



ANNUAL GOVERNANCE STATEMENT
2024/25
(DRAFT)

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1.1	Becky McIntyre	Feedback from Audit Committee	21-07-25	Audit Committee
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1. Executive Summary

Calderdale Council is required to ensure it has a sound system of internal control which not only facilitates the effective exercise of its functions and the achievement of its aims and objectives and but also promotes a strong and positive organisational culture. This includes ensuring that the financial and operational management of the authority is effective, that risk is managed proactively, and that the values and behaviours underpinning the Council's work support integrity, accountability and continuous improvement across all levels of the organisation.

This Annual Governance Statement provides a comprehensive overview of the Council's Governance Framework, highlighting our commitment to transparency, accountability and continuous improvement.

Notwithstanding inherent risks facing local government and strategic risks within the local operating environment, which are identified and reviewed throughout the year, the Council's governance arrangements are fit for purpose. A system of good governance provides confidence to stakeholders that 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 Annual Governance Statement 2024-2025 provides an update on the actions for improving governance in the previous Annual Governance Statement and concludes that there are no significant governance issues that have arisen during the year which require specific reporting. The statement identifies where further improvements in line with good practice and external recommendations should be made to continue to provide effective governance arrangements.

The most significant risk identified through this assessment relates to financial sustainability, as identified in the External Audit Annual Report 2023/24. In addition, the report highlights where there are gaps in assurance regarding the Disclaimer Opinion on the Financial Statements and the limitation of scope in the Head of Internal Audit Annual Report.

Based upon the AGS Assurance Assessment criteria, in Annex A, and considering all sources of assurance available, it is considered that there are **effective** governance arrangements in place that protect the interests of the council and provide necessary assurances to our residents and stakeholders.

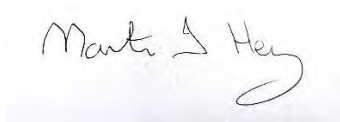
Looking ahead, we remain committed and focused on further refining our governance practices, with a focus on sustainability, effectiveness and continuous learning. Our ongoing efforts will ensure that we continue to uphold the highest standards of governance, driving long-term success and organisational integrity.



Becky McIntyre

Director Resources and Transformation

Date 22 July 2025



Cllr Martin Hey

Chair of Audit Committee

Date 24 July 2025

Approved by Audit Committee: 21 July 2025

2. Our Assessment of Effectiveness

2.1 Council's Responsibility for Good Governance

Calderdale Metropolitan Borough Council (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.

The Local Government Act 1999 requires local authorities to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs, which include arrangements for the management of risk, whilst facilitating the effective exercise of its functions.

The Accounts and Audit Regulations 2015 require the council to conduct an annual review of the effectiveness of its governance framework, including the system of internal control. The results of the annual review and evaluation of the effectiveness of the Council's governance processes must be published with its final accounts in the form of an Annual Governance Statement (AGS). The AGS sets out the council's governance arrangements and considers their effectiveness.

2.2 Council's Governance Framework

The governance framework generally refers to the culture, values, systems and processes by which the Council is directed, controlled and held to account. The Council's governance framework aims to ensure that in conducting its business it:

- a. operates in a lawful, open, inclusive and honest manner,
- b. makes sure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively,
- c. maintains effective arrangements for the management of risk and
- d. secures continuous improvement in the way that it operates.

In addition, an effective governance framework also enables the Council to monitor progress on its corporate objectives and to consider whether services are value for money and being delivered in line with objectives.

The key elements of the Council's governance framework are the:

- Council Constitution which sets out how the council operates and how it makes decisions. The Constitution says what the council must do to make decisions efficiently, transparently and accountably. The Constitution is reviewed to ensure alignment with the strategic objectives and to incorporate legislative change and developments in case law. Any major changes to the Constitution are reported by the Monitoring Officer, through the Governance and Business Committee for approval and adoption by Full Council.

- Council policy framework and budget, including the Calderdale Corporate Plan.
- System of internal control that details the key policies, procedures and systems by which the Council is controlled and governed. This aims to ensure that the council carries out its functions in a way that demonstrates accountability, transparency, effectiveness, integrity, impartiality and inclusivity.

The Council aims to achieve good standards of governance in line with the seven principles set out in its local code of corporate governance, namely:



The overall aim of the local code of corporate governance is to ensure that:

- Resources are directed in accordance with agreed policy, according to priorities.
- There is sound and inclusive decision making.
- There is clear accountability for the use of resources in order to achieve desired outcomes for service users and communities.

