



SURREY HEATH BOROUGH COUNCIL

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ANNUAL GOVERNANCE STATEMENT
For the year ended 31 March 2025



INTRODUCTION

Local authorities are statutorily required to review their governance arrangements at least once a year. Preparation and publication of an Annual Governance Statement in accordance with the CIPFA/SoLACE Delivering Good Governance in Local Government Framework (2016) (the Framework) fulfils this requirement.

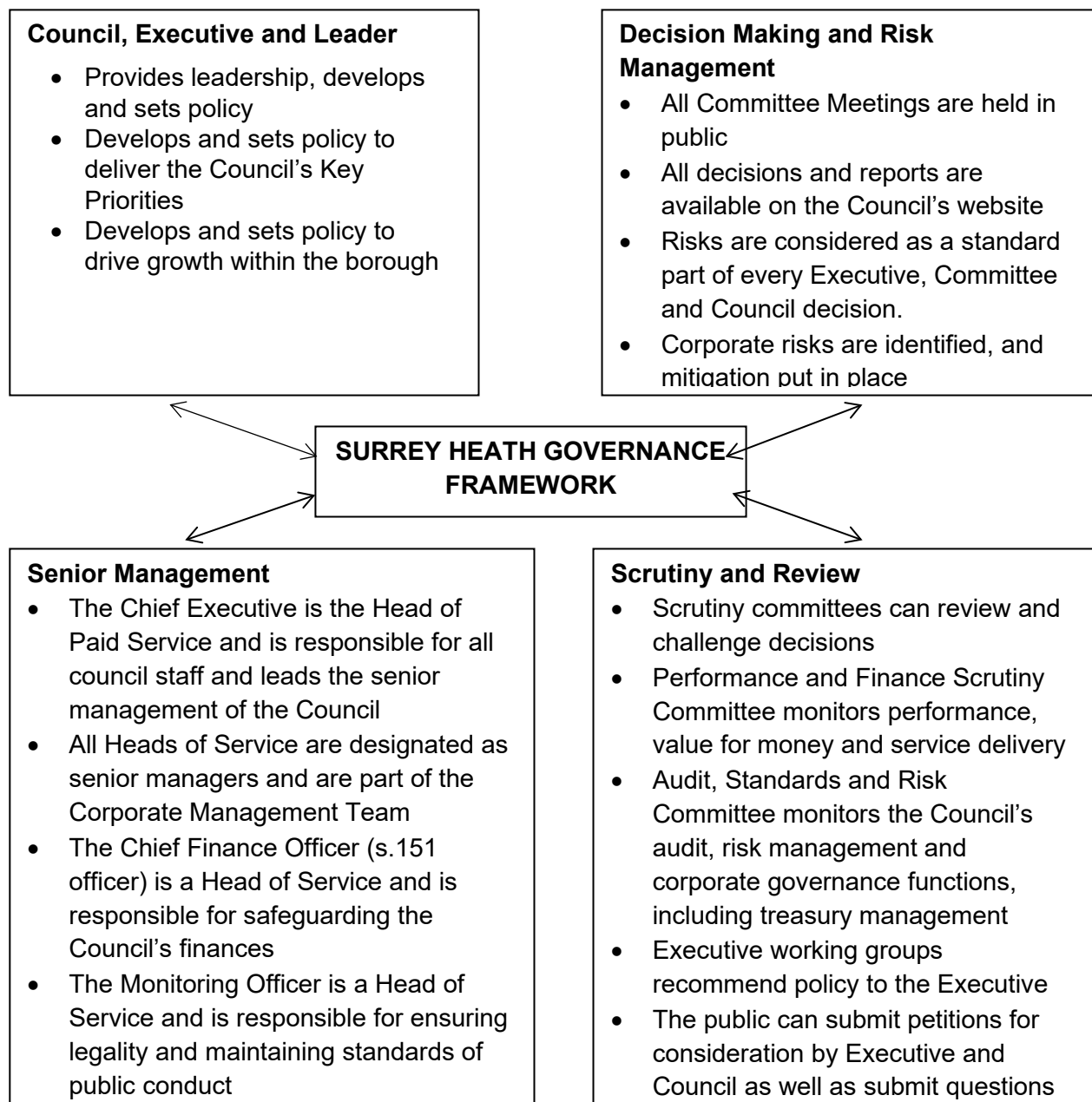
The Framework requires local authorities to be responsible for ensuring that:

- their business is conducted in accordance with all relevant laws and regulations,
- public money is safeguarded and properly accounted for, and
- resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

The Framework also expects that local authorities will put in place proper arrangements for the governance of their affairs which facilitate the effective exercise of functions and ensure that the responsibilities set out above are being met.



KEY ELEMENTS OF THE COUNCIL'S GOVERNANCE FRAMEWORK



HOW WE COMPLY WITH THE CIPFA/SOLACE FRAMEWORK

The Council has approved and adopted a Local Code of Corporate Governance together with a number of other strategies and processes, such as financial regulations and codes of conduct which strengthen corporate governance. The Council's Constitution contains rules, requirements, processes, procedures and authorisations to ensure effective governance across the Council.

A system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives; to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically. The governance framework has been in place at the Council for the year ended 31 March 2025 and up to the date of approval of the Annual Reports on financial outturn and performance as well as the quarterly reports on budget monitoring.

The cost-of-living crisis, cost of debt servicing, inflationary pressures and higher interest rates have had a significant impact on both the Council's finances as well as how the organisation is able to deliver its services sustainably. These major issues have required the Council to change the way services are delivered and at the same time develop and maintain new services to support those residents affected. Notwithstanding the impact, the Council expects commercial arrangements with contractors to be respected, particularly in terms of the balance of risk agreed between the Council and its contractors on a contract by contract basis.

Set out below is how the Council has complied with the seven principles set out in the CIPFA/SoLACE framework during 2024/25.

