

Annual Governance Statement 2025/26

1. Background and Scope of Responsibility

Welcome to the Council's Annual Governance Statement for 2025/26.

As a public authority, the Council is responsible for ensuring that its business:

- Is conducted in accordance with the law;
- Operates to the highest standards in public life; and
- Accounts for public resources in an open and transparent manner.

The Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions and services are delivered and to achieve value for money for the Taxpayer.

To meet these objectives, the Council is expected to have the highest possible governance arrangements in place.

Governance is about how the Council runs its business and it underpins everything that the Council undertakes. Without robust arrangements, there is a greater risk that failures will occur.

Satisfactory corporate governance is essential in demonstrating that there is credibility and confidence in public services.

In discharging the overall responsibility the Council is responsible for putting into place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has an approved Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Satisfactory Governance in Local Government' 2016. The Code sits within the Council's Constitution: [Local Code of Corporate Governance](#) and was last reviewed in June 2025. The Code is subject to an annual review and is due for review in June 2026.

The Council has responsibility for conducting a review of its governance framework including the system of internal control.

The review is informed by the Internal Audit Annual Report, the work of the Audit and Governance Committee, the comments of external auditors and other review agencies and inspectorates, and the work of the Leadership Team who have responsibility for the development and maintenance of the internal control environment.

This Annual Governance Statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015.

The Council's arrangements comply with each of the principles in the CIPFA/SOLACE Framework - Delivering Satisfactory Governance in Local Government.

2. Propriety in the Conduct of Council Business

An indication of how well the Council is performing, is to review any propriety matters that arose in the year, i.e., how well does the Council, its Members and Officers behave compared to accepted standards, values and the rule of law.

An overview for is provided below.

- ✓ **Codes of Conduct:** no breaches found.
- ✓ **Register of Interests:** Some late notifications are currently under review.
- ✓ **Whistleblowing:**
A referral was made to the Monitoring Officer in 2025 who carried out an initial assessment, in line with the Council's policy. It was determined the matter was not whistleblowing.
A further referral was made in May 2026; an initial assessment of that matter determined the matter was not whistleblowing.

✓ **ICT Security:**

No matters arose.

✓ **Fraud and Corruption:**

The case of ‘career polygamy’ reported in 2024/25 AGS remains an ongoing criminal case. During 2024/25. The Council received formal notification from another English local authority concerning an agency worker who had been engaged within the Housing Service from 2021-24. The notification advised that the individual in question had been found to be engaged in “career polygamy” – simultaneously undertaking paid work for more than one employer without proper disclosure. The other local authority had entered into a contract with the agency worker at the same time they were already engaged with South Derbyshire District Council for an estimated period of six months.

The other Council has pursued legal action and South Derbyshire has provided information to support this. A court date has been set for April 2027 and the Council may be called as a witness as part of the trial.

Reportable Incidents

<p>Complaints to the Local Government and Social Care Ombudsman</p> <p>At the time of publishing this Annual Governance Statement, we are awaiting the Ombudsman’s letter.</p>	<p>We are aware that the Ombudsman’s Office received 7 complaints; 5 were assessed, closed and not investigated, 2 were not concluded during this period.</p> <p>The LGO made no findings of maladministration.</p>
<p>Health and Safety (H&S)</p> <p>There were 46 reportable incidents under H&S Regulations in the year April 2024 – April 2025 . Six classed as RIDDOR reportable incidents and notification was sent to the HSE. No further action was taken by the HSE in relation to these six incidents.</p>	<p>The Council undertook its own investigation in each case and updated procedures and training where this was necessary.</p>

3. Corporate Governance issues identified during 2025/26

Throughout the year and in the period leading to publication of this Annual Governance Statement, the Council has continued to monitor known governance system weaknesses, with work in progress to address them.

Internal control weaknesses

During 2024/25, the Council identified three broad areas of governance and internal control weaknesses requiring attention - issues relating to asset disposals, the authorisation and payment of overtime, and compliance with procurement requirements for agency staff.

While these issues were identified during 2024/25, the timing of the associated investigations and the development of remedial actions has meant that they have progressed into 2025/26. In particular, the matters concerning asset disposals and agency staff procurement required further detailed review by Internal Audit, with findings and action plans only being concluded during 2025/26.

Accordingly, although originating in 2024/25, these issues continue to be reflected within the 2025/26 Annual Governance Statement, where the outcomes of investigations and progress in implementing remedial actions can be fully reported and monitored. Ongoing actions pertaining to these

improvement areas are detailed in the actions in Table 1 and Table 2 below.

Additionally, during 2025/26 a number of instances of non-compliance with the Procurement Act 2023 were identified. These primarily relate to the previously reported issues concerning agency staffing (with a total spend of c.£800,000, as well as the procurement of key supplies and services supporting statutory functions within Operational Services (totalling c.£1.3 million during the year). Significant transformation activity is currently underway in respect of procurement arrangements, and a further action has been established to monitor and report improvements in compliance. Further confirmation of compliance against the Council's Contract Procedure Rules remains under analysis at the time of drafting this statement and may be updated as part of the production of the final version, post audit.

Information Governance

During 2025/26, the Council continued to strengthen its Information Governance framework and compliance arrangements. Improvements were achieved in Freedom of Information, Environmental Information Regulations and Subject Access Request compliance, supported by updated procedures, guidance, templates, training and oversight arrangements. Whilst the number of reported personal data breaches increased during the year, this is considered to reflect improved staff

awareness and reporting practices rather than a decline in compliance.

A targeted corporate campaign to increase completion of mandatory Data Protection and Cyber Ninja training delivered significant improvements, supported by management communications and enhanced monitoring arrangements. Whilst progress has been made in addressing historic compliance gaps, further work is required to embed Privacy by Design, develop a comprehensive corporate Record of Processing Activities (ROPA), strengthen Data Protection Impact Assessment (DPIA) processes and further improve mandatory training compliance. These activities will support the Council's ongoing governance improvement programme and preparedness for Local Government Reorganisation.

The Council's Constitution

The Council's Constitution was updated at Annual Council in May 2026.

4. Internal Auditor's Opinion

The Internal Audit Report 2025/26 is due to be considered by the Audit and Governance Committee at its meeting on 24 June 2026.

The Council's Chief Audit Executive intends on issuing the opinion that there is "Reasonable Assurance". This means that "South Derbyshire District Council's framework of governance, risk management

and control is adequate and effective" and that "where weaknesses were identified, there has been evidence of appropriate management action to address them within a reasonable timescale".