Underpinning the Local Code is the Council's commitment to equality of opportunity in its approach to policy making, service delivery and employment.

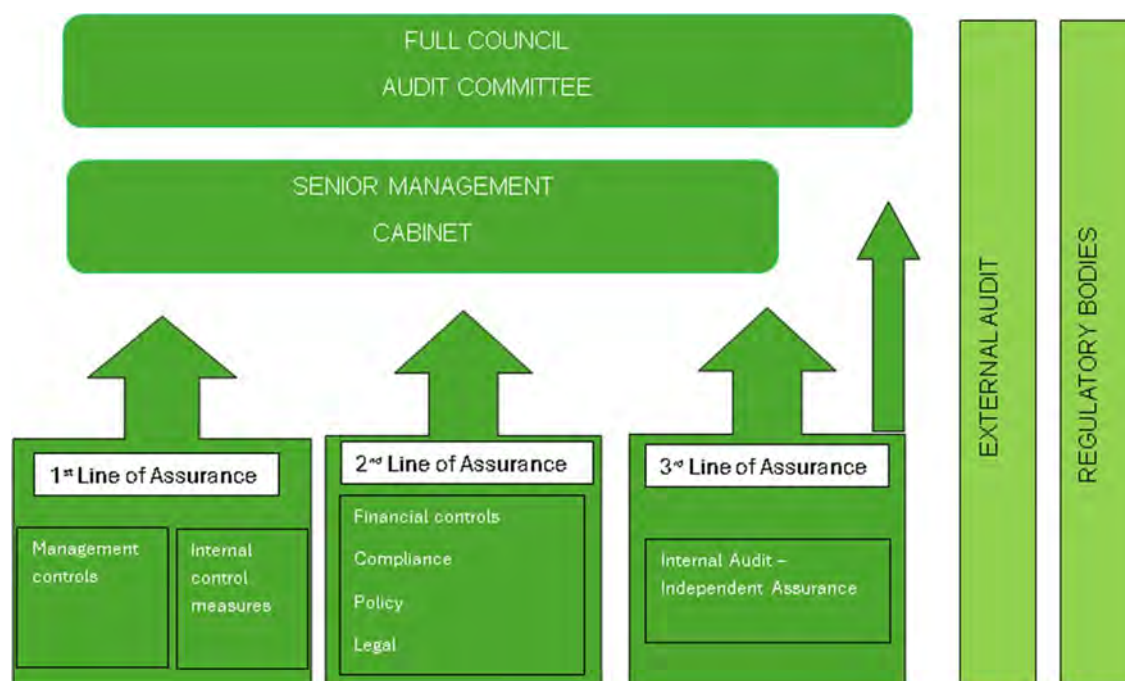
2.3 Review of Effectiveness of Governance Arrangements

The council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review relates to the governance framework which has been in place at

Calderdale Council for the year ended 31 March 2025 and up to the date of approval of the Statement of Accounts. Any matters identified as a significant governance issue are reported within the AGS, and the progress made by management to address these issues during the forthcoming year will be reported regularly to the Audit Committee as the body charged with ensuring good governance.

The review of effectiveness is informed by the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment; by the Head of Internal Audit Annual Report and Opinion; comments made by External Auditors and other review agencies and inspectorates. The Corporate Governance Group is responsible for ensuring adherence against the Corporate Code of Governance and providing assurances for the compilation of the AGS.

The three lines of assurance model is central to our approach to governance and assurance, and the review of effectiveness has been evaluated against each level of assurance.



First Line Assurance (Operational and Managerial Oversight)

First Line Assurances at Calderdale Council are obtained from <ul style="list-style-type: none"> • Directors • Assistant Directors • Managers • Directorate and Service Leadership Teams 	
Oversight of these assurances <ul style="list-style-type: none"> • Council • Scrutiny boards • Council committees • Statutory officers • Cabinet • Audit Committee • Corporate Leadership Team 	
How assurances are obtained Operational performance reports, Directorate Assurance reporting Assurance reports presented throughout the year to scrutiny boards, committees, partnerships Director Assurance Statement	
Assurance Outcomes for 2024/25 From the annual assurance process, the following issues were raised as areas for improvement: <ul style="list-style-type: none"> • Ensure more consistent oversight and reporting on partnership governance arrangements Examples of improved governance arrangements: <ul style="list-style-type: none"> • Examples of gateway decisions on high-cost placements 	