PRINCIPLE A

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

The Council has a Code of Conduct for elected Members, and a Local Code of Corporate Governance which provides guidance for officers and Members on expected standards of behaviour to ensure integrity. Members and officers have received training on the Code of Conduct, including culture and behaviour.

The Council has adopted a framework for Core Values and behaviours which comprises five values which are Customer Focus, Teamwork, Innovation, Delivering Results and Proud to Serve.

The Audit Standards and Risk Committee and Monitoring Officer ensure that the Members' Code of Conduct is up to date and investigate any suspected breaches. The process for dealing



with investigations is contained in the Constitution and is periodically reviewed by the Monitoring Officer.

All officers and Members must also sign up to the Council's Anti-Fraud and Corruption Policy and declare any interests they may have or gifts they have received and record them in the Gifts and Hospitality Register. These are reviewed periodically by Internal Audit.

The Speak Up Policy encourages staff to raise matters that they may be concerned about and provides protection for individuals to raise these concerns in confidence and ensures that any concerns raised are properly investigated. The policy is available on the Council's website, is reviewed annually and a report is reviewed annually by the Employment Committee. This forms part of the Council's induction process.

An Anti-Bribery Policy has also been established and adopted. The Council has a number of senior officers who have the power to investigate any suspected fraud or corruption both internal and external with the support of the police and are able to report directly to HR/Monitoring Officer for action to be taken if required. Several Council officers are trained to undertake interviews under caution in accordance with the Police and Criminal Evidence Act 1984.

All Council decisions have to consider legal and governance implications which are included as a standard paragraph in all committee reports. Senior officers and other key post holders receive support from Legal Services in this regard and if specialist legal advice is required then the Council will engage external advisers. The Section 151 Officer and Monitoring Officer, as Statutory Officers, have specific responsibility for ensuring legality, for investigating any suspected instances of failure to comply with legal requirements, and for reporting any such instances to members. Both these officers are required to review all Committee reports.

The Council has an internal audit team that undertakes audit reviews of the Council's main activities on a regular basis. A summary of findings are reported to senior management and to the Audit Standards and Risk Committee periodically. Internal Audit has a direct reporting line to the Chief Executive as well as the Audit Standards and Risk Chair on matters that may require immediate action.

The Council's Governance Working Group meets regularly to discuss matters of governance and to make recommendations on improving governance and policy matters. The group comprises members and senior officers.

In relation to policies, there is a requirement to consider equalities and to undertake an equality impact assessment. When policies come to the senior management team, equalities impact assessments are reviewed but also the portfolio holder who has equalities in their brief will give due consideration to equality issues during Executive decisions.



The Council has a rolling training programme on equality issues and a number of service managers have received training on mental health and wellbeing. The Council's Organisational Development Manager assists staff with guidance and training of staff on equalities issues and has oversight of achievements within the Equity Action Plan as part of the Council's performance.

PRINCIPLE B

Ensuring openness and comprehensive stakeholder engagement

All Committee, Executive and Council meetings are open to the public and all agenda papers, reports and decisions made by the Council are published on the Council's website together with details of forthcoming consultation exercises, surveys, and public meetings, except those determined as exempt from publication. The Council's Constitution also provides for public engagement at Council meetings whereby the public can attend and put questions to Members. Committee reports contain a standard paragraph to comment on consultation with third parties and stakeholders. In October 2023, public speaking rights were extended to all Committees except for the Council's Licensing Committee and Planning Applications Committee.

Also in October 2023, the Council's Petition Scheme was amended to lower the thresholds for petitions to go to Committee meetings with a view to facilitating more public engagement with members regarding public petitions. The rules of the Scheme now ensure all petitions, regardless of the number of signatures achieved, will require engagement with elected members. This process is linked to the opportunity for residents to take part in resident panels should there be sufficient requirement.

The Council's Constitution sets out how it engages with stakeholders and has representation on the governing bodies of external organisations including the local housing association, Integrated Care Boards (formally CCG), and other joint bodies.

The Council's website has been reviewed against the requirements of The Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018 to ensure the Council is working towards full compliance of the rules and maximum engagement from the community in terms of accessing Council information.

The Council has moved from paper magazines to a resident digital newsletter. This allows residents to receive more frequent (and more contemporary) information from the Council as well as supporting the strategic aims of financial sustainability and achieving net zero. The Council is now focussed on increasing digital reach whilst also improving our social media engagement through popular platforms with residents including Instagram, Facebook, LinkedIn, Nextdoor, YouTube and Twitter. More specific e-bulletins and publications are created for various communities of interest, such as businesses, theatre users etc as well as for changes in services.



The Council has set up a special website 'Camberley Be Inspired' that promotes news on the town centre regeneration. The site provides an overview of the Council's regeneration projects for the town and also promotes the places to visit in the town and the event programme.

PRINCIPLES C AND D

Defining, optimising, and achieving outcomes

The Council has a Strategy covering the period 2024 to 2028. Five priorities have been identified for the Council Strategy which are:

- 1) Protect our Environment
- 2) Promote Healthier and More Inclusive Communities
- 3) Support a Strong Economy and Create More Homes
- 4) Campaign for Residents and
- 5) Deliver Effective Services with Sustainable Finances.

A new Annual Plan developed alongside the budget is approved by members each year which sets out the key targets, projects and KPIs which will be delivered for the year to further the priorities. These targets feed through into project plans and individual staff and team objectives to help ensure that specific outcomes in relation to the Council Strategy can be delivered and monitored. Progress against the plan is scrutinised by the Performance and Finance Committee and reported to the Executive twice a year.

Each service also plans how it will deliver the outcomes relevant to its area of work in the context of the agreed budget for the year ahead. Services challenge each other through senior management to ensure their budgets deliver value for money including the Base Budget reviews, and more recently through the Council's transformation programme.

The Council's Economic Development Strategy seeks to deliver sustainable economic growth across the Borough. It identifies opportunities for accelerated economic growth and resilience whilst, taking a proactive approach to mitigating the global, regional and local challenges impacting the Borough. Reinforced by an extensive evidence base, the strategy incorporates 8 strategic priorities that focus on outcomes to support businesses and residents.

