housing Team.

In line with GDPR requirements, the Council has an appointed Data Protection Officer (DPO) who is responsible for ensuring data is handled appropriately. In March 2024, Full Council approved the appointment of a new DPO, who is part of the Legal Team and specialises in information law.

The Council has a robust process in place to deal with data breaches. A notification form, with instructions on completing it are available on the Intranet. Any breaches are assessed by the DPO, who will determine the appropriate action to take. This could range from changing processes or additional staff training to reporting the most serious breaches to the ICO. In 2024/5, 22 data breaches occurred, but none were escalated to the ICO.

**Financial Management** – The Council has robust systems in place for ongoing monitoring of our financial performance and can demonstrate compliance with the CIPFA Financial Management Code (2019). Managers across the Council have day to day control of budgets, supported by regular reviews with Financial Services and SLT. The results of quarterly budget monitoring are reported to Cabinet and SLT and published online. [Budget monitoring - Chichester District Council](https://www.chichester.gov.uk/budgetmonitoring)

In September 2024, a standing item for monitoring financial resources was introduced to the monthly Cabinet agenda. Cabinet now receives a brief report showing the up to date 5-year position of the Council’s reserves balance, including any items for which funding has been approved in year.

**Fraud Investigations –** The Council operates a Corporate Investigations process, run by the Corporate Investigations and Risk Manager, who reports annually to CGAC on this area of work. The Corporate Investigations Team carry out regular tasks to combat fraud, including supporting the National Fraud Initiative, and an annual investigation of the district’s empty properties. This is alongside reactively responding to reports of potential fraud. In all fraud cases, the Corporate Investigations and Risk Manager will engage with the relevant Divisional Manager and will usually involve the Director of Service. Significant issues are also reported to the Chief Executive and the Chair of CGAC. The 2023/4 Fraud Prevention Report was received by CGAC on 15 July 2024. It detailed work to successfully identify 109 properties that should not have been listed as long-term empty, and over £300,000 of incorrectly awarded Council Tax discounts, small business rate relief and COVID grants. The report for 2024/5 will be received by CGAC on 14 July 2025.

**Performance Management Framework –** The Council’s Performance Management Framework supports the Council’s first line of defence, in line with the ‘3 Lines of Defence’ assurance model. It sets out how performance in relation to performance indicators (PIs) and projects is managed. Service Plans, developed by Services each year set out what projects they will deliver and what PIs and targets they will monitor. The Framework also includes a process to ensure changes to project plans or performance targets have the appropriate oversight.

Performance monitoring takes place within Services and Directorates, and progress on selected projects is reported monthly to SLT and Cabinet. Performance against key PIs is published quarterly on the website. [Corporate plan and performance - Chichester District Council](https://www.chichester.gov.uk/corporateplan)

A Task and Finish Group meet at the mid-point of the year to receive a report giving year-to-date progress and performance on items within the Corporate Plan. This was last completed in October 2024, with a report back to OSC, which confirmed the Task and Finish Group Members were satisfied the Council was achieving satisfactory levels of performance against the targets and activities for the period 1 April – 30 September 2024.

Finally, at the end of each year, an Annual Report is produced which includes year end outturns for PIs. Further information about the Annual Report can be found under Principle G below.

**Risk Management Framework** –The Risk Management Policy and Strategy forms the basis of the 2nd line of defence, according to the 3 Lines of Defence Model. It sets out the process for managing risks to the achievement of the Council’s objectives and performance targets. The Risk Framework was last updated in 2020, and a review is included in the governance action plan below. A 2025 internal audit of the Risk Management function concluded with a limited assurance opinion and also made recommendations for improvements which will be discussed with the Strategic Risk Group.

The Council has 2 Risk Registers in place; Organisational Risks, which could prevent achievement of operational objectives, and Strategic Risks, which could prevent achievement of corporate objectives, implementation of government policy or compliance with statutory duties. Each risk is assigned to a responsible officer and scored using a 4x4 matrix, based on how likely it is to happen and the severity of the impact if it did.

All Strategic Risks and the highest scoring Organisational risks are subject to bi-annual review by a Strategic Risk Group, made up of Members and SLT and then by CGAC. Strategic Risk Group last considered a risks report on 7 April 2025. At that time, 8 organisational risks were scored highly enough to warrant inclusion, along with 13 strategic risks. A latest position statement on each from the responsible officer was included. This report will also be considered by CGAC on 14 July.

Those of the Council’s strategic risks that relate to governance are reproduced in the Governance Action Plan appended to this report.