Second Line Assurance (specialist and technical oversight and compliance)

Second line assurances at Calderdale are obtained from <ul style="list-style-type: none"> • Corporate governance leads (HR, ICT, Procurement, IG, H&S, Finance, Legal, Performance, Risk, Fraud, Equality, Complaints) 	
Oversight of these assurances <ul style="list-style-type: none"> • Council • Scrutiny • Governance and Business Committee • Statutory Officers • Cabinet • Corporate Governance Group • Audit Committee • Corporate Leadership Team 	
How are assurances obtained Officers with specialist and technical oversight and compliance responsibilities provide assurance in accordance with the established cycle of internal control ensuring that arrangements are up to date, fit for purpose, embedded and routinely complied.	
These assurances are provided through formal reporting of control arrangements to Council and Executive committees supported by additional enquiries made to officers with specialist oversight, knowledge and responsibility. Officers are also asked to complete an Assurance Questionnaire for Corporate Governance Leads annually confirming the level of assurance within their areas and where appropriate, an action plan to confirm steps that will be taken to improve the internal control environment.	

Assurance outcomes for 2024/25

From the annual assurance process, it was reported that there were no serious concerns relating to the effectiveness of any governance system or process within the areas of corporate governance. Responding to the complex nature of local government there were areas identified where additional work was required to further strengthen the control environment.

Examples of improved governance arrangements include:

- Complaints policy has been updated to introduce a 2-stage process, as recommended by the Local Government Ombudsman.
- A governance dashboard has been developed, enabling improved oversight by the Corporate Governance group.
- The Budget Challenge process has further developed as a good source of assurance on our VFM arrangements.
- There is a working group of the Governance and Business Committee established to review Constitutional matters

Whilst revised Financial Procedure Rules have been drafted; these are currently going through the approval process. There is a constitution working group of the Governance and Business Committee and the FPRs are to be discussed at the next meeting.

Third Line and External Assurance (Independent Assurance)**Third line/External assurances at Calderdale Council are obtained from**

- | | |
|---------------------|-----------------------|
| • Internal Audit | • External Audit |
| • Regulatory bodies | • External Inspection |

Oversight of these assurances

- | | |
|----------------------|-----------------------------|
| • Council | • Cabinet |
| • Scrutiny boards | • Audit Committee |
| • Council committees | • Corporate Leadership Team |
| • Statutory officers | |

How are assurances obtained

Independent assurances are provided throughout the year through the various Internal Audit update reports received by Audit Committee, providing updates on how work completed assists the overall annual opinion of the Council's internal control environment of the Chief Audit Executive (responsibilities completed by Head of Internal Audit).

The Annual Report of the Audit Committee provides an independent assessment to Council that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective. Throughout the year, Audit Committee have proactively sought assurance on the actions being taken by management to resolve capacity issues in Internal Audit due to the reported impact on the delivery of the Internal Audit Plan.

Our external auditors, Forvis Mazars present several assurance reports during the year to Audit Committee covering the Council's Value for Money arrangements.

Throughout 2024-25, the Council also received independent assurances from external inspections such as Ofsted, the Care Quality Commission (CQC) and the Ombudsman (LGO). The highlights from these are summarised below.

Summary of Third Line Assurances received

Internal Audit

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

Internal Audit provides regular update reports in relation to Internal Audit and Counter Fraud and Corruption activities to the Audit Committee. The reports provide some assurance on the control environment in place across the Council by providing oversight of work undertaken in line with the risk-based audit plan.

In accordance with the Global Internal Audit Standards, as the Council's designated Chief Audit Executive, the Head of Internal Audit, delivers an annual Internal Audit report and opinion. However, Internal Audit could not deliver its plan in 2024/25 resulting in the Head of Internal Audit being unable to give an opinion on the overall adequacy and effectiveness of the organisations framework of governance, risk management and control.

The limitation of scope has occurred because of a lack of appropriate staffing resource. To avoid similar limitations in future the HIA has taken action to recruit new, experienced staff and contract with a specialist ICT audit provider.

Introduced in April 2025, the Global Internal Audit Standards in the UK Public Sector (the Standards) present a globally recognised framework for the evaluation and elevation of the quality of the internal audit function. The Internal Audit service has carried out an initial self-assessment of conformance against these Standards and included any areas on non-compliance in its Quality Improvement Plan (QAIP).