The opinion is based on the following, which has been extracted from the Chief Audit Executive's report:

- *The level of coverage provided by Internal Audit was considered adequate.*
- *Work has been planned and performed to obtain sufficient information and explanation considered necessary in order to provide evidence to give reasonable assurance that the organisation's control environment is operating effectively.*
- *The changing risk environment within the Council has been taken into account during the 2025-26 financial year.*
- *Our insight gained from our interactions with Senior Management and the Audit & Governance Committee during 2025-26.*
- *As far as I am aware, and according to the information available to me at this time, there have been no significant new governance failings arising at the Council during 2025/26.*
- *The Council has been actively involved in Derbyshire-wide proposals for local government reorganisation (LGR). This is a developing governance challenge, that*

introduces substantial governance risks around:

- *Organisational change.*
- *Future governance structures.*
- *Financial resilience.*
- *Partnership governance.*
- *Programme management.*
- *Workforce capacity.*
- *During the year the Council has advanced a major capital project involving a new leisure centre and civic offices, which inevitably brings about governance challenges and a requirement for strong oversight.*
- *In 2024/25 the Council transitioned to broader executive leadership model to strengthen strategic capacity, transformation delivery, and resilience. Recent departures from the Senior Leadership Team have resulted in an interim organisational structure that has redistributed responsibilities over the remaining management team. This presents the Council with capacity and governance challenges in the short term.*
- *An internal audit of the Council's Corporate Governance arrangements was concluded in August 2025. An overall assurance rating of Reasonable was determined with only 3 low risk recommendations being raised, which*

management had already addressed to our satisfaction by the conclusion of the assignment.

- *Overall, the Council's risk management arrangements appear to be reasonably mature and formally well-established, with a robust oversight and challenge framework. An internal audit review of the Council's Risk Management framework was concluded in July 2025. An overall assurance rating of Reasonable was determined with one moderate risk recommendation and one low risk recommendation being raised; both of which have now been addressed by management to our satisfaction.*
- *The Council's Risk Management Framework was amended in October 2025 to incorporate our audit recommendations to include a reporting lines flowchart and an update to outline how the risk appetite should be used. In addition, the risk register template and committee reporting structure were both updated.*
- *Following the Council's self-referral to the Regulator of Social Housing and current grading against the Housing Consumer Standards of C3 (Serious failings with significant improvement required), the Council remains within an active improvement and recovery phase. This continues to be a major area*

requiring continued governance monitoring and assurance activity. As such an audit of this area is planned for 2026-27.

- *Internal Audit's root cause analysis of the Council's processes to recruit agency workers and the monitoring of agency spend, concluded that the Council was not operating sufficient controls to ensure that the engagement of agency workers was in accordance with approved Council rules and processes as well as the overarching requirements of Procurement Regulations. An overall assurance rating of 'Limited' was concluded, with seven moderate risk recommendations and two low risk recommendations. All nine recommendations have been accepted by management and actions to address each of the control weaknesses have been set target dates for completion later in 2026.*
- *Our audit of Asset Management was recently concluded where we examined the internal controls around asset disposals and record keeping in Operational Services. An overall assurance rating of 'Reasonable' was concluded, with two moderate risk recommendations and six low risk recommendations. All eight recommendations have been accepted by management and actions to address each of the control weaknesses have been set target dates for completion later in 2026.*

- *Internal Audit has been asked to investigate the circumstances leading a situation where overtime payments have been made to the wrong employee, to determine whether there is any indication of wrongdoing, whether the internal control regime is sufficiently robust and whether this is an isolated incident. Currently our investigation indicates that the wrong payment was due to a processing error and that it was an isolated incident, but our investigations are highlighting fundamental weaknesses in the internal control regime around overtime claims and payments.*
- *The significant issue highlighted by the People Management (HR Policies) audit assignment was agreed to be addressed by management by the end of June 2026. Management has already verbally reported to the Audit & Governance Committee that significant progress has been made towards achieving the agreed actions to review the out-of-date policies identified by the audit.*
- *I have recently been made aware of a concern of malpractice that has been raised with the Council and I shall be monitoring the actions of the Council to ensure due process has been followed and the matter has been properly investigated.*

- *The Council continues to procure a Corporate Fraud service from a neighbouring local authority, which provides key support to the Council's Anti-Fraud objectives and continues to identify significant cashable and value for money savings for the Council.*

This conclusion is provided with the following caveats:

The opinion does not imply that Internal Audit has reviewed all risks, controls and governance arrangements relating to the Council. The opinion is substantially derived from the conduct of risk-based audit work and takes into account known limitations to the scope of Internal Audit's work. As such, it is only one component that is considered when producing the Council's Annual Governance Statement.

No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give absolute assurance.

Full implementation of all agreed actions is essential if the benefits of the control improvements detailed in each individual audit report are to be realised.

5. External Audit

There has been significant national backlog in the external audit of local authority accounts in recent years, driven by capacity issues across

the audit sector and increased regulatory requirements.

This has affected councils across England including South Derbyshire District Council. However, the backlog has now been cleared, following Audit and Governance Committee consideration of the auditor's report for 2021/ 22 and 2022/ 23 and recommendations for the approval of the accounts to the Finance and Management Committee in November 2024, followed by receipt of the auditor's report and the approval of the 2023/ 24 accounts in February 2025.

Due to the time elapsed and the constraints faced by auditors, disclaimers of opinion were issued for all three years, meaning the external auditors were unable to provide a definitive opinion on the accounts.

The clearing of the backlog represents a significant milestone in restoring timely financial reporting.

As part of Forvis Mazars LLP External Audit Completion Report, no new risks were identified in 2024/25, however there was a continuation of matters identified in prior years.

Continuation of recommendations identified in 2023/24.

1. Non-compliance with Housing Consumer Standards - The Council has taken appropriate steps to respond to the significant weakness identified following its self-referral. The Council should put in place arrangements to ensure actions within the Housing improvement plan are delivered on time and

achieve the intended impact on service quality and tenant safety, with appropriate oversight in place.

Status – Ongoing . The Council has developed and begun implementing a comprehensive Housing Service Transformation Plan, completed the stock condition surveys and begun producing both a 30-year Business Plan and a 5-year asset management plan informed by Tenant consultation. The Transformation Plan actions run through to April 2026.

2. Procurement Controls – The Council should put in place arrangements to ensure procurement improvement actions are delivered and that all agency spending complies with agreed contracts.

Status – Ongoing. The Council has already reviewed and strengthened its arrangements for engaging temporary staff and has also commissioned an internal audit of these arrangements. The findings will be presented to the next meeting of the Audit and Governance Committee and will set out how the Council intends to further enhance its approach.

3. Procurement Governance Monitoring. The Council should strengthen monitoring of procurement effectiveness including consideration of regular reporting to Audit and Governance Committee.

Status – Ongoing. The first Annual Procurement Effectiveness and Impact report was delivered to Audit and Governance Committee in September 2025 and this will be undertaken on an annual basis. Quarterly management monitoring will be implemented from Q4 2025/26, with information considered by Leadership Team as part of its quarterly review of council performance.