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

**Annual Reports** – An Annual Report is published on behalf of the Cabinet in July each year, which sets out the key areas of work delivered over the preceding year and the year-end outturns for key performance indicators. The Chichester District Council Annual Report for 2023/4 was approved at Cabinet and Full Council in July 2024. Following approval, the report is published online. [Corporate plan and performance - Chichester District Council](https://www.chichester.gov.uk/corporateplan)

Individual work areas may also publish their own Annual Reports. Information on the Annual Reports produced by OSC, CGAC, Fraud Prevention and Complaints can be found throughout this AGS.

**Freedom of Information Requests** – Requests under the Freedom of Information (FOI) Act 2009 and the Environmental Information Regulations (EIR) 2004 are initially handled by our Customer Services Team, who assign them to the relevant Service and monitor response times. Details of how to make a request, how the Council will respond, relevant fees and exemptions can be found on our website. [Data protection and freedom of information - Chichester District Council](https://www.chichester.gov.uk/dataprotectionandfreedomofinformation)

The Customer Services Manager reports annually to CGAC on FOI and EIR requests. The report includes information about the volume of requests, performance in responding and any trends that could be addressed by improving the information we make available. The 2023/4 report on Complaints, Freedom of Information and Data Protection Analysis was received at CGAC on 21 October 2024. The report stated that there were 714 requests requiring a response from the Council in 2023/4 and 94% were responded to within the 20-working day target.

**External Audit Opinion** – The Council has a duty under the Local Audit and Accountability Act 2014 to arrange for an annual independent audit of its Statement of Accounts. External Auditors will issue an opinion on the level of assurance they can give as to the accuracy of our financial statements and whether we have proper arrangements in place to secure value for money. The Council’s external auditors are Ernst Young LLP (EY).

The External Audit sector has experienced severe capacity issues in recent years and a backlog of audits has built up. This has led the Government to introduce legal backstop dates by which Auditors must issue their opinions. This has meant auditors issuing modified, or disclaimed opinions as they cannot obtain sufficient evidence by the required date, to say whether a Council’s financial statements are properly put together and free from material error.

This issue has affected the Council’s accounts for 2022/3 and 2023/4, and disclaimed audit opinions have been issued for both years. In both cases, EY confirmed that the disclaimed opinions were the result of the time constraints set by the backstop date and not by weaknesses in financial reporting or material issues in the accounts. It was noted that, based on the work that had been undertaken, no significant risks or weaknesses had been detected in the Council’s arrangements. The external auditor’s Annual Report for 2023/4, including commentary on the council’s arrangements for securing value for money has been issued and will be considered by CGAC in July 2025.

The external audit opinion on the 2024/5 Statement of Accounts is expected by December 2025.

**Internal Audit** – The Internal Audit function is the third and final line of defence in the IIA ‘3 Lines of Defence’ Model. The Council previously operated an Internal Audit and Corporate Investigations Team; however, this was reviewed following the retirement of the Internal Audit and Corporate Investigations Manager in Summer 2024. From October 2024, following approval at CGAC and Full Council in July 2024, the Council’s Internal Audit function has been delivered through the Southern Internal Audit Partnership (SIAP). SIAP were last assessed by the Institute of Internal Auditors (IIA) in September 2020, and it was confirmed at that time that they conformed to the International Professional Practices Framework and all relevant, associated elements of the Public Sector Internal Audit Standards (PSIAS). A new external assessment of SIAP is planned for 2025.

In accordance with the PSIAS, the Chief Internal Auditor provides regular written reports summarising the status of live audits, progress against the annual audit plan, and any significant issues that impact on their annual opinion. These reports are considered by CGAC. SIAP are also responsible for providing the Annual Internal Audit Conclusion. For 2024/5, the Chief Internal Auditor has concluded that *‘the framework of governance, risk management and control are ‘****reasonable****’, and audit testing has demonstrated controls to be working in practice’*. The report also notes that assurance can never be absolute and that, where weaknesses were identified, SIAP have worked with management to *‘agree appropriate corrective actions and a timescale for improvement’.* A full report on the background to this opinion will be considered by CGAC in July 2025. Outstanding audit actions that are considered high priority, are included in the governance action plan appended to this AGS.

In January 2024, the IIA published a revised set of guidance for the sector, known as the Global Internal Audit Standards. In February 2025, CIPFA issued a corresponding new Code of Practice for the Governance of Internal Audit in UK Local Government. Both came into force in the public sector from 1 April 2025. CGAC received a report from SIAP in March 2025, which confirmed they have made all necessary adaptations to processes, procedures and practices to conform with new requirements from April 2025.