Some decisions such as agreeing the annual budget and Council Tax levy can only be taken by full Council. All other decisions, unless delegated, are made by Executive which include reviews of options and risks by officers and Members. Key performance indicators are in place for all services, and these are reported bi-annually, together with performance against the Annual Plan, to Members for discussion and potential intervention where expected performance is not being achieved.

The Council has been through a programme of rapid technological change and significant transformation and continues to review ways of working to increase efficiency, reduce costs, adapt to changing legislative requirements, and simplify its IT estate. It has invested in some of



the latest technology and innovation enabling services to move to cloud-based computing to support agile and mobile working. The Council has implemented a modern cloud-based telephony solution for all staff, allowing staff to access work calls on their personal or work mobiles. Spider (or teleconferencing) technology continues to support meeting areas across Surrey Heath House which complements the availability of Owls to support video conferencing via Teams.

A cloud-based Graphical Interface System has been implemented and the Council's finance system Civica successfully migrated to a cloud-based system to allow users to be able to access it remotely. The Human Resources and ICT Teams have jointly implemented a cloud-based HR system to further support agile working. Employees have been provided with Intune laptops and other digital devices that support agile working and working remotely.

The Council has adopted the use of virtual desktop technologies to provide responsive and secure access to Council software that can't be delivered directly by cloud services. Data Loss Prevention (DLP) has been implemented to prevent unsafe or inappropriate sharing, transfer, or use of sensitive data via Outlook. A SIEM (Security Information and Event Management) solution has been deployed to detect, analyse and respond to security threats.

The Council has consolidated its investment in Microsoft products migrating staff away from Box to OneDrive and Sharepoint for document storage and collaboration. This migration has delivered significant cost savings, including circa £90,000 per annum from file storage, along with savings from reducing AWS services, Zoom accounts and HubStar desk booking. The move also allows staff to take full advantage of Microsoft tools standardisation on Teams for communication, virtual meetings, telephony and Microsoft AI tools such as Copilot.

Carbon Net Zero

The Council is creating costed decarbonisation plans for all its major built assets. Sources of funding are being identified to help deliver projects such as photovoltaic panels on the shopping centre in Camberley.

A corporate strategy has been developed to help manage the Council's climate change agenda and to reduce harmful emissions. A cross-party working group has been established which is charged with a number of actions including how the Council plans to deliver the carbon reduction target set out in the Council's Climate Change Action Plan to make Surrey Heath Borough Council carbon neutral by 2030.

The Council submitted the Surrey Heath Local Plan 2019–2038 to the Government for independent examination on 10 December 2024. The Local Plan addresses climate change through its Vision, Objectives and a range of detailed policies relating to renewable energy, building emission standards and low carbon design.



REGOs (Renewable Energy Guarantees of Origin) have been purchased from October 2023, ensuring that all Council electricity will be from a renewable source.

The Council has installed 46 Electric Vehicle (EV) chargers within its car parks. Options are currently being assessed for a second phase of this project that would be expected to install a similar number of chargers.

The Council has started to decarbonise its vehicle fleet, with 4 electric vehicles bought to help deliver the Meals At Home service, 1 parking vehicle being replaced with an electric alternative and plans to replace the rest of its fleet with electric vehicles, where suitable alternatives exist, at the end of vehicle life.

A biodiversity scoping document has been produced ahead of planned work on a biodiversity strategy.

There is joint work between the Council and Surrey County Council on completing a Local Cycling and Walking Infrastructure Plan that will allow better planning to deliver enhanced infrastructure for active travel. This includes a new cycle route from Frimley to Camberley.

The Council is expanding climate change training opportunities to all staff and members. The first set of training took place in October 2023, and the first staff training sessions took place in March and April 2024.

PRINCIPLE E

Developing capacity and capability

A key element of the Council's approach is to maximise the investment in staff through learning and development to enhance skills qualifications to enable them to excel in their roles and potentially progress within the organisation. A number of staff obtain qualifications through this route each year. The Council has an evidenced based People Strategy which is reviewed annually. There are three current priorities including wellbeing, retention and attraction and Council Performance. An action plan accompanies the strategy that is reviewed annually by senior officers and the Employment Committee to ensure that it reflects Council priorities.

Learning, development and career aspirations are reviewed for all staff as part of their annual appraisal which highlights areas of development required to enable them to fulfil their objectives for that year.

The Council has a full mandatory induction programme for staff and members. The induction training includes health and safety, equalities and diversity and fraud awareness, as well as compulsory training on a regular 'certification basis' for existing staff including data protection, safeguarding and Prevent (anti-radicalisation training). Managers receive mandatory training including attendance management and managing mental health. Procurement awareness training is currently being provided for all relevant staff. To reflect legal changes, mandatory sexual harassment in the workplace training has been completed by staff and included in induction this year. There is currently a 98% completion rate for this training.



The Council is also a member of the Surrey Learn Partnership which offers cost effective personal skills training in areas such as management skills, communication skills and personal effectiveness.

A comprehensive training programme was undertaken by all members, with training sessions on the Code of Conduct, Planning matters, Licensing Act 2003, Constitution, decision making and scrutiny, the Local Plan, Local Government Finance, climate change and equalities. Online training on Data Protection was facilitated. Members were also invited to attend a welcome day and received detailed welcome packs.

During the year, a number of staff continue to be supported through training and experience to gain professional qualifications, or apprenticeships, and to maintain Continued Professional Development. This is seen as a major incentive to attract and retain staff within the Council and enable it to address skill shortages and competencies in the future.

The organisation has an agile working policy for its staff to support business continuity, recruitment and retention to key roles, and to support greater resilience through a more positive work life balance by providing systems that enable effective working away from the office environment.

Project Management

The Council recognises that, whilst there are strong examples of effective project management within Council services, ensuring a robust approach to project management across all teams and an improved oversight of project and programme governance was an area of improvement.