Summary of External Assurances Received

External Audit

Forvis Mazars is appointed as the Council's external auditors since 2023/24 and is represented at each of the meetings of the Audit Committee. The external auditors have quarterly meetings with the Director of Resources and Transformation and the Accountancy Lead, and annually with the Chief Executive and Director Resources and Transformation. Additional meetings are arranged throughout the year as and when required. They also meet independently with the Chair of the Audit Committee outside of the formal committee meetings.

Under the National Audit Office Code of Practice, the external auditor is required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

2024-25 was a unique year for External Audit reporting. Delays in finalising audits have been occurring across the UK for a number of years, caused by a range of factors. In summer 2024, the Minister of Local Government directed us and other councils to finalise accounts with external audits on a “disclaimed” basis (which means that no judgement is offered). Therefore, at the 2nd December 2024 audit committee, Ernst and Young presented their disclaimed opinion to the committee for 2021/22 and 2022/23. The Committee then approved the accounts to be finalised on that caveated basis.

The government deadline for publishing these accounts as final was 13th December. Unfortunately, due to an administrative oversight, Calderdale’s accounts were not published on our website by that date. While the practical implications of this error are limited, it did mean that Calderdale appeared on a list of councils that had failed to hit government prescribed deadlines. Action was taken to include this task in future closedown action plans.

At the subsequent scheduled Audit Committee on the 17th February 2025, the committee agreed to the finalisation and publication of the 2023/24 Statement of Accounts and Annual Governance Statement. Shortly afterwards, the accounts were published on the Calderdale website - before the government deadline of 28th of February. The audit opinion (from the Council’s new External Auditors, Forvis Mazars) attached to these accounts was again classified as disclaimed.

The 2023-24 Audit Report raised two key recommendations for Calderdale Council to address; the issues raised have been carried forward to the action plan and expanded in more detail in the where our governance needs to improve section below. We are committed to addressing these recommendations promptly to address the potential weaknesses raised. An update on the work undertaken will be provided in the 2024-25 Audit Report from Forvis Mazars expected to be received at Audit Committee later in the municipal year.

Other External and Independent Assurances

Throughout 2024-25, Calderdale Council have been subject to several external and independent inspections and reviews. We are anticipating the outcomes of some of these inspections to be received for the final annual governance statement to be completed later this year. Sources of independent assurance received during the year are summarised below.

1. Care Quality Commission – Adult Social Care: report not yet issued
2. Ofsted - Children’s services Focussed Visit: Letter provides assurance that effective arrangements are in place, many areas of strength identified. Only one area for improvement reported
3. Ofsted – Adult Education: Good
4. ADASS Peer Review – Adult Social Care: The review considered 3 ‘themes’ from the CQC Adult Social Care Assessment Framework.

Many strengths were highlighted and areas for further consideration presented. Adult Health and Social Care scrutiny committee considered the report findings in January 2025.

5. ADPH Peer Review – Public Health: The focus of the review was Calderdale Council’s Public Health leadership, collaboration and use of resources, so it considered the organisation as well the public health team. The team were impressed by the value that the organisation places on public health and that we see ourselves as a public health organisation. They also commented on how well the Wellbeing Strategy has been embedded and is shaping decisions made by the council and partners. They also made some helpful recommendations about how we can strengthen our approach to public health leadership, collaboration and use of resources
6. LGA Annual Assurance Meeting: Review against the Corporate Peer Challenge Domains. No areas of concern identified.
7. LGO Annual Review Letter: The Local Government and Social Care Ombudsman (LGO) published its annual review of complaints for the year ending 31 March 2025. Overall, the report reflects positively on Calderdale’s compliance and progress, particularly a marked improvement in uphold rate and strong collaboration across services to learn from complaints. The vast majority of our customer contact is handled successfully without reaching the Ombudsman, demonstrating a commitment to early resolution and effective frontline service delivery. The review letter highlighted an area for improvement in the timeliness of responses from services to LGO investigations. Whilst within the agreed extension, the aim is to meet original timescales. Complaints training will be enhanced to focus on making improvements.
8. Federation of Burial and Cremation Authorities Inspection – Parkwood Crematorium: Outcome score 98.1% and inspection found the facility to be operating in accordance with the three key areas of compliance
9. DWP Housing Benefit Review – only one error (less than £1)
10. DWP Household Support Fund Review - *‘Calderdale have an effective and efficient scheme in place which prioritises support for residents.’*
11. DWP – DHP Assurance visit – no negative issues identified.
12. HSE Inspection – HSE Officers made inspection visits in the last period on several risks including construction and asbestos. On all occasions, the Council was commended for its work and as such no enforcement action or notices have been served once again.

