



DARLINGTON

Borough Council

ANNUAL GOVERNANCE STATEMENT (AGS) 2024/25

(UNAUDITED)

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Scope of Responsibility

1. Darlington Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, the Council is responsible for putting in 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.
3. The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government, the 2016 Edition. A copy of the Code is on our [website](#) at or can be obtained from:

Democratic Services
Resources and Governance Group
Town Hall
Feethams
Darlington
DL1 5QT
Tel (01325) 405995

4. This Statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit (Amendment) Regulations 2024, in relation to the publication of an AGS.

The Purpose of the Governance Framework

5. The governance framework comprises the systems and processes and culture and values, by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate leads the community. The governance framework is intended to help the Council plan and deliver sustainable economic, environmental and social outcomes while living within its resource limits and enable the Council to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate services and value for money.
6. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The 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.

7. 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 Statement of Accounts.

The Governance Framework

8. The key elements of the Council's governance framework are tabulated in Appendix A to this statement which also indicates their relevance to the following seven core principles that underpin good governance: -
 - (a) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
 - (b) Ensuring openness and comprehensive stakeholder engagement.
 - (c) Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - (d) Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - (e) Developing the entity's capacity, including the capability of its leadership and the individuals within it.
 - (f) Managing risks and performance through robust internal control and strong public financial management.
 - (g) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.
9. Each key element, as detailed in the Council's Local Code, has a nominated lead officer, outlines the duty to which it relates and includes three discrete types of action:
 - (a) Awareness - making sure that everyone who needs to know about the element does know.
 - (b) Monitoring - ensuring that the duty is carried out.
 - (c) Review - actions to ensure that the element is reviewed in the light of effectiveness and emerging good practice.
10. The governance framework continually evolves to embrace new areas of service and the associated controls, and also to encompass regulatory reviews/recommendations and the Council's financial management arrangements that conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. The governance arrangements also conform to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public service organisations.

Review of Effectiveness

Background

11. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by an Assurance Framework, documented in Appendix B, that includes the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Annual Internal Audit Report, and also comments made by the external auditors and other review agencies and inspectorates.
12. This Statement has been prepared by a management group that has responsibility for evaluating assurances and the supporting evidence. The group comprises the:
 - (a) Chief Executive (Head of Paid Service)
 - (b) Executive Director – Resources and Governance (S151 Officer)
 - (c) Assistant Director Law and Governance (Monitoring Officer)
 - (d) Head of Strategy, Performance and Communications
 - (e) Complaints and Information Governance Manager
13. The Audit Committee is responsible for the independent review and approval of the AGS following examination of the supporting evidence.
14. Assurance on adequacy and effectiveness is outlined under the following categories identified in the Council's Assurance Framework.

External Regulatory Reviews

Adult Services

15. In England, local authorities have a range of statutory duties regarding Adult Social Care. These duties are primarily outlined in the Care Act 2014, Mental Capacity Act 2005, Mental Health Act 1983, Equality Act 2010 and Human Rights Act 1998. The Care Act 2014 reforms how care and support is provided, focusing on promoting individual wellbeing and prevention of need.
16. In 2022 The Care Quality Commission (CQC) Assurance Framework for Local Authorities was introduced. This is a structured approach to evaluating the performance of local authorities in delivering adult services and is aligned with the goals of the Health and Care Act 2022. The inspection for adult services took place in January 2025 with the draft report and outcome received in late March 2025. The service achieved a Good rating in the inspection with an achievement of 73% in the quality statements, demonstrating the service is aware of its strengths, capabilities and development areas.
17. The service will undertake a reflection of the outcome and through the ongoing transformation plan continue to work on the areas of need e.g. equity of experience and equality, diversity and inclusion.