4. Arrangements to approve the HRA and Capital Budgets – The Council should ensure future budgets are developed and approved in line with the Constitution.

Status – Complete. The Council actioned the recommendation in 2024/25. In response to this recommendation constitutional amendments were implemented including a wider governance restructuring to strengthen overall governance, particularly in relation to budget setting.

Recommendations for improvement identified in the External Audit Completions Report for 2024/25.

1. Management override of Controls – The Councils financial ledger lacks built-in approval controls to prevent unauthorised journal postings. The Council should implement a control that mitigates the risk of management override of controls. This could require

all journals to be reviewed and authorised by someone independent and for senior officers, introduce an oversight check so that any high-value or unusual journals are reviewed by another appropriate officer.

Status – Ongoing. The Council identifies this risk and has proposed to investigate with Unit 4 the possibility of implementing a system change to address this, if possible.

However, the Council does have mitigating processes in place to ensure that only authorised journals are posted into the general ledger. All journals must have appropriate authorisation (in email form) prior to posting to the ledger. This has been audited internally and deemed an appropriate control measure.

2. Valuation of Council Dwellings and Other Land & Buildings – The Council needs to ensure complete and accurate information is available from the external valuation expert, including clear justification and supporting evidence for any uplift percentages applied to assets not subject to full revaluation. The Council should implement a review process to challenge and verify these assumptions against independent market data before valuations are incorporated into the accounts.

Status – Ongoing. The Council will implement a review as part of the year end processes 25/26, which will compare percentage uplifts applied by

the external valuation expert to independent market data. Any significant differences will be challenged with the external valuation expert via email and any responses documented to provide an audit trail of events in preparation of the final audit.

3. Debtors and Creditors Listing - The Council's ledger cumulatively carries forward debtor and creditor balance each year, creating material opening balances that comprise accumulated amounts from prior periods. We recommend implementing transaction-level matching, improving reconciliations and documentation, and reviewing historic balances to validate the reported figures.

Status – Ongoing. The Council agrees that the system carries forward cumulative balances during year end closedown and these balances alone cannot clearly identify individual customer or supplier balances.

However, reconciliations are completed monthly and reconciled against individual customer and supplier balances, through aged debtor and creditor reports generated on the system.

4. Corporate Peer Challenge - The Council has not undertaken corporate peer review challenge or equivalent

governance benchmarking exercise since 2019, in light of significant governance weaknesses in areas such as housing compliance and procurement controls and the increasing financial challenge, the Council should consider its overall effectiveness through an independent corporate peer review or an equivalent performance benchmarking exercise.

Status – Ongoing. The Council is undertaking a review of its overall effectiveness through an independent corporate peer review during July 2026.

5. Local Government Reorganisation – The Council needs to maintain effective and transparent governance arrangements for Local Government Reorganisation, including clear leadership and appropriate oversight by the Audit and Governance Committee.

Status – Ongoing.

6. Effectiveness

Prior Year – 2024/25

The assurance review for 2024/25 identified one significant issue relating to non-compliance with the Regulator for Social Housing Consumer Standards and a further 17 improvements were also identified which are set out in the table below.

Implementation of 7 of these total 18 improvements remains underway and will now

be captured and monitored as part of the improvements for 2025/26.

Full details of the review for the 2024/25 financial year can be found in the Assurance and Evidence document for 2024/25 which was published alongside the Annual Governance Statement.

The table below shows the actions from 2024/25 and their current status.

Table 1 – Areas of improvement identified during 2024/25 and current status

Improvement	CIPFA / SOLACE Principle	Original Timescale for Implementation	Actual / Expected Revised Timescale for Implementation	Owner	Current Status
AGS24-1 Embed new Council Values into and enhance the Council's employee performance management framework (1/1, PDR)	A	Completed	Completed	Head of Organisational Development	Completed.
AGS24-2 Develop Behaviours and Skills Framework and integrate into employee cycle as part of People Strategy	A	April 2026	April 2027	Head of Organisational Development	Carried Forward Action Remains Underway.
AGS24-3 Implement actions to meet compliance with the Housing Consumer Standards and findings of internal Housing Services review.	A	April 2025	March 2027	Head of Housing	Carried Forward Action Remains Underway.

Improvement	CIPFA / SOLACE Principle	Original Timescale for Implementation	Actual / Expected Revised Timescale for Implementation	Owner	Current Status
AGS24-25 Implement findings of Planning review.	A	March 2025	July 2026	Head of Planning	Carried Forward Action Remains Underway.
AGS24-9 Develop organisational approach to customer satisfaction surveys.	B	March 2025	March 2026	Assistant Director – Resources and Transformation	Completed.
AGS24-12 Implement new approach to tenant engagement in Housing as part of Housing Service Improvement Working Group action plan.	D	April 2025	April 2026	Head of Housing	Completed.
AGS24-14 Review corporate information management systems and develop and commence implementation of modernisation / digitisation action plan.	D	March 2025	December 2026	Head of Transformation	Carried forward action remains underway.
AGS24-17 Define scope and timetable for future Corporate Peer Challenge.	E	December 2024, suspended due to LGR	May 2026	Chief Executive	Completed.
AGS24-18 Review Council benefits package and need for Employee Assistance Programme as part of People Strategy.	E	April 2026	April 2026	Head of Organisational Development	Completed.
AGS24-22 Implement all actions to fully comply with CIPFA Financial Management Code.	F	September 2025	September 2026	Head of Finance	Carried Forward Action Remains Underway.

Improvement	CIPFA / SOLACE Principle	Original Timescale for Implementation	Actual / Expected Revised Timescale for Implementation	Owner	Current Status
AGS25-1 Update the Terms of Reference for Policy Committees.	A	May 2026	May 2026	Assistant Director – Law and People	Completed.
AGS25-2 Implement recommendations arising from Internal Audit investigations around internal control weaknesses concerning procurement of agency staff.	A	April 2026	September 2026	Head of Organisational Development	Carried Forward, Action Remains Underway
AGS25-3 Implement recommendations arising from Internal Audit investigations around internal control weaknesses concerning Operational Services asset disposals and record keeping.	A	To be determined once the audit has been completed.	December 2026	Head of Operational Services	Carried Forward Action Remains Underway.
AGS25-4 Implement recommendations arising from investigation around internal control weaknesses concerning overtime payment procedures.	A	September 2025	September 2025	Head of Finance	Completed.
AGS25 –5 – Review EIA approach and efficacy.	C	April 2026	April 2026	Head of Organisational Development	Completed.
AGS25-6 Review committee report template format and roll out training to report writers	C	May 2026	May 2026	Assistant Director – Law and People	Completed.
AGS25-7 – Develop revised Procurement Strategy	D	April 2026	October 2025	Assistant Director – Resources and Transformation	Completed.
AGS25-8 - communications campaign to be taken forward during 2025/26 to raise profile of identifying and acting upon suspected or actual fraud.	F	April 2026	April 2026	Assistant Director – Resources and Transformation	Completed.