3. Where our governance needs to improve

Governance challenges can arise when something has gone, or is going wrong, which will affect the achievement of the council's objectives. There is a need to respond and often recover from an issue and in financial terms, responding and recovering may add significant cost to the organisation or its processes. An issue may arise unexpectedly or may result from a poorly managed risk. Determining the **significance of a governance issue** will always contain an element of judgement.

An issue is likely to be significant if one or more of the following criteria applies:

- It has seriously prejudiced or prevented achievement of a principal objective.
- It has resulted in the need to seek additional funding to allow it to be resolved.
- It has required a significant diversion of resources.
- It has had a material impact on the accounts.
- It has been identified by the Audit Committee as significant.
- It has resulted in significant public interest or has seriously damaged reputation.
- It has resulted in formal actions being taken by the Section 151 Officer or Monitoring Officer.
- It has received significant adverse commentary in external or internal inspection reports that has not been able to be addressed in a timely manner.

Based upon the assurance systems in place, the council's approach to continuous learning through external and internal review and the information considered in the AGS, the conclusion is that there are **no significant governance** issues that have arisen during the year which require specific reporting.

Governance arrangements that **require improvement** are summarised below. The improvement action plans will continue to be monitored through the Council's governance and assurance processes.

1.Governance issue	Response to the governance challenge
<p>A key recommendation from Forvis Mazars – Arrangements for Financial Sustainability</p> <p>The Council should:</p> <ul style="list-style-type: none">• Take action to ensure spending is within the resources available for each year; and	<p>Whilst the outturn variance for 2024/25 was £9m, this was an improvement from the £12m forecast in year. 89% of the savings for 2024/25 were achieved.</p> <p>The Council approved a balanced budget for 2025/26 with no use of</p>

<ul style="list-style-type: none"> • Ensure savings are identified, monitored and reported to members and the corporate leadership team to deliver the requirements in the annual budget and medium-term financial strategy. 	<p>planned reserves and £3m of savings. Budget Challenge meetings have taken place earlier than previous year to review position.</p> <p>The MTFP replenishes reserves in future years.</p>
<p>2.Governance issue</p> <p>A key recommendation from Forvis Mazars – Financial Reporting Arrangements</p> <p>The Council should:</p> <ul style="list-style-type: none"> • Produce and adhere to a detailed, fully resourced, closedown action plan to produce its annual statement of accounts in line with statutory deadlines; and • Ensure the Council’s finance team has the capacity, skills and experience to produce accurate and high quality annual statement of accounts, and support the external audit. 	<p>Response to the governance challenge</p> <p>The Closure of Accounts process has been subject to formal governance processes, with Executive oversight by Director Resources and Transformation. A project plan and detailed timetable has been monitored and reported on. As a transitional arrangement the project plan for 2024/25 Accounts provided for a publication date of 31 July 2025. This will be brought in line with statutory deadlines for 2025/26. A review of the Corporate Accounting team is being undertaken, assessing roles and responsibilities and skills assessment.</p>
<p>3.Governance issue</p> <p>Head of Internal Audit Report - unable to provide an opinion due to limitation of scope.</p> <ul style="list-style-type: none"> • The coverage of the Internal Audit plan was not sufficient due to the level of vacancies within the team 	<p>Response to the governance challenge</p> <p>Key senior posts have been recruited, along with an external provider contracted to provide IT specialist audits.</p> <p>The remaining posts will be recruited to during the year.</p>
<p>4.Governance issue</p> <p>Risk management – ensure that the new framework and risk management processes are embedded.</p>	<p>Response to the governance challenge</p> <p>Risk register templates are being rolled out and risks reviews taking place to ensure alignment to the Corporate Plan and Vision 34.</p> <p>Further collaboration and development of risk appetite to take place this year.</p>
<p>5.Governance issue</p> <p>CIPFA Financial Management Code – last assessment was undertaken in 2021. A new assessment is required to consider recent changes in leadership and financial environment.</p>	<p>Response to the governance challenge</p> <p>A review of Financial Management capability will be undertaken.</p>

6. Governance Issue Workforce – recruitment and retention of specific roles (project delivery, engineering, enforcement, legal).	Response to the governance challenge Implement refreshed Workforce Strategy and Talent Management Strategy.
7. Governance Issue Information Governance – Data Protection Officer requirements. Capacity during the year to ensure proactive compliance audits and review of policies has been an issue.	Response to the governance challenge There are varying levels of compliancy across different services regarding having the correct privacy notices, data sharing agreements. Roles and responsibilities being reviewed to maximise capacity to improve compliance. Resource prioritisation required.