Strong project governance is in place to support some of the Council's key regeneration schemes such as the London Road development. There is a regular minuted board monitoring the delivery of capital projects. For significant property projects the organisation has put in place a standard project highlight report which include key risk analysis, project financials and milestone progress. Council officers also attend project management and design team meetings with external consultants. At member level the Regeneration Working Group get an update on the project progress and the opportunity to question officers.

In addition, a project management toolkit was produced with the support of experienced project managers from within the Council and aimed at using best practice from other councils. Looking forward, bespoke project management training is being produced, incorporating the toolkit and will be rolled out to staff in November and December 2025.

Contract Management

The Council has introduced a number of examples of effective contract management across the organisation.

The leisure and recreation team has introduced more site inspections and spot checks to assess service and performance standards of the contractor where there is a concern around non-performance.



In the Property and Economic Development team the Council's partner for managing its retail assets, including the Square, is Praxis having replaced Montagu Evans in 2023. Monthly Interface meetings with Praxis are used to run through asset management and project management duties, health and safety compliance updates, and reports on arrears in rent and service charges. There are monthly operational income meetings with Finance staff and Asset Managers to review monthly cashflow. There are six-weekly rent arrears meetings alongside the Council's legal team.

Following a tender exercise a framework of pre-agreed and qualified property advisers has been contracted to ensure consultants can be appointed swiftly at competitive rates to enable the team to operate in a dynamic way to the needs of the property portfolio and potential acquisitions and disposals.

PRINCIPLE F

Managing risks and performance

The Council takes a two-tiered approach to risk management ensuring risks are identified and managed at both service level and corporate level.

All service areas identify risks that could affect and/or impact on the objectives and business of the individual service. Each service area maintains and manages its own risk register ensuring all risks are reviewed and mitigations put in place in accordance with the Council's Risk Management Strategy. Any significant risks identified at service level are reported to the Corporate Risk Management Officers Group.

The Corporate Risk Register identifies the key risks the Council is facing and is measured against the potential impact and likelihood of the risk happening. It is reviewed quarterly by the Council's Risk Management Officers Group and is considered by senior management and members at the Audit Standards and Risk Committee. Mitigating actions are identified to help address each risk reported in the Corporate Risk Register.

The Corporate Risk Management group has continued to build upon reviewing existing as well as emerging risks. The main risks associated with financial pressures on Council resources have been a priority for the group. These include the medium and long-term impacts of worldwide events including the cost of living crisis and the current inflationary pressures that the Council and its workforce are facing. Inflationary pressures continue to affect the Council's main contracts as contract prices increase.

The Council has established a corporate Health and Safety policy and associated set of procedures which are kept under regular review.

In terms of Council performance, progress against the Annual Plan objectives and Key Performance Indicators (KPI's) are reported bi-annually to members. The Council has adopted a suite of Financial Regulations together with Contract Standing Orders, which set out expected financial and spending processes and internal controls, which are monitored on a periodic basis and updated regularly.



The Internal Audit team provide regular reports on the effective operation of these controls together with an annual assessment of the overall control environment. The Council's Information Governance Manager is responsible for overseeing the Council's compliance with the UK GDPR and Data Protection Act (DPA), ensuring effective information governance, information security, information rights and records management processes are in place. The Information Security Policy which is reviewed annually and the Data Protection Policy, Records Management Policy and Email Security Policy, which are reviewed 3 yearly or upon changes in legislation, govern how information should be securely handled, transmitted, stored, and maintained.

The Council submits reports on its performance in complaints, planning, environmental protection, and a number of other areas to Members each year for discussion and comment.

With the ongoing reduction of in-year funding the Council has had to use some of its financial reserves to help balance its budget. Reserves can only be drawn on once and when spent are unlikely to be replenished; continual use of reserves to balance the budget represents a significant risk in the long term unless future budgets are balanced between expenditure and funding. The improved budget management and monitoring processes, alongside better reporting has increased the transparency of the Councils financial position.

The budget challenges have been recognised by the Council by undertaking more detailed analysis of the financial position of the Council.

A revised Medium Term Financial Strategy was developed and approved by the Council; as part of this the Council has undertaken a Base Budget review process to examine further savings and efficiencies for 2025/26 together with opportunities to increase income. These savings and opportunities are currently being progressed, and a further base budget review will be undertaken in 2024/25. The Council has also started its transformation programme, and implemented service delivery reviews for all Council services.

PRINCIPLE G

Implementing good practices in transparency, reporting, and accountability

All Council agendas and supporting information, unless exempt, set out publicly the reasons for the decisions made. The Council works to provide clear and accurate information and has developed both its website and the format of Council reports to improve transparency and accessibility. The Council reports performance against targets, its Annual Plan objectives, and financial budgets on a regular basis.

All overdue Internal Audit recommendations are regularly reported to senior management and to the Audit Standards and Risk Committee, to ensure that officers undertake any follow up actions promptly and audit recommendations are actioned on time.



The Local Government Transparency Code 2015 requires local authorities in England to publish information related to spend including expenditure over £500, government procurement card information and senior salaries. Surrey Heath is committed to providing residents with information that explains how we spend their money. The Government has set down guidelines as to the format of this information to enable residents to compare the performance of one authority against another.

Surrey Heath, as a public body, is also covered by the Freedom of Information Act. This Act gives a general right of access to all types of recorded information held.

REVIEW OF EFFECTIVENESS

Management Assurance Statements – summary of key points from service areas

BUILT ENVIRONMENT & REGULATION

Development Management

Areas for improvement identified:

To improve customer experience by providing more user-friendly guides for residents on specific processes such as dropped kerb enquiries, tree clinics and by engaging with the public via customer satisfaction questionnaires. Efficiencies can be achieved by delivering the same service for less including the use of short report templates to minimise manual data entry, and a focus on digitalisation of the planning service including the discontinuation of planning application neighbour notifications.