Review of Effectiveness 2025/26

Overall, the review of the Council's governance arrangements is informed by the Internal Audit Annual Report, the work of the Audit and Governance Committee, the comments of external auditors and other review agencies and inspectorates, and the work of the Leadership Team who have responsibility for the development and maintenance of the internal control environment.

During the 2025/26 year and up until the publication of this statement, two governance weaknesses identified during 2024/25 requiring attention remain. During the year, there were further governance issues concerning compliance with procurement regulations. These matters are set out on pages 3-4 of this statement and remedial actions are set out in the table below.

Additionally, to aid the Leadership Team, an additional annual review is undertaken considering evidence identified to support where the Council meets the CIPFA/SOLACE guidance and sets this out in the Assurance Review and Evidence document. Governance areas are given an assessment scoring as follows:

- Satisfactory – Satisfactory governance exists and there are no improvements required
- Requiring Improvement – Satisfactory governance exists but improvements are required to meet Satisfactory governance
- Requiring Significant Improvement – Significant issues with governance exist which needs addressing.

Areas identified as requiring improvement or requiring significant improvement are reported within the annual governance statement and remedial actions are outlined. The Audit and Governance Committee will review on a 6-monthly basis the progress of remedial actions.

In total, there are two improvement actions identified following the assurance review. Full details of the review can be found in the Assurance Review document for 2025/26 which is published alongside this Annual Governance Statement and can be found from page 14 of this document.

The table below is an extract summary from the Assurance Review and includes details of the improvement areas identified. Based on learning around the timescales associated with implementing improvements, the table has been modified to show the likely timescale for implementation. Actions are assigned to relevant Heads of Service or Assistant Directors.

Table 2 – Areas of improvement identified during 2025/26 (including items carried forward from 2024/25)

Improvement	CIPFA / SOLACE Principle	Original Timescale for Implementation	Actual / Expected Revised Timescale for Implementation	Owner
AGS24-2 Develop Behaviours and Skills Framework and integrate into employee cycle as part of People Strategy	A	April 2026	April 2027	Head of Organisational Development
AGS24-3 Implement actions to meet compliance with the Housing Consumer Standards and findings of internal Housing Services review.	A	April 2025	March 2027	Head of Housing
AGS24-25 Implement findings of Planning review.	A	March 2025	July 2026	Head of Planning
AGS24-14 Review corporate information management systems and develop and commence implementation of modernisation / digitisation action plan.	D	March 2025	December 2026	Head of Transformation
AGS24-22 Implement all actions to fully comply with CIPFA Financial Management Code.	F	September 2025	September 2026	Head of Finance
AGS25-2 Implement recommendations arising from Internal Audit investigations around internal control weaknesses concerning procurement of agency staff.	A	April 2026	September 2026	Head of Organisational Development
AGS25-3 Implement recommendations arising from Internal Audit investigations around internal control weaknesses concerning Operational Services asset disposals and record keeping.	A	December 2026	December 2026	Head of Operational Services
AGS26-1 Embedding a Consistent, Outcome-Focused Tenant Voice and Scrutiny Framework	D	March 2027		Head of Housing
AGS26-2 Implement strengthened procurement governance and compliance arrangements, including mandatory controls, officer training, and regular monitoring and reporting to ensure all procurement activity complies with statutory requirements and Contract Procedure Rules.	A	March 2027		Assistant Director – Resources and Transformation

7. Overall opinion and conclusion

Conclusion

The Council is satisfied that appropriate governance arrangements are in place, or where it has identified that arrangements require improvement, it is taking the necessary actions to remediate.

The Council also remains committed to maintaining and continuously improving these arrangements. The Council will continue to seek to enhance and strengthen governance arrangements within these areas for improvement and monitor progress made as part of our next annual review.

Signed



Councillor Dr Robert Pearson
Leader of the Council
30 June 2026

8. Statement of Leader and Chief Executive

We have been advised on the implications of the result of the review of the effectiveness of the governance framework carried out by members of the Corporate Leadership Team and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Signed



Dr Justin Ives
Chief Executive
30 June 2026

Assurance Review

2025/26

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

Supporting Principle 1: Behaving with Integrity

Requirement of local authorities to:	Assessment	Evidence	Significant issues	Areas for Improvement	Lead
1. Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	Satisfactory	<p>Constitution sets out separate Members and Employee Code of Conduct, Local Code of Corporate Governance, scheme of delegation and financial and contract procedure rules.</p> <p>Established complaints procedure.</p> <p>Member complaints procedure.</p> <p>Head of Paid Service, Monitoring Officer and s151 Officer posts filled on permanent basis.</p> <p>HR policies and procedures.</p> <p>Fraud policy framework in place.</p> <p>PDR system for employees.</p> <p>Standards and Ethics report taken to Audit and Governance Committee regularly.</p> <p>Leadership Team and regular Heads of Service and Leadership Team meeting.</p> <p>New set of Council Values adopted during 2024/25, following consultation with employees, support behaving with integrity and acting in the public interest.</p> <p>Constitution reviewed and updated, following governance review. All areas adopted by Council May 2025 except for updated Committee Terms of Reference to align with organisational management structure.</p> <p>Annual review of Constitution taken forward in May 2026.</p>	None	None	None

Requirement of local authorities to:	Assessment	Evidence	Significant issues	Areas for improvement	Lead
2. Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	Satisfactory	New Council Plan 2024 – 2028, adopted 2024, set out new Council Values.	None	None	
3. Leading by example and using these standard operating principles or values as a framework for decision making and other actions	Satisfactory	<p>Council Plan sets out 4 main overarching priorities, and committee report format requires confirmation of which priority is decisions support.</p> <p>Monitoring of performance and new corporate project approach structure aligned with Council Plan priorities.</p> <p>Values embedded into performance management framework – with PDR framework and alignment to council values in 2024. New 1/1 template developed.</p> <p>Communications and Engagement Strategy adopted.</p>	None		

4. Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively

Satisfactory

New Council Plan 2024 – 2028, adopted 2024, set out new Council Values.
Other key values embedded across organisation, such as: Anti-fraud and corruption policy, register of interests and annual declaration of related parties, whistle blowing policy, complaints policy, members and officers code of conduct.
Committee meeting minutes show declarations of interest were sought and appropriate declarations made.

None

Communications and Engagement Strategy adopted.