A detailed AGS Action Plan 2024/25 is presented in Appendix 2

4. How we have improved our governance arrangements in 2024/25

4.1 Review of 2023/24 AGS

The final Annual Governance Statement 2023/24 was approved by the Audit Committee in February 2025, to reflect the conclusion of the audited accounts for 2023/24 which received a Disclaimed Audit Opinion. The action plan was updated to reflect the External Audit findings.

An update on the AGS was presented to the Audit Committee in June 2025, which identified which actions from prior years would require to be carried forward to 2024/25. Overall, good progress has been made on improving the Council's governance arrangements.

Whilst the majority of actions identified within the AGS 2023/24 have been completed, the areas of governance are continuously subject to review to ensure the improvements are embedded.

The progress against the 2023/24 AGS Action Plan is detailed in Appendix 1.

4.2 Areas of Improvement

Governance arrangements have continued to be developed and improved during 2024-25. A revised Code of Corporate Governance was approved by the Audit Committee and an assessment of the new Global Standards in respect of Governance arrangements has been undertaken. This will inform future developments during 2025/26.

Examples of good governance and improvements are provided below:

- LGO identified areas for improvement last year – we have reviewed Complaints Policy and introduced 2 stage process, strengthened training and focus on remedies and resolutions
- Digitisation of Related Party declarations, Register of Gifts and Hospitality and Declaration of Interests. Dashboard reporting is now being developed.
- Gap analysis against the new Global Internal Audit Standards undertaken, informed a new Internal Audit Charter and Strategy.
- The implementation of Citizen Lab on-line survey tool is embedded, improving stakeholder engagement.
- We have worked in partnership with CRISIS on developing a preventative approach to homelessness and temporary accommodation provision.
- The accounts closedown plan for 2024/25 incorporated a more detailed action plan, with executive oversight of the progress. Whilst the required publication date of 30th June 2025 was not achieved, this was in line with the plan which set a date of 31st July 2025 for publication.

- We have very strong relationships with local/national HSE inspectors who are aware of the positive risk reduction initiatives we are delivering through the RSO and LGA networks
- There has been an increased focus on maintaining the health and wellbeing of the workforce, this work has been recognised in receiving the LGC Workforce Award for Wellbeing Innovation at the 2024 ceremony.
- Contract Procedure Rules were updated and adopted by Council in February 2025 to reflect the requirements of the Procurement Act 2023.
- Revised Risk Management Framework, now being embedded and consistent risk register templates developed.
- Improvement in certification for mandatory eLearning for Data Protection and GDPR up to 85% in 2024/25 from 63% the previous year.

5. Forward look on governance

Good governance requires organisations to be aware of the external environment and horizon scan issues which may have an impact locally. The following risks have been identified as the most important issues that may impact on governance arrangements going forward and that will shape our approach to assurance, oversight, and service delivery:

5.1. Financial Sustainability

The Council continues to face significant financial pressures driven by inflation, rising demand for services, and constrained central government funding. Medium-term financial planning will need to accommodate increasing costs in adult social care, children's services, and environmental obligations. The Council will maintain a focus on value for money, efficiency, and income generation, while ensuring that financial governance remains robust and transparent. The implications of the Fair Funding reforms consultation may provide a more certain financial planning environment.

5.2 SEND Reforms and High Needs Deficit

National reforms to Special Educational Needs and Disabilities (SEND) provision are not yet known, with a White Paper due to be published in Autumn. Calderdale, like many councils, is experiencing a growing high needs deficit within the Dedicated Schools Grant (DSG). While the statutory override remains in place, the long-term sustainability of SEND funding and the implications for the general fund require close monitoring. Governance arrangements will be strengthened to ensure accountability and strategic oversight of SEND services and financial planning.

5.3 NHS Funding Changes and the 10-Year Plan

The evolving landscape of NHS funding, particularly under the national 10-Year Plan, presents both opportunities and challenges for integrated care. Calderdale will continue to work closely with partners in the West Yorkshire Integrated Care System (ICS) to ensure that governance structures support joint commissioning, shared outcomes, and effective risk management. The Council will review its partnership governance to ensure clarity of roles, responsibilities, and decision-making.