Governance weaknesses that have been addressed in-year:

Poor performance with the appeals decisions has been addressed by holding weekly workshops to discuss cases and officer recommendations. These workshops act as a quality control check which has improved the appeals success rate. Another key improvement that has been made is the monitoring of expenditure and income, particularly predicted actual income from Planning Performance Agreements.

Planning Policy and Conservation

Areas for improvement:

The process for approving the appointment of consultants to undertake studies could be streamlined.

Governance weaknesses that have been addressed in-year:

There has been a lack of clarification in procurement processes which has been addressed via an update to the Council's procurement processes.



Building Control

Areas for improvement:

Strengthening partnership working by investigating agreements with neighbouring authorities to improve resilience and resource sharing.

Staffing reductions have impacted capacity and knowledge retention within the team. Enhancing financial oversight through the review of fee structures and budget monitoring processes will also help ensure financial sustainability and value for money.

Governance weaknesses that have been addressed in-year:

Staffing reductions have impacted capacity and knowledge retention within the team. To address this, a target recruitment and succession planning strategy has been implemented, alongside enhanced training programmes to build technical skills within the team.

Potential conflicts of interest were not consistently declared or managed, so a Conflicts of Interest Register has been implemented.

Environmental Health and Licensing

Areas for improvement:

Policies, procedures and processes relating to the private sector housing service will be updated, including setting KPIs, implementation of the relevant Housing and HMO licensing modules and preparation for the Council's new Renter's Rights Bill duties. Work is underway with ICT to implement the Uniform GDPR module, to ensure effective data management and retention protocols are in place.

Governance weaknesses that have been addressed in year:

Governance improvements during the year have focused on strengthening service delivery and operational resilience.

Corporate Enforcement and Parking

Areas for improvement:

The completion of the Uniform/Enterprise project will provide better functionality.

Also, a formal SLA will also be established with Accent Housing to ensure a consistent approach to managing Anti-Social Behaviour (ASB).

Governance will further be strengthened through the implementation of a revised CCTV Public Realm contract, following the 2024 review and by undertaking a comprehensive review of the Local Enforcement Plan (LEP).

Governance weaknesses that have been addressed in-year:



The Anti-Social Behaviour Policy was approved by Executive in 2025, and the Enforcement Register was published (Legal requirement).

Joint Waste Solutions (JWS)

Areas for improvement:

JWS intends to develop a skills matrix and training plan, with consideration to local government reorganisation and succession planning. Due to current financial pressures and challenges on both the future of the Surrey Environment Partnership (SEP) and the Joint Contract, this was not delivered in 2024/25. It is hoped this could be developed in 2025/26.

Governance weaknesses that have been addressed in-year:

With regards to performance management, in 2024/25, JWS focused on building the strength of the work programme procedure to further develop our approach to performance management, ensuring tangible outputs and/or outcomes.

FINANCE

Finance

Areas for improvement:

Greater transparency in budget monitoring could be achieved by providing councillors with more detailed and timely reporting, supporting informed decision-making and improved financial oversight. This should include a complete picture of the revenue account rather than just service-specific information and should highlight the overall budget gap. Reporting should also incorporate projections on revenue spend instead of only reviewing actual spend to date. In addition, a move towards zero-based budgeting.

Another improvement area is the in-depth review of reserves alongside ongoing monitoring and reporting. Reporting could also be enhanced by including the Council's debtor position.

The Capital report should be integrated with the Treasury Management Report to provide overall context through a "capital and investment strategy" and "capital and investment outturn". This should be supported by the introduction of cash flow forecasting for projecting debt interest and requirements and investment income.

Processes could be strengthened by reviewing accounting treatments under the agency/principal accounting rules (JWS and the property managing agents).

The Council should also continue to produce the Statement of Accounts (SoA) up to 2023/24 in line with the Governments backstop dates and maintain the disclaimed audit opinion for all accounts up to 2022/23.

The 2023/24 financial year marked the first proper external audit, albeit with the expected disclaimed outcome.



Finally, improvements can be made by reviewing the Fixed Asset Register (FAR) in property with the one in finance to align the two resulting in large additions to the balance sheet. Similarly, a review of the Capital Financing Requirement (CFR) and the Minimum Revenue Provision (MRP) calculations will ensure both are accurate and balanced.

Governance weaknesses that have been addressed in-year:

The transparency of reporting to councillors has been strengthened, as addressed above.

A new Finance Business Partner (FBP) model has been introduced and is operating effectively which has improved the interaction and engagement with services.

Finally, monitoring of transformation savings has been strengthened, alongside improved controls within the General Ledger.

Procurement

Areas for improvement:

Better contract management is needed to prevent non-compliant spending and to ensure that budgets and contract values are not exceeded. Alongside this, improving adherence to Contract Standing Orders (CSOs) and Public Procurement Regulations is needed in order to secure value for money through compliant routes to market and open competitive tendering.

Governance weaknesses that have been addressed in-year:

Adherence to CSOs and Public Contract Regulations – This year, compliance has been strengthened through the continued roll-out of procurement training, regular monitoring of the Contracts Register, and scheduled meetings with the service areas.

Revenues and Benefits

Areas for improvement:

An area for improvement is updating the risk register and continuing to review it on an ongoing basis, ensuring it remains a living document.

Also, the Revenues and Benefits job schedule will continue to be reviewed to maximise system efficiency.

Promotion of E-billing and Direct Debit take-up will continue with a view to focussing on the council's net zero targets.

In addition, increasing awareness of Revenue and Benefits online self-service.

Governance weaknesses that have been addressed in-year:

Initial roll out of Equality, Diversity and Inclusion training were delivered to key members of staff to address some gaps in knowledge that were identified.



Following the decision to close the main reception at 1pm, support will be available via telephone, email and online and also face-to-face hours will be clearly communicated.

TRANSFORMATION

Customer Services

Areas for improvement:

Customer Services will continue to raise awareness of and actively champion the administration hub within the Contact Centre. This will help build capacity in the service areas, support agile working and therefore the working environment.