Supporting Principle 2: Demonstrating strong commitment to ethical values

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Seeking to establish, monitor and maintain the organisation's ethical standards and performance	Satisfactory	New Council Plan 2024 – 2028, adopted 2024, set out new Council Values. Standards and Ethics report taken to Audit and Governance Committee regularly.	None	None	
2. Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	Requiring Improvement	Existing employee performance management framework in place, but plans for review. New Council Plan 2024 – 2028, adopted 2024, set out new Council Values. Values embedded into performance management framework – with PDR framework and alignment to council values in 2024. New 1/1 template. Further work to develop a Behaviours and Skills Framework and integrate into employee cycle included in People Strategy 2025 – 2028.	None	AGS24-2 Develop Behaviours and Skills Framework and integrate into employee cycle as part of People Strategy	Head of Organisationa l Development
3. Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	Requiring Improvement	New Council Plan 2024 – 2028, adopted 2024, set out new Council Values. New Equality and Diversity Policy approved by F&MC April 2024. Values embedded into performance management framework – with PDR framework and alignment to council values in 2024. New 1/1 template.	None	As per AGS24-2	As per AGS24-2

Further work to develop a Behaviours and Skills Framework and integrate into employee cycle included in People Strategy 2025 – 2028.

4. Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	Satisfactory	Role and scope of partnerships well defined for key partners (e.g. Everyone Active, Toyota). Procurement exercises include assessment criteria around social value which is incorporate into contracts and subsequently monitored.	None	None
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Supporting Principle 3: Respecting the rule of law

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	Requiring Significant Improvement	Constitution is adhered to and reviewed regularly. Scheme of delegation aligned with laws and regulations. Statutory provisions are adhered to. Legal implications considered as part of decision making. Head of Paid Service, Monitoring Officer and s151 Officer in place. Monitoring Officer role part of Leadership Team.	None	None	
		Housing Service Transformation plan approved April 2025. Action plan remains in implementation.	AGS24-3 Implement actions to meet compliance with the Housing Consumer Standards and findings of internal Housing Services review.		Head of Housing
		Planning review implementation nearing completion, service review December 2025.	AGS24-25 Implement findings of Planning review.		Head of Planning
		Actions to address corporate governance related weaknesses identified during 2024/25,	AGS25-2 Implement		

relating to the disposal of assets and the procurement of agency staff are in the process of being implemented.

During 2025/26, Internal Audit investigations were undertaken on both these matters, with reports received. Overarching actions remain recognised against this requirement, to address internal control weaknesses around asset disposals and procurement, to address the findings and recommendations of the Internal Auditor.

Further procurement non-compliance issues identified during 2025/26, with a programme of transformation and improvements underway to ensure compliance with both Public Contracts Regulations 2023 (PCR23) and the Council's own Contract Procedure Rules.

recommendations arising from Internal Audit investigations around internal control weaknesses concerning procurement of agency staff

AGS25-3
Implement recommendations arising from Internal Audit investigations around internal control weaknesses concerning Operational Services asset disposals and record keeping.

AGS26-2
Implement strengthened procurement governance and compliance arrangements, including mandatory controls, officer

Head of HR and Organisational Development

Head of Operational Services

Assistant Director – Resources and Transformation

training, and regular monitoring and reporting to ensure all procurement activity complies with statutory requirements and Contract Procedure Rules.

<p>2. Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p>	<p>Satisfactory</p>	<p>Job descriptions and roles of statutory officers are well defined. Structure of the Leadership Team ensures statutory officers are included in key decision making. The Section 151 Officer role complies with CIPFA’s Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2016). Draft Code of Practice on Satisfactory Governance for Statutory Officers being implemented. Awareness of Statutory Officer roles raised with Heads of Service. Other key postholders: Safeguarding lead in place and appropriate mechanisms, corporate focus and support in place. Nominated DPO and arrangements for managing data protection issues reviewed during 2024/25 and</p>	<p>None</p>	<p>None</p>	<p>None</p>
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		dedicated resource agreed as part of 2025/26 planning, implemented during the 2025/26 year.		
3. Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	Satisfactory	Arrangements in place for obtaining and recording of legal advice. Reports requiring a decision are considered by Finance, Legal and HR and other corporate teams as necessary, as well as Statutory Officer, before being considered by the relevant decision committee.	None	None
4. Dealing with breaches of legal and regulatory provisions effectively	Satisfactory	Proper arrangements in place for the provision of legal advice and recording such., Monitoring Officer referenced to give advice and ensure Council's operates within the law at all times.	None	None
5. Ensuring corruption and misuse of power are dealt with effectively	Satisfactory	Whistleblowing policy, anti-fraud and corruption policy in place. Procedure set out in policy document.	None	None

Core Principle B: Ensuring openness and comprehensive stakeholder engagement

Supporting Principle 1: Openness

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	Satisfactory	FOI requests actively responded to, website, online publishing of expenditure. Published committee work programmes.	None	None	
2. Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	Satisfactory	Record of decision making and supporting materials. Standard report format used. The Council's governance framework aims to ensure it sets and meets its objectives and responsibilities in a lawful, timely, open, inclusive and honest manner; and that its use of public money and resources are safeguarded, properly accounted for and used economically, efficiently and effectively.	None	None	
3. Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	Satisfactory	Decisions well documented with supporting information and advice included. Committee Work Programmes in place. Calendar of dates for submitting, publishing and distributing timely reports is adhered to for all committee meetings. All Committee meetings open to the public, except for exempt items. Formal procedures and rules set out in the Constitution.	None	None	

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
<p>4. Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action</p>	<p>Satisfactory</p>	<p>We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. budget consultation, Council Plan 2024 – 2028.</p> <p>Employee surveys carried out in 2025/26 and second due to finalise 2026/27..</p> <p>Need for customer and staff satisfaction surveys to be scoped across all organisation.</p> <p>Communications and Engagement Strategy adopted, which aligns with the Council Plan and ensures that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns.</p>	<p>None</p>		

Supporting Principle 2: Engaging comprehensively with institutional stakeholders

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	Satisfactory	Formal and informal partnerships in place. Regular diarised meetings with appropriate senior officers and partners (Toyota, Derbyshire CEX, EMFreeport and East Midlands Investment Zone etc).	None	None	
2. Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	Satisfactory	<p>Strong partnership working across the Council – e.g. Internal Audit shared service via Central Midlands Audit Partnership.</p> <p>There are a a range of partnerships and collaborative relationships in place, with new emerging. They have appropriate legal agreements and governance commensurate with the nature of the partnership, depending on factors such as legal status, membership, risk, subject matter. They range from more informal arrangements such the Derbyshire Chief Executive Group, to the more formal legal arrangements governing the Etwall Joint Management Committee and Derbyshire Business Rates Pool.</p> <p>The Council’s principle partnership is the South Derbyshire Partnership which includes agencies from health, police, parish and county councils, together with local voluntary services and local businesses.</p> <p>A part of integrated care model, involvement in Derbyshire Place Board, Place Alliance and Health and Wellbeing board.</p>	None	None	

Derbyshire Leaders Group in place. Various Chief Officer Groups.
The Council appoints its Members to a variety of outside bodies at Annual Council each year.

Effective and ongoing engagement with all Derbyshire Councils in respect of Local Government Reorganisation.