**Reviews and Inspections** – Some Services delivered by the Council are subject to regular external review or inspection. In 2024, the Council began work with the Local Government Association to prepare for a Peer Review. This was scheduled for March 2025, but deferred following announcements about Local Government Reorganisation and the associated resource requirements.

In addition to the internal review of the Development Management Service (see Principle E above), the Planning Advisory Service (PAS) were invited to carry out a review of our Planning Committee in Summer 2024. Following the review, PAS produced a report with 6 recommendations for improvements. These were considered by a Task and Finish Group and, where agreement was reached, formed part of the overall recommendations of the review.

The Building Control Service invited Local Authority Building Control (LABC) to undertake a peer review, which completed in September 2024. The review made recommendations for improvements and identified areas where the Service was not yet demonstrating compliance with the latest guidance (which was published as the review was taking place). An action plan to address the recommendations was supported at OSC in March 2025. The Building Safety Regulator also began an audit of the Building Control Service in January 2025. The outcome of this is awaited.

**Statement of Accounts** - The Council publishes its Annual Statement of Accounts in accordance with CIPFA guidelines and International Financial Reporting Standards (IFRS). Approval of the Statement of Accounts is delegated to CGAC. We have experienced delays in publishing our final Statement of Accounts for the last 2 years, due to capacity issues with external auditors (see above). The Audited Statement of Accounts for 2022/3 was approved at a special meeting of CGAC on 2 December 2024 and the Audited Statement of Accounts for 2023/4 was approved by CGAC on 20 January 2025. Both have now been published online. Financial Services have begun work to prepare the Statement of Accounts for 2024/5, including examining any actual budget variances. Overspends have been identified in some areas, however, due to overestimating the budget requirement for pay increases (which was based on previous years), the overall position is an underspend in 2024/5. While there may still be delays in issuing the external audit opinion, the draft Statement of Accounts for 2024/5 was published online on 30 June 2025.

**Conclusion**

Like many Local Authorities, the Council has been managing increasing demand on critical services alongside reduced resources and decreased funding from Government. National issues including the cost-of-living crisis, the lasting impact of the COVID-19 pandemic, and the war in Ukraine have meant Councils are subject to unprecedented challenges. We have had particular challenges in increased demand for homelessness services and temporary accommodation and some significant staffing changes relevant to governance at a high level in the organisation. In recent months, Government announcements concerning Devolution and Local Government Reorganisation, particularly the inclusion of Sussex on the Devolution Priority Programme, have necessarily been at the forefront of the Council’s future planning.

Despite these challenges, the Council’s key Officers and Members are confident that the governance framework and controls in place have been effective. The overall assessment is that this AGS accurately summarises the Council’s governance arrangements, that they were fit for purpose in 2024/5, and substantial assurance can be given that there are no significant weaknesses. Absolute assurance cannot be given as no system could eliminate all risk of governance failure.

The Council remains committed to ensuring good governance by progressing all actions identified for improvement as well as maintaining our existing good performance.