To date, processing improvements have been implemented on behalf of the Environmental Health team, including the ability to access and update Uniform directly. Noise, nuisance and bonfires reports are now available by self-service.

Additional capacity has been achieved through the multi-skilling of both the Contact Centre and Post Room teams removing the need for additional recruitment.

Governance weaknesses that have been addressed in-year:

In line with the Local Government and Social Care Ombudsman Complaint Handling Guidelines (LGSCO) issued in February 2024, a revised process was implemented in 2024. The first self-assessment audit of complaints management was completed in 2025, with extremely positive results.

Reducing to a two-stage process has lowered both complaint handling time and the number of follow-up calls seeking progress information.

Human Resources

Areas for improvement:

The Benefits Review project will identify savings and contribute to the Council's sustainability. It will also support us to align with other Districts and Borough Council's.

In preparation for Local Government Reform, Human Resources will ensure the Council is TUPE ready, all data is compliant, establishment lists are accurately maintained, all job profiles are accurate and we have a record of all employer liabilities.

We will be prioritising staff wellbeing during this period of significant change and identify support, focusing on change, resilience and preparing for potential opportunities post-LGR (CV writing/interview skills). To ensure that this is completed, the People Strategy will be refreshed and reviewed by the Employment Committee.

Governance weaknesses that have been addressed in-year:



It was identified that we did not follow safer recruitment practices, and this was not referenced in the Recruitment Policy. To address this HR staff attended safer recruitment training.

It was identified that when managers received resignations, posts were automatically replaced, and managers did not always take the opportunity to review the role or service to identify potential efficiencies. A 'choose to leave' project has now been introduced, to work with managers when they receive a resignation and identify potential savings.

Organisational Development

Areas for Improvement:

To improve governance, the Risk Register for the Transformation Programme will be kept under review, particularly in relation to impact of savings, delivery of savings and the capacity of the organisation to deliver Transformation, Local Government Reorganisation (LGR) and business as usual.

Governance weaknesses that have been addressed in-year:

The Leadership Development Programme for the wider management team was also launched, with the first cohort successfully delivered. Feedback was positive, with some areas for improvement.

In preparing the Annual Plan for 2024/25, particular care was taken to ensure that objectives were achievable within the available resources. Throughout the year, progress was closely monitored. Despite the demands of the Transformation Programme and Local Government Reorganisation (LGR), an estimated 82% of objectives were either completed or on track by year-end—an improvement compared to 2023/24.

ICT

Areas for improvement:

The previous CRM system was running on Drupal 7, for which community support was withdrawn recently. The CRM has now been replaced with a modern and secure system from House on the Hill (the same platform upon which the Service Desk system and FOI system operates). All of the old Drupal 7 sites have now been replaced and rebuilt, including the main Surrey Heath Borough Council website, Theatre website, intranet and Building Control website.

Two Payment Card Industry (PCI) compliance assertions have been taken with both WorldPay and ClearAccept. ClearAccept provide the two new merchant IDs that the bulk of our card transactions are processed through. To reduce costs, a notice of termination has been provided to HubStar.

We have completed the requirements for 'Get CAF Ready'. Cyber Assessment Framework (CAF) is a support offer from Local Digital.Gov.uk to help councils in England to build their cyber resilience. We have also been progressing CAF more widely and have been working on



our submission which will help us focus on areas to prioritise. There are elements of crossover with Cyber Essentials which we been reviewing alongside CAF.

Governance weaknesses that have been addressed in-year:

Old on-premise servers which could not be updated relating to the Icon bank reconciliation service would have started to present a security risk to our network as the operating system could not be updated. A project involving the transactions team and ICT has implemented the new bank reconciliation product from Adelante which is now in use and has meant we can switch off and remove the old on-premise servers as they are now redundant.

Communication

Areas for improvement:

While Twitter has traditionally been used by local authorities to share updates and press releases, its effectiveness has declined. The platform's changing algorithms, coupled with an increase in bots and fake accounts, have reduced meaningful engagement and limited the reach of our content.

By shifting away from using Twitter solely to broadcast headlines, we can focus our efforts on platforms that offer stronger community interaction.

The staff newsletter is being used to improve communication with colleagues as a direct channel.

Governance weaknesses that have been addressed in-year:

Sign off processes with key stakeholders - Improve efficiency by clearly identifying what each key stakeholder needs to approve and by when.

Provide more detailed notes earlier in the process, ensuring that feedback is incorporated at the earliest possible stage, helping to streamline sign-off and avoid delays.

Increased engagement across all platforms - Following the purchase of a new camera, we're now producing more engaging video and multimedia content.

LEGAL

Legal

Areas for improvement:

The recruitment of a Contracts Lawyer would assist in filling the gap in capacity and skillset within Legal Services.

Governance weaknesses that have been addressed in-year:

A new fee structure has been put in place which clearly sets out the fees applicable for a full range of documents so that there is clarity and consistency for the team when having to charge a third party and greater visibility for the Finance Team as to how Legal Services is generating its income.



Information Governance and Data Protection

Areas for improvement:

Ensure the Council achieves its annual accreditation of the Data Security and Protection toolkit (DSPT) which allows organisations to measure their performance against the National Data Guardians 10 data security standards, providing confidence to our residents that the Council is handling their personal data securely.

To help prevent breaches of data and cyber security, ensure all staff are aware of the risk around managing data, cyber-security and data protection, ensuring mandatory training is completed by all staff as well as regular awareness campaigns.

Governance weaknesses that have been addressed in-year:

Work with all service areas in the Council to ensure a comprehensive and up to date information asset register is completed.

With comprehensive centrally held information assets registers this allows us to understand what information is held and where it is held, enabling us to build a repository of information aiming to remove the burden on officer time and reduce time spent looking for data in order to respond to FOIs and SARs.

Democratic Services

Areas for improvement:

Improvements are being made to the process for recording officer decision-making. Following discussions with the Head of Legal & Democratic Services and the Corporate Management Team (CMT), we are preparing to implement a revised form and aim to roll this out at the earliest opportunity.