3. Ensuring that partnerships are based on: trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit

Satisfactory

As above.

None

None

Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits Supporting Principle 1: Defining outcomes

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
<p>1. Having a clear vision which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation’s overall strategy, planning and other decisions</p>	<p>Satisfactory</p>	<p>New Council Plan defines the vision for the Council, including values and priorities. New Service Plans implemented for 2025/26 and are developed based on the Council Plan. The quarterly monitoring report and Annual Report details performance against the performance measures and actions. Enhancement to performance management framework underway and to be fully implemented in 2024.</p>	<p>None</p>		
<p>2. Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</p>	<p>Requiring Improvement</p>	<p>Intended impacts set out in Council Plan and Service Plans. Committee report format required details of impacts on stakeholders to be set out. Equality Impact Assessment tool requires intended impacts to be considered.</p> <p>EIA approach reviewed during 2025/26.</p> <p>Committee format reviewed 2025/26 to ensure maximising the consideration of impacts.</p>	<p>None</p>	<p>None</p>	

3. Delivering defined outcomes on a sustainable basis within the resources that will be available	Satisfactory	Service Plans developed annually for each service area. Monthly performance and finance monitored by Leadership Team. Quarterly reports monitored by Leadership Team and Policy Committees.	None	None
4. Identifying and managing risks to the achievement of outcomes	Satisfactory	<p>Monthly performance and finance monitored by Leadership Team. Quarterly reports monitored by Leadership Team and Policy Committees.</p> <p>New risk management framework approved and embedded. Adoption of new strategic risk register, monitored on quarterly basis by Leadership team, including new Corporate Risk Group to support more effective management of risk across the organisation. Responsibility for risk management transferred to Audit and Governance Committee from May 2025.</p>	None	
5. Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available	Satisfactory	Priorities and use of resources as set out in new Council Plan.	None	None

Supporting Principle 2: Sustainable economic, social and environmental benefits

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	Satisfactory	Social and economic impact of policies in decisions actively considered and a requirement of committee report format. Social value considered as part of procurement exercises.	None	None	
2. Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	Satisfactory	Record of decision making and supporting materials made available publicly on website. 5-year Medium Term Financial Strategy in place. Strong practice of longer-term financial assessment of decisions in place.	None	None	
3. Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	Satisfactory	We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. 2025/26 budget consultation, Council Plan 2024 – 2028 consultation. Communications and Engagement Strategy adopted, which aligns with the Council Plan and ensures that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns.	None		

4. Ensuring Requiring Improvement access to services	Satisfactory	<p>All new policies presented for approval require Equalities Impact Assessment to be completed and regularly reviewed as part of ensuring Requiring Improvement access.</p> <p>Equality and Diversity Policy approved April 2024. Process in place for equalities impact assessments.</p> <p>Equalities and Diversity Action Plan in place.</p> <p>EDI Steering Group.</p> <p>EDI managed by HR and a core part of HR Officer role</p>	None	None
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Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes Supporting Principle 1: Determining interventions

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	Satisfactory	Where appropriate and commensurate with the scale and impact of decision, committee report will detail associated options appraisals and risks.	None	None	
2. Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	Requiring Significant Improvement	<p>We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. 2025/26 budget consultation, Council Plan 2024 – 2028 consultation.</p> <p>In April 2024, the Council made a self-referral to the Regulator for Social Housing, upon identifying that it did not meet 2 of the 5 Housing Consumer Standards. One area of non-compliance related to the engagement of tenants in the Housing Service. Improvements are under development by the Housing Service Improvement Working Group.</p> <p>The Housing Service Transformation Plan which was approved by Committee in April 2025, has a comprehensive Action Plan which was originally due to be concluded by April 2026 and is now expected April 2027. Key actions from this are to enhance the role and scope of tenant engagement for example by inviting tenants to attend the Housing Services Working Group. Whilst actions were taken forward during 2025/26 (AGS24-12) and complete, the Regulator has provided the Council with further feedback regarding the current assurance</p>	AGS26-1 Embedding a Consistent, Outcome-Focused Tenant Voice and Scrutiny Framework	None	Head of Housing

gaps they consider around tenant influence and outcomes; scrutiny activity and feedback and communication. A new action to be taken forward in 2026/27 is captured as part of this AGS to track progress against these targeted improvement requirements.

Supporting Principle 2: Planning interventions

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	Satisfactory	<p>Calendar dates for all Council meetings agreed in advance, reports published in a timely manner ensuring a robust planning cycle.</p> <p>Monthly performance and finance reports monitored by Leadership Team;</p> <p>Quarterly reports monitored by Leadership Team and Policy Committees.</p> <p>Performance Management Framework enhanced and updated during 2024/25</p>	None		
2. Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	Satisfactory	<p>We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. 2025/26 budget consultation, Council Plan 2024 – 2028 consultation.</p> <p>Communications and Engagement Strategy adopted, which aligns with the Council Plan and ensures that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns. In April 2024, the Council made a self-referral to the Regulator for Social Housing, upon identifying that it did not meet 2 of the 5 Housing Consumer Standards. One area of non-compliance related to the engagement of tenants in the Housing Service. Improvements are under development by the Housing Service Improvement Working Group.</p> <p>The Housing Service Transformation Plan which was approved by Committee in April 2025, has a comprehensive Action Plan which was originally due to be concluded by April 2026 and is now expected April 2027. Key actions from this are to enhance the role and scope of tenant engagement for example by inviting tenants to attend the Housing Services Working Group. Whilst actions were taken forward during 2025/26 (AGS24-12) and complete, the</p>	None	As per AGS26-1	As per AGS26-1

Regulator has provided the Council with further feedback regarding the current assurance gaps they consider around tenant influence and outcomes; scrutiny activity and feedback and communication. A new action to be taken forward in 2026/27 is captured as part of this AGS to track progress against these targeted improvement requirements.

3. Considering and monitoring risks facing each partner when working collaboratively including shared risks	Satisfactory	Strong partnerships exist in some areas. Partnership agreements exist where necessary for financial/legal/governance/risk reasons, formal agreements are put in place.	None	
4. Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	Satisfactory	Delegated responsibility in some areas. Delegated decision making in some areas. Governance review undertaken in 2025 and refreshed 2026. Constitution reviewed and updated, following governance review.	None	
5. Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	Satisfactory	KPIs established in Council Plan and Service Plans. Quarterly Performance Reports are considered by Policy Committees.	None	None
6. Ensuring capacity exists to generate the information required to review service quality regularly	Requiring Improvement	Service quality issues are identified via performance monitoring management information. Evidence of this includes the review of two services deemed inefficient through performance monitoring (Housing and Planning), which were instigated during the 2024/25-2025/26 year, both of which will	None	AGS24-14 Review corporate information management systems and develop and commence implementation of modernisation / digitisation action plan Head of Transformation

undergo significant improvement processes in 2024/25 and beyond. The capacity for these reviews was bought in, via a consultancy arrangement.

