Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	22 July 2026
Subject:	Annual Governance Statement 2025/26 – End of Year Progress Update
Chief Officer:	Will Tuckley – Chief Executive
Contact Officer:	Sarah Wilson – Monitoring Officer
Ward(s):	All
Exempt:	No
Appendices:	Appendix 1 – Annual Governance Statement 2025/26 Appendix 2 - AGS 2025/26 Action Plan

1. Summary and Recommendations

1.1 This report presents the 2025/26 Annual Governance Statement, together with the action plan in response to the assessment.

Recommendations:

Committee is recommended to:

(a) Review, comment and approve the Annual Governance Statement 2025/26 and the associated action plan.

Reason:
Good corporate governance is an essential in any organisation, but in particular in public sector bodies. Significant governance failings attract huge attention and inevitably lead to expense being required to correct the failings. Local authorities are complex organisations and vitally important to taxpayers and service users. It is necessary to have in place effective systems, people and culture to meet the highest standards and ensure that governance is sound and seen to be sound.

Commissioner Review

The Annual Governance Statement (AGS) remains in draft format until the external audit of the financial statements is fully completed, and as part of that process the auditors will report by exception, if the AGS has any material omissions or is inconsistent with the actual audit evidence.

The appended AGS and action plan signals self-awareness in identifying challenges, governance reforms underway or emerging and recognises that good governance remains inconsistent or fragile in some key areas. The governance arrangements must of course be fit for purpose and resilient both now and into the future to help the Council tackle the key challenges it faces going forward. The committee must closely monitor the implementation of agreed-upon recommendations however, with the high volume of actions outlined, the plan risks being unmanageable and diluting focus on the most critical risks. The committee will need to streamline, prioritise, and consolidate the plan to focus on the significant and material weaknesses.

The commissioners are content for this report to be considered.

2. Report

Introductory paragraph

2.1 Slough Borough Council is responsible for ensuring that its operations are conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. To achieve this the Council should ensure its governance framework supports a culture of transparent decision making.

Options considered

1. **Prepare and present for approval an AGS prior to the formal approval of the 2025/26 Statement of Accounts.** This is the **recommended option.** The Council has produced a draft statement of accounts for 2025/26 and these are due to be audited in accordance with statutory timescales. The Council is required to prepare an annual governance statement for each financial year and this must be approved by the appropriate committee or Full Council. The AGS must be approved before the statement of accounts are approved, but this does not have to happen at the same meeting.
2. **Delay submission of the AGS and action plan until the statement of accounts are finalised.** This is **not recommended.** During the auditing of the accounts, the Council may identify other issues of concern, however the AGS can be updated at this point and an updated action plan approved if needed.

Background

2.2 The AGS 2025/26 has been prepared in accordance with proper practice and the Council's Code of Corporate Governance follows the CIPFA / SOLACE Delivering Good Governance framework. The AGS contains a detailed assessment and a separate action plan.

2.3 The AGS should be used as a key improvement took, ensuring that issues are captured, lessons learned are properly disseminated and will assist the Council to improve its corporate governance.

2.4 Appendix 1 contains the AGS for 2025/26 and Appendix 2 contains the action plan. The actions have been split into themed areas of governance, including financial, political, transformation and partnerships. Each theme has a single senior responsible officer. Whilst the actions do not have specific milestones, for many there are improvement plans sitting beneath these with detailed milestones. Progress will be reported against these actions throughout the year.

Overall assessment of governance

2.5 The executive summary confirms that despite improvements in governance, the Council still has many areas of concern and governance is not yet mature enough across the organisation to assess it as fit for purpose. The written systems are in general appropriate, with some limited exceptions, however compliance remains an issue and the systems are not yet mature enough to easily identify these compliance issues. The summary of the assessment against each principle is below:

Core principle	Governance issue – Opportunity for improvement
A. Integrity, ethical values and rule of law	Delays in member complaints, continued concern about quality and timeliness of member level reporting, inconsistent assurance mechanisms and clarity on function of internal boards, need to evidence speak up culture and ensure officer training on governance is fit for purpose.
B. Openness and stakeholder engagement	Late reports, inconsistent early member engagement, inconsistent officer decision publication, variable consultation and engagement, and inconsistent public reporting on external reviews.
C. Sustainable outcomes	Corporate vision, service strategies and financial sustainability remain underdeveloped, with gaps in business cases, options appraisal and fair access arrangements in key services.
D. Interventions to achieve outcomes	Service planning, budget monitoring, self-assessment and performance management are not yet consistently aligned across the organisation.
E. Capacity and capability	High turnover, unclear internal delegations, need for stronger member and officer governance training, and workforce capacity issues continue to affect resilience.
F. Risk, performance and internal control	Risk culture, business continuity testing, asset management, procurement and contract management, counter fraud and controlled entity oversight require further strengthening.
G.Transparency, reporting and audit	Historic audit recommendations remain open, improvement plans are not always clearly resourced, complaints ownership needs strengthening and reports can be overly technical.