Governance weaknesses that have been addressed in-year:

A review of governance arrangements relating to the Employment Committee, Joint Staff Consultation Group (JSCG), and delegated decision-making has been initiated by the Head of HR, Performance & Communication. The aim is to streamline decision-making processes and reduce duplication by clarifying when decisions can be made without referral to the Employment Committee.

Relevant sections of the constitution have been updated to clarify the limited circumstances under which officers may make decisions outside of approved budgets. These changes established a clear distinction between member and officer decision-making in urgent situations, helping to prevent recurrence of previous governance issues.



PROPERTY & ECONOMIC DEVELOPMENT

Property Management

Areas for improvement:

The Council's representative on the Collective Camberley Board is expected to seek and secure appropriate financial disclosures from the BID, with particular focus on cash flow transparency.

Further work is being pursued with Surrey County Council, particularly the Highways Department, to support the maintenance and improvement of town centre infrastructure. Processes around land and property sales are being enhanced to ensure early and effective engagement with the portfolio holder and other key stakeholders prior to the commencement of any marketing activity.

Additionally, work is ongoing with the Procurement Team to ensure full compliance with new procurement legislation, with a focus on fairness, transparency, and achieving best value.

Weaknesses that have been addressed in-year:

In 2024/25, governance improvements focused on strengthening the management of statutory health and safety compliance across council buildings, particularly in relation to asbestos, fire safety, and legionella. New, detailed policies have been introduced for asbestos management and fire safety, with a similar document currently being developed for legionella. Regular reporting to the senior officer leadership team is now embedded.

A more proactive and consistent approach to arrears recovery has been implemented across the property portfolio, including the introduction of a new policy specifically for The Square Shopping Centre. These measures aim to improve financial performance and ensure effective management of council assets.

Economic Development

Areas for improvement:

Since moving from the town centre space, the Workshop / Youth Hub has had reduced involvement with stakeholders. As things develop in 2025/26 we will work to re-engage with partners to ensure that the best possible service is provided to the individual.

Weaknesses that have been addressed in-year:

Support and opportunities have been aligned through Community Practice / Business Support. Additional use is being made of this group and in the future propose to extend the invite to cover all services.

Health & Safety



Areas for improvement:

To ensure fire safety roles within Surrey Heath House are properly resourced, additional fire wardens and fire coordinators will be trained. In addition, Fire Incident Control Commanders will be introduced at the Corporate Management Team (CMT) level to strengthen emergency response leadership.

An updated version of the Council's Health & Safety Policy is scheduled for publication. Training provision will be reviewed and delivered through the 'WorkRite' system, with an increase in system administrators planned to improve resilience and support.

Membership of the Safety Committee will be expanded to include greater representation from union and staff representatives, enhancing engagement and ensuring a broader range of perspectives in health and safety governance.

Weaknesses that have been addressed in-year:

Health & Safety management oversight has been strengthened through the introduction of six-monthly reports to the CMT, alongside monthly one-to-one meetings between the Safety Officer and the relevant Head of Service. These measures aim to ensure continued accountability, transparency, and improvement in statutory compliance across the Council's estate.

HOUSING, COMMUNITY & RECREATION**Community Services****Areas for improvement:**

An upcoming change in staffing within Community Services may provide opportunities to restructure current staffing structure and therefore make further savings to meet the target of £327,000 saving through the transformation programme.

Governance weaknesses that have been addressed in-year:

Increases in charges to Meals at Home and Windle Valley Day Centre had not been agreed by Executive for 2025/26. Therefore, an urgent Executive report was written and presented to the Executive in March 2025 in time for charge increases to be made.

Leisure and Recreation**Areas for improvement:**

Thorough reviews will be conducted of all rent renewals to verify the accuracy of terms, figures and financial data, along with addressing any discrepancies promptly and ensuring full compliance with associated lease agreements.

The Recreation Team has been working with the Internal Audit team to conduct a detailed audit of the leisure centre contract, ensuring compliance with the contract terms and identifying any areas requiring improvement.



Governance weaknesses that have been addressed in-year:

Improved Procurement Procedures have been addressed by collaborating closely with the Procurement Manager to ensure all projects are tendered via Delta framework, all relevant officers have undergone procurement training to ensure adherence to regulatory requirements and internal policies.

Housing Resettlement

Areas for improvement:

The assessment process of resettlement families, including the action plans used for families on a short, medium and long-term basis has been reviewed.

In order to promote independence, well established families coming to the end of their support will have their support approach reviewed.

Governance weaknesses that have been addressed in-year:

Due to the ending of the FSP contract, an opportunity arose for one of the FSP Team Leaders to be redeployed and therefore was able to swiftly take up the role as new Resettlement Team Leader.

Safeguarding

Areas for improvement:

Safeguarding Policy needs to be reviewed and renewed annually to reflect change in processes by the Community Safety Officer and Safeguarding Lead.

Governance weaknesses that have been addressed in-year:

Safeguarding concerns, raised by officers, were not being consistently recorded or stored in a central location, making it difficult to access and review relevant information efficiently. Therefore, a JotForm has now been created for officers to complete to raise safeguarding concerns.

ASSURANCE FROM INTERNAL AND EXTERNAL AUDIT

The Council receives assurance each year in the form of the annual report from Internal Audit and the opinion of the Section 151 Officer. This is presented to senior management and is taken to Audit Standards and Risk committee annually.

The Internal Audit team completed twenty individual audits for the period 2024/25, and action plans were agreed with managers to mitigate risks and improve overall controls.

An annual report was presented to the Audit Standards and Risk committee in 2025 where it was reported that the internal auditors' opinion for 2024/25 was that the Council's internal



control environment and systems of internal control in the areas audited were adequate and effective.