**Governance Action Plan**

This includes items from the Council’s Strategic Risks register that have an impact on governance, high risk actions identified by audits undertaken, and any governance issues that have been identified through Annual Review of Governance.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Ref.** | **Governance Issue** | **Source** | **Action Taken** | **Actions Planned** | **Responsible Officer** | **Timescale** |
| AGS 1 | The Chief Executive is currently acting as Deputy S151 Officer. | Annual review of governance | Although not ideal, the Chief Executive is qualified and able to act as Deputy S151.  | A suitably qualified member of Financial Services staff will be appointed as Deputy S151.  | John Ward | March 2027 |
| AGS 2 | The council’s Risk Management Strategy and Policy was last updated in September 2020. A further review is required. This was also a recommended action from an internal audit of the Risk Management function carried out in 2025.  | Annual Review of Governance | Raised with SLT as part of AGS process. Relevant management action agreed as part of audit response.  | Strategy and Policy reviewed, and a refreshed version approved by CGAC.  | Jeremy Todd | April 2026 |
| AGS 3 | The Committee Report template and associated guidance require review as the last update was carried out in 2020. The update should include documenting the sign-off process for committee reports. | Annual Review of Governance | The template and guidance have been reviewed in 2024/5 and updates made. | An updated template will be launched in summer 2025. There will be a further update to the guidance to include the process for signing off committee reports.  | Lisa Baines | September 2025 |
| CRR 1 | **Financial Resilience** – Failure to maintain a robust and deliverable budget, maximise efficient use of resources and income, leading to lack of resources, reputational consequences and not achieving the intended objectives and outcomes of the Council.  | Strategic Risk Register | These risks are monitored through the Council’s Strategic Risk Register and reviewed by Strategic Risk Group and CGAC bi-annually in line with the Risk Management Framework. Actions to mitigate these risks and the latest position statements from the Risk Owners are included in these reports.  | John Ward / David Cooper | Next Strategic Risks review is due July 2025 |
| CRR 8 | **Skills / Capability / Capacity** – Failure to have resilience in the staff structure, leading to service failure, reputational damage and potential litigation.  | Strategic Risk Register | John Ward / Joe Mildred |
| CRR 9 | **Business Continuity** – Failure to react to an incident that adversely affects delivery of services, potentially leading to a breach of the Council’s statutory duty under the Civil Contingencies Act, inability to provide services and reputational damage.  | Strategic Risk Register | Andrew Frost / Alison Stevens |
| CRR 68 | **Health and Safety** – Failure to adhere to policies and procedures, leading to death or serious injury, prosecution or other enforcement action under H&S legislation, adverse publicity, fines, custodial sentences and civil claims for compensation.  | Strategic Risk Register | Andrew Frost / Alison Stevens |
| CRR 97 | **Cyber Attack Across ICT Estate** – Failure to protect the Council against a cyber-attack, resulting in service disruption and reputational damage.  | Strategic Risk Register | John Ward / Joe Mildred |
| CRR 199 | **Local Government Reorganisation** – Potential for major disruption to the Council, staff, Members, and the community. The process will be laid out in legislation, and we will be under a duty to co-operate. Restrictions will be placed on the Council during the shadow year, and potentially before, limiting decision making. Working towards such a significant change is likely to create uncertainty and could affect staff morale, recruitment, retention and long-term planning, all of which could impact on the delivery of services.  | Strategic Risk Register | Diane Shepherd / Joe Mildred |
| IA 1 | An audit of the council’s Data Retention arrangements, carried out in 2023/4 resulted in limited assurance and identified 16 actions to address weaknesses.  | Internal Audit | At the last Internal Audit progress report (Dec 2024), 8 of the 16 actions had been completed.  | 1 high priority action to ensure compliance with guidance in relation to archiving and destruction is outstanding.  | Graham Thrussell | October 2025 |
| IA 2 | An audit of the council’s Risk Management function carried out in 2024/5 resulted in limited assurance and identified 7 actions to address weaknesses. | Internal Audit | Management actions have been agreed and these will be discussed with the Strategic Risk Group where necessary.  | Providers will be contacted to deliver formal risk management training for members and officers.  | Jeremy Todd | April 2026 |
| IA 3 | An audit of the council’s Homelessness function carried out in 2024/5 resulted in limited assurance and identified 13 actions to address weaknesses.  | Internal Audit | The Service have agreed management actions and already completed several. The implementation of a new software system will assist with many of the actions.  | Further actions are due throughout 2025 and progress will be monitored by SIAP.  | Teresa O’Toole | November 2025 |
| **Actions Completed in 2024/5** |
| 1 | Following the departure of the Council’s Monitoring Officer, the post has been covered on an interim and part-time basis since October 2024. | Annual review of governance | A recruitment process for a permanent MO took place in Nov 2024 but was unsuccessful. A further recruitment process in Spring 2025 was successful and a permanent MO was appointed by Full Council in May 2025. | Diane Shepherd / John Ward | Complete |
| 2 | An audit of the Council’s temporary accommodation at Westward House carried out in 2022/3 resulted in limited assurance and identified 24 actions to address weaknesses. | Internal Audit | A follow-up audit completed in June 2024 identified that only low-risk exceptions remained and gave an overall audit opinion of assurance.  | Kerry Standing | Complete |
| 3 | An audit of the Council’s agency recruitment and contracts arrangements carried out in 2024/5 resulted in no assurance and identified 13 actions to address weaknesses. A significant fraud investigation in 2024/5 was also linked to this issue.  | Internal Audit | At the last Internal Audit progress report (Dec 2024), 12 of the 13 actions had been completed, with the only remaining action not yet due. All critical actions had been completed.  | Joe Mildred | Complete |
| 4 | Reporting of the audited statement of accounts has been delayed for the past 2 years due to issues outside the Council’s control, however, reporting of the AGS and CGAC annual report had also been delayed in line with this. | Annual review of governance | The reports for 2024/5 will be presented to CGAC as soon as possible after the end of the year, independently of the statement of accounts, which is likely to be delayed again. This will improve the Committee’s oversight and allow for any issues to be identified and reported in a timely fashion. | John Ward | Complete |
| 5 | An audit of the council’s Building Control service carried out in 2023/4 resulted in no assurance and identified 6 actions to address weaknesses. | Internal Audit | Actions in response to the audit have been completed, including a high priority action to complete and implement a fee review, which was done by April 2025. | Alison Stevens | Complete |

**Forward Look** - Potential governance issues to consider with reference to our governance arrangements in 2025/6 and beyond.