Review of the assessment process against best practice guidance

2.6 Last year the Council assessed itself against the new CIPFA /SOLACE Addendum to its original guidance covering the annual review of governance and the AGS. This assessment has been updated based on the process used this year. It is of note that this assessment is more positive that the assessment of governance, which demonstrates that the Council is utilising best practice to improve the assessment process and that this is leading to a more honest and reflective assessment of the improvements required.

Guidance	Council's progress
Adoption of a local code of governance setting out its governance arrangements. This should align to the principles of Delivering Good Governance in Local Government: Framework, take account of the best value statutory guidance or other statutory requirements, be up to date and regularly reviewed, identify	The Council has a Code of Corporate Governance. Since 2022 this has aligned to the CIPFA Solace Framework. It was last reviewed and amended in May 2024. It is recommended that this is reviewed every two years. This is timetabled for a review in 2026/27 as confirmed in the status update

arrangements put in place to achieve each principle, include values and behaviours as well as processes and include how the code is reviewed and updated.	report on the Constitution presented to Full Council in May 2026.
The AGS should provide assurance that the core arrangements set out in the CIPFA Solace Framework are in place and operating effectively. The local code and AGS should be reference points for officers, elected representatives and the public to understand how governance works.	The Code was amended in 2024 to change the language to first person commitments by members and officers to make it more readily understandable. The Code is in the Council's Constitution, which is published on its website. The AGS is also published. An executive summary has been added to the AGS.
Authorities should establish processes to gather assurance throughout the year and not only at the year-end. The review should identify areas for improvement. Assurance should come from the head of internal audit, statutory officers and other senior managers, annual reports from committee chairs, performance and data reports, evidence of management of risks, independent assessments, self assessments, external assessments, including from external audit, inspectorates, other regulators, peer reviews and other commissioned reviews and stakeholder engagement.	The assessment was informed by: • External inspections and reviews, including from regulators, inspectorates, commissioned reviews and external audit • The Head of Internal Audit's opinion and key internal audit reports • Directorate assurance statements • The annual self-assessment by the Audit and Corporate Governance Committee • Analysis of complaints data The process for assessment has improved year on year. There are opportunities to capture further evidence as part of the Council's wider work on data maturity and resident engagement.
The AGS should be both deep, being based on a comprehensive view of governance, and also brief to communicate the results simply and clearly. The content must be drafted with the end user in mind, including councillors and the public. It should be easily accessible and easily understandable language used. Identifying areas for improvement and taking the actions needed are signs of a healthy approach to governance.	As referenced last year, getting the balanced between depth and brief is challenging. There is a balance to be struck between identifying the key governance challenges and duplicating work that is being carried out as part of wider service improvements. The AGS action plan now aligns to the external auditor recommendations, MHCLG direction, best value themes and Code of Corporate Governance. This helps it to be used as a key improvement tool and to support the justification for prioritisation on these activities. However the AGS should also be a key assessment tool used by the Council to assess itself and to inform the external auditors and the public that the Council is self-aware and taking

	responsibility for its own improvement journey and commitment to continuous improvement. Having a stand alone action plan and providing regular updates on progress helps with transparency and communicating progress to the public.
The assessment should provide an opportunity to identify where governance needs to change or develop to meet the future needs of the authority. This could include new collaborative arrangements, new legislation requiring changes to governance structures and significant risks that will change or challenge governance in future years.	A forward look section has been added to the AGS assessment. This picks up on new legislation and national and international factors that could impact governance of the Council. Moving forward, with better service planning, this forward look at governance will be more embedded into the organisation.
The AGS should be reviewed by the authority's external auditors.	The AGS has been sent to the external auditors as part of their value for money assessment.
The AGS should be approved by Full Council or a delegated committee. Where it is delegated to a committee, steps should still be taken to engage with the full authority.	The AGS is reported to and approved by the Audit and Corporate Governance Committee. This Committee has the power to report it formally to Full Council if it considers this necessary. The Leader and Chief Executive have been invited to the committee meeting to respond to any questions, including on how the Leader will ensure that his new cabinet support delivery of the action plan.
Publication of the AGS should include further steps over and above inclusion in the financial statements. This could include creating a webpage on governance with plain English explanations of what governance is and why it is important, including the AGS on a governance webpage, alongside other materials, use of diagrams or other design features to improve understanding and ensuring it is easily identifiable on the website.	The AGS is published and reported to committee separately from the statement of accounts. In addition update reports on progress against the action plan are reported throughout the year. Consideration will be given to internal and external communication of the action plan following its approval.