Selected audit recommendations reported in 2024/25	Agreed action
<p><u>Cash and bank</u></p> <p>Focused on cash handling procedures, security of cash collection and safety of staff, cash reconciliations undertaken, the service provided by the cash collection company, banking and the operation of the post room.</p> <p>Cash receipting was tested in detail including income received from card transactions payments made through the Kiosk as well as online payments and telephone enabled transactions.</p>	<p>Improvements were recommended relating to updating bank mandates with up-to-date officer information which have since been actioned. Controls were found to be operating effectively for the areas examined as part of the audit.</p>
<p><u>Debtors and Income</u></p> <p>The audit for 2024/25 focused on raising debtor invoices correctly and on time, and around the debt process and chasing unpaid debt.</p>	<p>A total of nine recommendations were raised in respect of improving the debt write off process and more effective debt recovery action including better use of the inhouse legal team for debt recovery.</p>
<p><u>Creditors and Expenditure</u></p> <p>The scope of the creditors audit covered the payment run processes, reviewing exception reports run from Civica.</p>	<p>No material weaknesses were found, and no recommendations were made.</p>



Selected audit recommendations reported in 2024/25	Agreed action
<p><u>Payroll</u></p> <p>The annual payroll audit examined controls operating over new starters, leavers, overtime and time sheeted claims submitted by staff as well as how the Council is verifying its Establishment.</p>	<p>A number of areas were recommended for improvement including controls over the offers of employment, and improvements to the checks being conducted with the Establishment. These actions have since been implemented.</p>
<p><u>Facilities Management</u></p> <p>The audit included reviewing the building security procedures and arrangements to manage office security and associated records, building and facilities maintenance procedures and records, as well as reviewing the performance of the cleaning contract and cleaning staff performance, service records, and inspection reports.</p>	<p>The audit identified areas where improvements could be made. The correct number of quotes should be obtained when commissioning works goods or services. Re tendering the service/maintenance contract for the lifts. Review of fixed wire testing and emergency lighting. The audit also suggested improvements to the cleaning contract in particular cleaning inspections, site inspections, and adherence to KPIs.</p>

The Council's External Auditor provides assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of securing and improving value for money.

The 2019/20 through to 2022/23 statement of accounts and cumulative value for money report was prepared in line with the Government backstop dates, and reported to Audit, Standards and Risk Committee.

Grant Thornton are the appointed auditors from 2023/24, and they signed off a disclaimed set of accounts for 2023/24 in line with the Government backstop dates.

Self-assessment and review of key outcome indicators

The key outcome indicators below have been used to assess the quality of governance arrangements in 2024/25:



Issues Identified	Performance for 2024/25
Formal reports by the Section 151 Officer or Monitoring Officer	None
Outcomes from Standards Committee of Monitoring Officer investigations	One matter referred to Standards Committee. Monitoring Officer's Annual Standards Report presented to Audit Standards and Risk Committee
Proven frauds carried out by members or officers	None
Objections received from local electors	None
Local Government Ombudsman referrals upheld exceed national average	No
Unsatisfactory/limited internal audit reports	None

Follow up of issues identified in the previous financial year for 2023-24

The 2023/24 Annual Governance Statement highlighted six areas for improvement. The table below sets out the actions that have been taken to address these issues in the current year:



Issues for 2024/25	Action already taken/to be taken
Preparation for elections in 2025 including the County Council elections in May 2025 and any by elections	Due to LGR the May 2025 elections were postponed by central government.
Progress Community Governance Review of Windlesham Parish Council	Community Governance Review for the whole Borough underway. The consultation finishes on 19 September 25. Following an analysis of the responses, a report to Council will make recommendations.
The Council faces cost pressures to establish a sustainable budget by the end of the MTFS in 2028	The Transformation project has identified saving across the Council.
The Council is experiencing higher than preferred staff retention issues in some areas. This is recognised within our People Strategy but is likely to increase in 2024/25 due to cost pressures referred to above	Plans have been introduced through the adopted People Strategy.
Publication of new National Planning Policy Framework 2024 and proposed Planning reforms.	Update training of Planning staff and weekly workshops to discuss cases and officer recommendations.
Continued development of risk management processes including identifying the Council's risk appetite	Quarterly risk management officer meetings and reporting to Audit Standards and risk committee.



Issues for 2025/26

Apart from the issues outlined above, the Council has identified the following areas to be addressed during the coming year, and any action planned.

Issues for 2025/26	Action already taken/ to be taken
Preparation for LGR	Fortnightly LGR Officer meetings, regular member briefings. Staff training and update sessions, dedicated single point of contact for PMO information requests.
Community Governance Review	Resident consultation undertaken and officer and member working group set up.
The Council faces cost pressures to establish a sustainable budget by the end of the MTFS in 2028	The Council has established a base budget review process that has been successful so far. It is recognised that more needs to be done to establish a balanced budget and therefore a transformation programme has been initiated to review organisational design, property management, digitalisation, potential shared services, discretionary services, and cost management. Projects within the programme will be established by the end of 2024/25 and will be implemented between 2025 and 2028
Staff retention during LGR	Regular staff briefings, organising well being events, offering training to support staff through LGR.

CONCLUSION

The publication of this report and Annual Governance Statement demonstrates that the Council has complied with the Local Code of Corporate Governance consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (including the Framework Addendum, Covering the Annual Review and the Annual Governance Statement - May 2025) for the reporting period 1 April 2024 to 31 March 2025 and provides assurance over the Council's governance arrangements together with identifying areas of future focus and improvement.

It should be noted that the evidence provided in support of this year's Annual Governance Statement was correct as at 31 March 2025 and primarily reflects the performance of the



Council for the preceding 12 month period. The report does not contain any significant issues that the Council has been subject to since 1 April 2025 as these will be included in the following year's Statement.

Whilst the Statement aims to be transparent the Council recognises that Council wide improvements are needed in a number of areas and the Council is facing many challenges and obstacles, it is nonetheless heading in the right direction which is evidenced by continuous improvement in some of these areas. The organisation remains committed to maintaining and where possible improving these arrangements over time.

Nick Steevens
Chief Executive

Signed

Cllr Shaun Macdonald
Leader of the Council

Signed