In-House Transformation team newly created in 2024/25 to reposition business change resources to be able to take forward a rolling programme of reviews, utilising a range of corporate management information, including internal and benchmarking: performance information, customer feedback (complaints, compliments and customer engagement), employee survey data and HR data. .

Modernisation and digitisation of information management around service quality required in some areas – e.g. performance management system, HR sickness data management, Housing tenancy management.

7. Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan	Satisfactory	Aligned Strategic and Financial Planning timetable now embedded, allowing for a more integrated approach.	None	None
8. Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at	Satisfactory	Overhauled budget development process for 2025/26, building on that implemented for 204/25 planning, allowing for realistic estimates of medium-term impacts. Medium Term Financial Strategy approved April 2024, which sets out 5-year planning timeframe and sustainable position over this period (subject to funding reform). Medium Term Financial	None	None.

developing a sustainable
funding strategy

Plans refreshed twice per year. Sustainable Finance Plan agreed as part of strategy, with £11m of additional income and savings in expenditure to be achieved over the period. Sustainable Finance Programme mobilised during 2024/25, with robust project and programme framework enabling delivery of projects. Commitment to increase income through commercialisation initiatives and projects. Ongoing MTFP reviews embedded with examples of investments not approved due to affordability constraints evidenced as a result of financial planning approach.

Supporting Principle 3: Optimising achievement of intended outcomes

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	Satisfactory	MTFS and budget co-created with Members, Leadership Team and Heads of Service, with strategic view of service priorities and aligns to Council Plan.	None	None	
2. Ensuring the budgeting process is all inclusive, taking into account the full cost of operations over the medium and longer term	Satisfactory	Overhauled budget development process for 2025/26, building on that implemented for 204/25 planning, allowing for realistic estimates of medium-term impacts. Medium Term Financial Strategy approved April 2024, which sets out 5-year planning timeframe and sustainable position over this period (subject to funding reform). Medium Term Financial Plans refreshed twice per year.	None		
3. Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	Satisfactory	<p>Progressive Medium Term Financial Strategy that sets that context for financial decision making. MTFP updated twice per year or more frequently if information is received warrants an update. Sustainable Finance Plan agreed as part of strategy, with £11m of additional income and savings in expenditure to be achieved over the period. Sustainable Finance Programme mobilised during 2024/25, with robust project and programme framework enabling delivery of projects and member oversight.</p> <p>Ongoing MTFP reviews embedded with examples of investments not approved due to affordability constraints evidenced as a result of financial planning approach.</p>	None	None	

4. Ensuring the achievement of 'social value' through service planning and commissioning.	Satisfactory	Social value considered through procurement processes. i.e. new build Council housing. Greater emphasis on social value application through Council spend a feature of revised Procurement Strategy.	None
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Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Supporting Principle 1: Developing the entity's capacity

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness	Requiring Improvement	<p>Reviews of structures, ways of working and performance carried out as necessary.</p> <p>Property Services team established asset register.</p> <p>Asset Management Strategy in place.</p> <p>Acquisitions and Disposals Policies.</p> <p>Internal Audit concluded during 2025/26 with regards to internal control weakness identified during 2024/25 around record keeping of plant and machinery assets. Actions to address are in the process of being implemented.</p>		AGS25-3 - Implement recommendations arising from Internal Audit investigations around internal control weaknesses concerning Operational Services asset disposal and record keeping.	Head of Operational Services

<p>2. Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently</p>	<p>Satisfactory</p>	<p>Services encouraged to make use benchmarking data. Organisational approach to benchmarking to be reviewed and requirements determined. The Council utilises benchmarking as a strategic tool to improve decision making, efficiency and service delivery. Key performance indicators are highlighted within the Council Plan for benchmarking and benchmarking partners have been identified and are utilised.</p>	<p>None</p>
<p>3. Recognising the benefits of partnerships and collaborative working where added value can be achieved</p>	<p>Satisfactory</p>	<p>Strong partnership working across the Council.</p>	<p>None None.</p>
<p>4. Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</p>	<p>Satisfactory</p>	<p>People Strategy approved.</p>	

Supporting Principle 2: Developing the capability of the entity’s leadership and other individuals

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	Satisfactory	Regular Leading Members meetings between the Leader, Deputy Leader, Chairs of the 3 policy committees, the Chief Executive and Executive Directors. Robust member induction programme, with specific and significant training. Code of Conduct for all members. “Building capacity for finance” training programme undertaken by all members during 2023/24 and now embedded as annual. Ongoing member training programmes. Specific Audit and Governance Committee training programme under development for 2025/26.	None	None	
2. Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	Satisfactory	Regular review of delegation and financial Regulations. Constitution.	None.	None	
3. Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other’s authority	Satisfactory	Clear roles and responsibilities with the Chief Executives objectives set and monitored by Leader.	None.	None	

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
<p>4. Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> • Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged • Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis • Ensuring personal, organisational and system- wide development through shared learning, including lessons learnt from governance weaknesses both internal and external 	Satisfactory	<p>Members trained as and when required. Formal induction process for new administration and new members. Robust member induction programme, with specific and significant training planned.</p> <p>Personalised support for Committee Chairs, led by relevant Leadership Team lead.</p> <p>Self-assessment undertaken for Audit-Sub Committee against CIPFA guidance. All resultant actions arising from this review (including establishment of stand-alone Audit and Governance Committee and preparation of an Annual Report to Council) implemented or on track for implementation by October 2025.</p> <p>Risk and performance management frameworks both updated and embedded during 2024/25.</p>			
<p>5. Ensuring that there are structures in place to encourage public participation</p>	Satisfactory	<p>As set out above, the Council complies with statutory consultations and often goes above this. Customer Feedback model, but more development required around customer satisfaction information gathering and wider customer engagement.</p>	None	None	None

6. Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	Satisfactory	Members performance monitored, Members held to account by scrutiny and call-in arrangements. Corporate Peer Challenge scheduled for July 2026.	None	None	None
7. Holding staff to account through regular performance reviews which take account of training or development needs	Satisfactory	Staff PDR process in place, include robust assessment of training needs. Strong approach to employee training. Enhancements made to employee performance management framework and plans underway to develop a Behaviours and Skills Framework .	None	As per AGS24-2	As per AGS24-2
8. Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	Satisfactory	Discount on leisure facilities for staff. Counselling service around family, personal, debt, workplace, home and health issues. Coaching and mentoring available. People Strategy under development to support Council in becoming Employer of Choice. Sickness management ongoing. Employee Assistance review during 2025/26.	None		