18. CQC will undertake further “themed” inspections within three years to monitor progress.

Children’s Services

19. Darlington Children’s Services are judged as Good overall with Outstanding Services for Children in Care and Care Leavers. Office for Standards in Education, Children’s Services and Skills (Ofsted) Inspectors carried out a full Inspection of the Local Authority Children’s Services (ILACS) in October 2022 whereby this judgement was reached. A further focused visit on Children in Need and Children in need of Protection was completed in October 2023 and identified that further progress had been made since the last ILACS. Ofsted held an Annual Engagement Meeting on the 10 February 2025 to receive an update on our journey of progress and our priorities for the coming year. Ofsted indicated that the window for a re-inspection of Children’s Services is between 01 April 2025 and 01 April 2026.
20. Children’s Services continue to be a trailblazer for the National Strengthening Families Programme. Whilst formal oversight and input from the Department for Education (DfE) and Leeds City Council ended in 2022 we have continued to develop the programme which informs the key strategic aims for the service for 2025/26. The key focus of the Programme has been on implementing and developing a relational and restorative practice culture, which was recognised and praised by Ofsted during their ILACS in 2022.
21. Despite our Ofsted rating of Good, the service remains focused on further development and are continuing to develop a quality assurance framework that focuses on the impact on children and families of the services they receive. There has been investment and development of the quality assurance team which aims to increase the levels of input from families in assessing the quality of services delivered, and increasing co-production of services with families.
22. Despite the positive progress of the service over the past year, there are nationally experienced challenges to the workforce, led by significant increases in demand for services post pandemic, and workforce challenges due to decreased recruitment and retention of children’s services workers. The service is working hard to mitigate these issues, and also seeking to influence regional and national policy discussions to address these widespread challenges.
23. The publication of the Children’s Well Being and Schools Bill, which is working its way through Parliamentary processes currently, will bring large scale change and reform across the service. The service are engaged in national, regional and local discussions regarding the response and engagement with these planned reforms, with an expectation that changes will be identified over 2025/26 with plans to launch new services from April 2026.
24. Children and families receive services at the earliest stage and at the right level to support their needs through our targeted and multi-agency Early Help offer. Young children develop well, are ready for education and where necessary are supported with targeted speech and language input. Children report their mental health, anxiety and maintaining healthy eating habits as the major impacts of lockdown and supportive services have been put in place to provide advice, guidance and interventions to children and young people.

25. Darlington Borough Council continues to be an active member of the Local Family Justice Board (LFJB) and ensure that we advocate strongly for positive outcomes for children and families within Court Proceedings. The service continues to engage regularly with the Judiciary as well as with CAFCASS, which is the Court appointed advisory service who are involved in Care Proceedings. These relationships are strong and provide critical feedback in relation to the service.
26. Children in need of help and protection are safeguarded through Children's services, which has an embedded effective agile working policy. Whilst many aspects of Children's Services work fully returned to face to face working where this is deemed most appropriate, the service has sought to adapt, develop and modernise as we have learned lessons from the pandemic. This has led to some services being delivered remotely and other aspects of the services (meetings, training) being delivered in an agile way. The focus has been working with staff to understand how they best deliver their services to children and families and then supporting them to do this.
27. Senior leaders recognise there is more to do to ensure that the help and support provided to all children in need of help and protection results in sustained improvements in their lives. The impact of the pandemic in relation to trauma and loss is significant and training for practitioners in trauma informed work has begun, enabling them to provide effective support and interventions that will help maintain family resilience, security and stability.
28. The Local Authority operates five children's residential provisions, having opened a new home over the past year. All homes are subject to annual Ofsted Graded Inspections and monitoring visits in between. Four of the five homes are judged as Good, with one home deemed to require improvement to be Good. We work collaboratively with Ofsted to learn from inspection findings and provide the highest quality care. Monthly independent monitoring, under Regulation 44 of the Children's Homes (England) Regulations 2015 has taken place, which evidences the high-level quality care given to our children and young people from the staff.

Health and Safety Executive (HSE)

29. An inspection of the Council's arrangements for the management of asbestos in its premises was carried out by the HSE in January – February 2025 as part of a planned programme of inspections of local authorities. There were no significant issues raised, no notices or fees for intervention issued. Recommendations for improvement have been actioned and documented in the latest revision of the Asbestos Management Plan.