5.4 Regulatory Compliance, Digital Transformation, and Cyber Risk

The Council is committed to maintaining high standards of regulatory compliance, particularly in areas such as data protection, environmental regulation (e.g. Building Control), and equality duties. As digital transformation accelerates, governance frameworks will be updated to reflect new technologies, service delivery models, and cyber resilience. Cybersecurity remains a key risk, and the Council will focus its available resources in staff awareness, infrastructure, and incident response capabilities.

5.5 Commercial Oversight and New Delivery Models

From August 2026, Calderdale will enter a new joint venture delivery model, marking a significant shift in how services are commissioned and delivered. This transition will require enhanced commercial governance, including performance monitoring, risk assessment, and contract management. The Council will ensure that scrutiny arrangements are in place to provide transparency and accountability, and that the joint venture aligns with strategic priorities and public value.

5.6 May 2026 Local Elections

In May 2026, Calderdale Council will hold its first all-out local election following the implementation of new electoral boundaries recommended by the Local Government Boundary Commission for England. This marks a significant departure from the previous electoral cycle, where one-third of councillors were elected each year with a fallow year every fourth year.

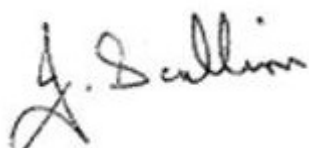
This change introduces a potential governance risk due to the possibility of a sudden and substantial shift in the make-up of elected members, which could impact continuity in leadership, policy direction, and decision-making. The Council will need to ensure that governance frameworks are resilient to such changes, with appropriate induction, training, and support for newly elected members. Additionally, there will be a need to maintain effective scrutiny and oversight during the transition period to safeguard service delivery and strategic priorities. The senior team will shortly begin making arrangements to support this transition in 2026.

6. Conclusion

We have been advised of the implications of the results of the review of the effectiveness of the council's governance framework. Our overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment and that the Council's governance frameworks are effective.

We are also satisfied that there are appropriate plans in place to address the areas for improvement and ensure continuous improvement in the system of internal control.

We are satisfied that this statement allows the Council to meet the requirements of the Accounts & Audit (England) Regulations 2015 in its duty to prepare an annual governance statement to accompany the 2024/25 Annual Financial Report.



Councillor Jane Scullion
Leader of the Council

Date: 28 July 2025



Robin Tuddenham
Chief Executive

Date: 29 July 2025

Annex A

AGS Assessment Definitions:

Rating	Description
Very Effective	Strong governance exists and there are no improvements required.
Effective	Satisfactory governance exists but improvements are required to meet good governance.
Ineffective	Significant issues with governance exist which needs addressing.

Appendix 1

Governance Issues and Risks 2023-24 Action Plan - Update

	Action	Responsible officer/s and review bodies	Latest Position and Update	Carry Forward in 2024/25 Action Plan
1	The Financial Procedure Rules and Schemes of Delegation require revision and updating to reflect current systems, processes and staffing structures.	Director Resources and Transformation Head of Legal and Democratic Services	Constitution updated to reflect changes in staffing structures. Comprehensive review of FPRs in progress July 2025	Yes
2	Contract Management guidance should be devised by the Central Procurement Team to provide clarity on to those in directorates on their roles and responsibilities in this area.	Corporate Procurement Lead Director Resources and Transformation	Compliance guidance in development to follow Procurement Act requirements Sept 2025	Yes
3	Processes for ensuring the appropriate recording of offers of gifts and hospitality and interests on an ongoing basis throughout an employee's time at the Council should be reviewed and new necessary procedures embedded.	Corporate Governance Group	Complete	No

4	First Line governance and assurance frameworks and oversight arrangements should be mapped, including how these feed into the Corporate Governance Group and future AGS arrangements.	Corporate Governance Group	Complete	No
5	The revised Risk Strategy should provide clear guidance and standard templates for operational risk registers.	Head of Internal Audit	Complete	Yes
6	Schemes of delegation should be considered when regarding any updates to the Constitution and Policy Framework to ensure these are appropriate.	Head of Legal and Democratic Services	Complete	No
7	Risk is to be added as an issue for consideration in decision making reports to Cabinet.	Head of Legal and Democratic Services		Yes
8	An annual report on Complaints is to be provided to Cabinet.	Director Public Services Assistant Director Customer Services	Complete Report presented 7 th October 2024.	No