Forward look at governance

2.7 This year's AGS contains a forward look at governance, highlighting that the following are areas that should be considered in 2026/27.

(a) Financial sustainability and governance assurance
(b) Strengthened external audit and regulation
(c) Ethical governance and standards
(d) Decision making transparency and use of urgency powers
(e) Partnerships, outsourcing and alternative delivery models

(f) Digital governance, cyber security and data protection
(g) Risk management and assurance frameworks
(h) Workforce capacity, capability and governance culture
(i) Public trust, scrutiny and engagement

The AGS Action Plan

2.8 The AGS Action Plan 2025/26 contains the following governance themes

Governance theme	Number of actions	Commentary
Financial	6	Many of these actions are carried over from the previous year and are part of detailed finance improvement plans. Progress against these have been reported separately to the committee.
Political and democratic	10	Additional actions reflect the need to improve the scrutiny function, reporting on ombudsman complaints and ensure there is transparent reporting of officer decisions.
Transformation, organisational design and assurance	4	The Council is embarking on a whole council transformation programme and it is accepted that this will require internal capacity to ensure that any external partners are managed and supported with delivery of the programme.
Property assets	3	The actions relate to a strategic framework and review of the assets disposals programme, both of which have already progressed.
Companies	1	Despite improvements in company governance, the Council is not yet in a cycle of regular reporting at a member level on performance.
Internal Controls	4	The majority of these actions are carried over from last year, although improvements have been made in key areas.
Workforce	3	The action on workforce development plans at a service level reflects the forward look and picks up on national issues with recruitment and retention. Work on culture and ethical standards is an area of focus for the internal corporate governance working group.
Information governance	3	The focus on data picks up on the forward look assessment and other actions focus on the need to ensure compliance with transparency requirements.
Children's services	3	These actions are carried over from the previous year and align to more recent inspections highlighting regulatory issues with service delivery.

Governance theme	Number of actions	Commentary
Housing services	2	This is a new governance theme and reflects the outcome of the Regulator of Social Housing inspection. The actions focus on strategic framework and annual reporting on complaints.
Resident engagement	2	These actions also pick up on the forward look as well as the internal assessment. Whilst public trust has improved, the actions required focus on ensuring there is a consistent approach and that feedback is used to inform decision-making.
Procurement and contract management	3	These actions are carried over from last year and reflect the findings of internal audits and internal reviews of this area of governance.
Partnerships	1	This action is an amalgamation of actions from the previous year, focusing on the effectiveness and transparency of the statutory partnerships.

3. Implications of the Recommendation

3.1 Financial implications

3.1.1 There are no direct financial implications resulting from this report. However, a failure to respond to actions in the AGS is likely to result in a failure of financial governance and a risk that the Council makes decisions that are not in its financial interests.

3.2 Legal implications

3.2.1 There is a legal requirement to prepare an AGS and for this to be incorporated in the Council's financial statements.

3.2.2 The Council has a best value duty under the Local Government Act 1999 and this includes making arrangements to secure continuous improvement in the way in which its functions are exercised. The best value guidance states that authorities should be transparent in their AGS about how they are delivering improvements over time against any recommendations, including those made by external parties. A characteristic of a well-functioning authority is one whose AGS is prepared in accordance with the CIPFA / SOLACE Good Governance Framework, is the culmination of a meaningful review designed to stress test both the governance framework and the health of the control environment.

3.2.3 The report sets out an assessment of the Council's approach against the updated guidance. In addition the CIPFA / SOLACE guidance emphasises that governance weaknesses are often present in cases of failure in local government and issues such as a poor compliance culture, leadership without a clear understanding of role and function, inadequate management of risks, lack of internal controls, poor relationships and reduced capacity and capability, poor data quality, limited oversight of external bodies, a lack of self assessment and transparency are often seen in such failures.

3.3 Risk management implications

3.3.1 The AGS is a statutory document. Failure to respond to the action plan could increase the risk of financial exposure as a result of poor decision-making and lack of action to make improvements.

3.3.2 Several of the matters highlighted in the action plan also appear on the Council's corporate risk register. Members should review this document to establish whether appropriate mitigations are in place.

3.4 Environmental implications

3.4.1 There are no environmental implications as a result of this report.

3.5 Equality implications

3.5.1 Improvement in the control environment will ensure that decisions are informed by evidence. This should include information on impact on residents and service users with protected characteristics. One of the actions relates to resident engagement and progress includes engagement on equality objectives and updates on engagement activities and strategies with key groups, including older persons, carers, people with learning disabilities, children and young people and housing tenants.

4. Background Papers

None