* **Local Government Reorganisation** – The impact of local government reorganisation (LGR) is likely to be far reaching. We have received confirmation that the new Unitary Authorities in Sussex will ‘go live’ in April 2028, making 2027/8 our ‘Shadow Year’. Work is underway with the West Sussex Councils to pull together the data and evidence required to develop options for the proposal to be submitted to Government in September 2025. A Programme Director to work on behalf of the West Sussex Councils has been appointed and CDC internal resource has been allocated. The Chief Executives continue to meet on a weekly basis. Staff and members’ briefings have taken place and regular newsletters and updates will continue for staff and members. A public facing web page will also continue to be updated. [Devolution - Chichester District Council](https://www.chichester.gov.uk/devolution)
* **Key Staffing Changes –** In April 2025, Full Council approved changes to the structure of SLT in response to the demands of work on LGR. From June 2025, the Chief Executive will focus on preparing the Council for LGR, to ensure we achieve the best possible outcomes for staff, councillors and communities. The Chief Executive will remain Head of Paid Service, but the day to day running of the Council will become the responsibility of a new Chief Operating Officer post, filled by the Director of Corporate Services. The Chief Executive has also stated her intention to retire at the end of March 2027. The Chief Operating Officer will, at that point, become the Head of Paid Service and lead the Council through the shadow year, before the new unitary authority takes over from 1 April 2028.
* **External Audit** – The Council’s External Auditors have indicated that a disclaimed audit opinion is again likely for the 2024/5 Statement of Accounts. The Council will continue our existing strong financial management to ensure the disclaimed opinion for 2024/5 remains due only to the national picture and a result of previous disclaimed opinions, as has been the case for 2022/3 and 2023/4.
* **CIPFA Delivering Good Governance in Local Government: Framework (Addendum):** In May 2025, CIPFA published an addendum to their long-standing guidance for Delivering Good Governance in Local Government: Framework (2016). The addendum covers the annual review of governance and the annual governance statement specifically and will be mandatory for the 2025/6 AGS and beyond. We have complied with the addendum as far as possible for the 2024/5 AGS, but there are further areas for us to consider.
* **Local Audit Reform: A Strategy for Overhauling the Local Audit System in England** – Government consulted on proposals for changes to the local audit system between December 2024 and January 2025. The Government response and next steps were published on 9 April 2025 and the Council will need to review this in detail to understand how the changes will affect our governance. Further statutory guidance from MHCLG is awaited, but we will look to appoint an independent member to CGAC during 2025 in order to comply. [Local audit reform: Government response to the consultation to overhaul local audit in England - GOV.UK](https://www.gov.uk/government/consultations/local-audit-reform-a-strategy-for-overhauling-the-local-audit-system-in-england/outcome/local-audit-reform-government-response-to-the-consultation-to-overhaul-local-audit-in-england)
* **Strengthening the Standards and Conduct Framework for Local Authorities in England –** Government consulted on proposals to strengthen the standards and conduct regime in England and ensure consistency of approach among councils investigating serious breaches of Member Codes of Conduct. This included introducing a mandatory minimum code of conduct, a requirement to convene a formal Standards Committee and introducing powers of suspension and disqualification. The consultation closed on 26 February and the response from Government is awaited. Once published, the Council will review any new framework to determine changes we need to make to comply. [Strengthening the standards and conduct framework for local authorities in England - GOV.UK](https://www.gov.uk/government/consultations/strengthening-the-standards-and-conduct-framework-for-local-authorities-in-england)
* **Constitution Review –** At their meeting in June 2025, Standards Committee convened a Task and Finish Group to review selected elements of the Constitution. CGAC is also expected to review the Terms of Reference for the Task and Finish Group. The Group will report back to Standards Committee by the end of the calendar year 2025, with any recommendations for changes to the Constitution considered by Full Council if appropriate.
* **Members Training –** The June 2025 meeting of the Standards Committee also approved a recommendation to endorse implementation of training on the Members Code of Conduct and the Council’s ethical framework and support the Monitoring Officer in co-ordinating and delivering this training to all District and Parish Councillors. This training will take place during 2025/6.