9	The Corporate Procurement Strategy is to be reviewed and refreshed to reflect the new Procurement Act.	Corporate Procurement Lead Director Resources and Transformation	In progress Oct 2025	Yes
10	A Reserves Strategy is to be developed as part of the medium-term financial plan.	Director Resources and Transformation	Complete - Reserves narrative strengthened in MTFP 2025-28	No
11	The Capital Investment Strategy and approach are to be developed within clearly defined affordability parameters for setting the capital programme.	Director Resources and Transformation	Complete – Capital Strategy requirements aligned to MTFP and revenue budget requirements	No
12	The governance of partnerships and other companies where interests are held by the Council are to be reported on to Audit Committee. This should include the development and adoption of a Partnership Protocol regarding how such relationships should be managed.	Corporate Governance Group	Initial draft Partnership Protocol considered – final draft to be agreed. Update report to Audit Committee July 2025	Yes
13	Actions identified in the budget set for 2024-25 and medium-term financial plans must be implemented to prevent an	Corporate Leadership Team	Complete - Savings tracker identified within the Financial Position report to Cabinet each quarter.	No

	overspend at year end.			
14	The Education Skills and Funding Agency action plan for recovery regarding the overspend of the High Needs Dedicated Schools Grant must be agreed and implemented to prevent future challenge, recovery and overspends.	Assistant Director for Education & Inclusion	Complete - Action Plan agreed with DFE. Governance arrangements in place via Schools Forum and regular review meetings with ESFA.	Yes
15	The potential to minimise Special Educational Needs and Disability support and services costs will be reviewed in conjunction with Internal Audit throughout the year.	Head of Internal Audit Assistant Director for Education & Inclusion	Complete Recovery working group established.	Yes (combine with above)
16	An improvement plan be developed to address the capacity and capability of the finance team responsible for the preparation and production of the financial statements.	Lead for Accountancy Director of Resources and Transformation	Complete Update report to Audit Committee June 2025	Yes
17	The Closure of Accounts process will be governed as a Project.	Lead for Accountancy Director of Resources and Transformation	Complete Governance in place Update report to Audit Committee June 2025	Yes

18	MTFP 2025/26 to 2027/28 identifies savings to achieve financial sustainability and plan to replenish reserves over the period.	Director of Resources and Transformation	Complete Approved budget for 2025/26, no planned use of reserves and replenishment of reserves in future years. Savings identified to balance MTFP over period.	Yes
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Appendix 2

Governance Issues and Risks 2024-25 Action Plan

	Action	Lead	Timescales
A.	<i>Behaving with Integrity demonstrating strong commitment to ethical values, and respecting the rule of law</i>		
	Review decision making report templates to incorporate risk section	Head of Legal and Democracy	31 July 2025
	Review arrangements for Data Protection Officer duties and prioritise compliance audits	Head of Legal and Democracy	31 Aug 2025
B.	<i>Ensuring openness and comprehensive stakeholder engagement</i>		
C.	<i>Defining outcomes in terms of sustainable economic, social, and environmental benefits</i>		
D.	<i>Determining the interventions necessary to optimize the achievement of the intended outcomes</i>		
	Embed Procurement Act requirements including contract management guidance and compliance	Corporate Procurement Officer	30 Sept 2025
E.	<i>Developing the entity's capacity, including the capability of its leadership and the individuals within it</i>		
	Implement Closure of accounts improvement and development plan	Corporate Lead - Finance	31 March 2026
	Undertake Financial Management review	Director Resources and Transformation	31 Aug 2025
	Refresh Workforce Strategy and Talent Management Strategy	Head of HR & OD	30 Sept 2025
F.	<i>Managing risks and performance through robust internal control and strong public financial management</i>		
	Undertake Financial Resilience review	Director Resources and Transformation	31 Aug 2025
	Financial procedure rules adopted in constitution	Head of Legal and Democratic	30 Sept 2025

	SEND deficit recovery action plan confirmed, including development of a 3 year budget plan	Assistant Director Education	31 Aug 2025
	Embed risk management framework and risk register templates	Head of Internal Audit	
G.	<i>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</i>		
	Publication of statement of accounts within agreed timescales	Director Resources and Transformation	31 July 2025 27 Feb 2026
	Develop new audit team and complete recruitment to achieve audit plan coverage.	Head of Internal Audit	31 Dec 2025