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

Supporting Principle 1: Managing risk

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	Satisfactory	New risk management framework developed, adopted and embedded during 2024/25. Approach embedded.	None		
2. Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	Satisfactory	New risk management framework developed, adopted and embedded during 2024/25. Business Continuity plans by service area developed and approved by Leadership Team during 2024/25. Approach embedded. Emergency Planning arrangements managed via Derbyshire Resilience Partnership.	None		
3. Ensuring that responsibilities for managing individual risks are clearly allocated	Satisfactory	Risk Management framework recently reviewed and in place. Risk owners understood. Approach embedded.	None		

Supporting Principle 2: Managing Performance

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	Requiring improvement	<p>Monitoring of service delivery currently completed through Council plan and for 2024/25 service plans also.</p> <p>Calendar of monitoring dates and reporting dates adhered to by the organisation.</p> <p>As above, Modernisation and digitisation of information management around service quality required in some areas – e.g. performance management system, HR sickness data management. Links with improvement above around customer survey data</p>	None	As per AGS24-14	As per AGS24-14
2. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook	Satisfactory	Committee report template allows for robust consideration of all relevant factors for a decision.	None	None	
3. Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and	Satisfactory	<p>Overview and Scrutiny Committee in place.</p> <p>Further developments for scrutiny undertaken during 2025/26 around the scoping of reviews and ensuring sufficient information around purpose of review and intended outcomes is effectively communicated, particularly in the context of LGR.</p> <p>Increased use of scrutiny in the development of policies and strategies as appropriate, during the year and more rounded scrutiny reviews as a consequence of review.</p>	None		

effective decision making

4. Providing members and senior Satisfactory management with regular reports on service delivery plans and on progress towards outcome achievement	Calendar of dates published and reporting dates adhered to	None	None
5. Ensuring there is consistency Satisfactory between specification stages (such as budgets) and post implementation reporting (eg financial statements)	Standing orders in place. Approval reports separate from financial updates	None	None

Supporting Principle 3: Robust internal control

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Aligning the risk management strategy and policies on internal control with achieving the objectives	Satisfactory	Risk management strategy, audit plan and regular None audit reports.		None	
2. Evaluating and monitoring the authority's risk management and internal control on a regular basis	Satisfactory	Risk management framework in place and embedded..		None	
3. Ensuring effective counter fraud and anti- corruption arrangements are in place	Satisfactory	Anti-fraud and anti-corruption policies in place Fraud arrangements strong via inclusion in fraud partnership with Derby City. Anti-fraud and corruption communications campaign taken forward during 2025/26 to raise profile of identifying and acting upon suspected or actual fraud.		None	
4. Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	Satisfactory	Internal audit arrangements via Central Midlands Audit Partnership adequate with internal audit actively involved in service improvement.	None	None	

5. Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon

Satisfactory

Self-assessment previously undertaken for Audit-Sub Committee against CIPFA guidance. All resultant actions arising from this review (including establishment of stand-alone Audit and Governance Committee and preparation of an Annual Report to Council) implemented. New Independent Members recruited January 2026.

None

Supporting Principle 4: Managing Data

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	Satisfactory	Policies in place for data management and data protection. Designated data protection officer. Nominated DPO and arrangements for managing protection issues currently under review. Designated Safeguarding Officer and lead. DPO resourced reviewed during 2024/25, with new resources implemented during 2025/26.			
2. Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	Satisfactory	Data Protection Impact Assessments completed where required under legislation to identify and mitigate risks in advance of data sharing activities. Data sharing agreements in place and data processing agreements where necessary. We ensure all suppliers and services are compliant with data protection and UK GDPR legislation.	None	None	
3. Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	Satisfactory	Regular internal audits carried out.	None	None	

Supporting Principle 5: Strong public financial management

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	Requiring Improvement	<p>Self-assessment exercise undertaken by the Section 151 Officer has identified some areas of non-compliance against the CIPFA Financial Management Code. Actions to address these areas require implementation.</p> <p>Finance team review undertaken and implemented during 2024/25, ensuring appropriate capacity and expertise, now embedded.</p>	None	AGS24-22 Implement all actions to fully comply with CIPFA Financial Management Code	Head of Finance
2. Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	Satisfactory	Budget monitoring reports and regular reviews. Greater engagement required between finance and services.			

Core Principle G: Implementing Satisfactory practices in transparency, reporting, and audit to deliver effective accountability

Supporting Principle 1: Implementing Satisfactory practice in transparency

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	Satisfactory	<p>Website user friendly, annual report.</p> <p>Training undertaken with Heads of Service May 2024 on report writing approach and processes.</p> <p>Further work needed to ensure use of “plain English”.</p> <p>Communications and Engagement Strategy adopted, which aligns with the Council Plan and ensures that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns.</p>	None		
2. Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	Satisfactory	<p>Website user friendly, annual report.</p> <p>Annual Report produced in accessible format.</p> <p>Further work needed to ensure use of “plain English”.</p> <p>Communications and Engagement Strategy adopted, which aligns with the Council Plan and ensures that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns.</p>	None		

Supporting Principle 2: Implementing Satisfactory practices in reporting

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Reporting at least annually on performance, value for money and the stewardship of its resources	Satisfactory	Annual report, Statement of Accounts.	None	None	
2. Ensuring members and senior management own the results	Satisfactory	Members and Leadership Team approve reports. Informal engagement undertaken as necessary.	None	None	
3. Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate Satisfactory governance (annual governance statement)	Satisfactory	Annual governance statement. In-depth self-assessment review against principles undertaken on an annual basis as part of embedded approach – results of which are set out in this paper. Actions of this AGS are monitored via the Audit and Governance Committee on a 6monthly basis.	None	None	
4. Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	Satisfactory	Annual governance statement, application of policies where Council works in partnership with other organisations.	None	None	
5. Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	Satisfactory	Format follows best practice	None	None	

Supporting Principle 3: Assurance and effective accountability

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring that recommendations for corrective action made by external audit are acted upon	Satisfactory	Recommendations from external audit acted upon. Compliance of Internal Audit arrangements with the Public Sector Internal Audit Standards. Regular communication between S151 Officer and Internal Audit Manager. Regular communication between S151 Officer and External Auditor.	None	None	
2. Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	Satisfactory	Internal Audit report directly to Audit and Governance Committee. Audit and Governance Committee Chair has met independently with Internal Audit during the 2025/26 year. Recommendations from internal audit acted upon with internal audit being actively engaged to assist with service improvements.	None	None	
3. Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	Satisfactory	Members performance monitored, Members held to account by scrutiny and call-in arrangements. Corporate Peer Challenge last undertaken in 2019 and now due for revisit.	None	As per AGS24-17	As per AGS24-17
4. Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	Satisfactory	Role and scope of partnerships well defined for key partners (e.g. Everyone Active, Toyota). Regular diarised meetings with appropriate senior officers and partners.	None	None	
5. Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	Satisfactory	Role and scope of partnerships well defined for key partners (e.g. Everyone Active, Toyota). Regular diarised meetings with appropriate senior officers and partners.	None	None	