Special Educational Needs

30. The Area Special Educational Needs and Disabilities (SEND) inspection of Darlington Local Area Partnership took place over three weeks in November 2024, with the inspection team being on site between 25 and 29 November 2024. This inspection was conducted under the Area SEND Inspection Framework introduced in January 2023 jointly by a team of Inspectors from the Office for Standards in Education, Children's Services and Skills (Ofsted) and Care Quality Commission (CQC) and as such is very much a system wide inspection reflecting the need for a system wide response to SEND.

31. Darlington, as a SEND area partnership, was last inspected in 2022 and at that time was required to produce a Written Statement of Action to address areas of weakness. The focus of the inspection at this time was on Local Areas' ability to meet the requirement to convert 'statements' into Education Health and Care Plans (EHCPs) as well as whether there were strong joint commissioning arrangements in place.
32. Since that time much has changed within both a local and national context, including the changed health landscape, with the implementation of Integrated Care Boards and Partnerships (ICBs and ICPs), as well the continued increase in the rise nationally in EHCPs and increased complexity of need including emerging needs post pandemic. Consequently, the new revised inspection methodology very much reflects some of these changes and has a clear focus on outcomes for children.
33. The purpose of Area SEND inspection is to provide an independent, external evaluation of the effectiveness of the local area partnership's arrangements for children and young people with SEND. Where appropriate, recommend what the local area partnership should do to improve the arrangements.
34. There are three possible outcomes to the Inspection, and, unlike Social Care and previous School based inspections, these outcomes are not single word outcomes and are intended to be more outcome focused.
35. Darlington Local Area Partnership report was published on 4 February 2025 and the Partnership was judged to have the middle outcome which recognised the strengths and the positive work that is making a difference to our children and young people but clearly recognises that there is more to do as 'our arrangements lead to inconsistent experiences and outcomes for children and young people with SEND'. This outcome accords with our own partnership self-assessment and comprehensive strategic planning is underway to make further improvements – building upon the areas strengths whilst recognising there is more to do. The local area partnership will next be inspected within three years.
36. The report said children and young people with SEND have a voice in Darlington. They are valued, visible and included in their communities. Children, young people and their families are included in decision-making about the individual support plans and types of support that they receive. There are many positives about the partnership's SEND arrangements and the experiences and outcomes for children and young people with SEND.
37. Inspectors state the local area partnership is committed to improving the education, health and social care services across Darlington which benefit children and young people with SEND. However, inspectors found the partnership's arrangements for some children and young people can lead to inconsistent experiences and outcomes.

Safety Valve Agreement

38. The Department for Education (DfE) as part of its wider SEND reforms, has initiated the 'safety valve' intervention programme. The DfE recognises that over recent years, pressures on high needs budgets have contributed to many local authorities accruing deficits on their Dedicated Schools Grant (DSG). The DfE states that the right response to

tackling this is a multi-faceted approach, which looks to the heart of the issues, taking in the significant increases in high needs funding that have been provided nationally; reform from the upcoming cross government SEND review; and targeted intervention.

39. The programme requires local authorities to develop substantial plans for reform to their high needs systems, with support and challenge from the department's expert team, to rapidly place them on a sustainable footing. If a local authority can demonstrate sufficiently that their DSG management plan creates lasting sustainability, including reaching an in-year balance as quickly as possible, then the department will enter into an agreement with the authority (subject to Ministerial approval). Darlington entered into an agreement in March 2023, that remains in place until 2027.
40. The Assistant Director Education and Inclusion, the Assistant Director Resources, the Head of SEND and the Finance Manager meet on a monthly basis to manage our safety valve progress. The Head of SEND and Finance Manager also meet frequently to look at day to day budget management. COE are updated regularly on progress.

Corporate Planning and Performance Management Framework

41. The focus of the Council Plan is to provide a strategic vision for the Council and in doing so identify the priority actions required to achieve the vision. Service Plans are reviewed annually and are aligned with the Council Plan.
42. A new Council Plan (2024-27) was agreed by Cabinet on 16 July 2024 and approved at Full Council on 18 July 2024. Progress against the plan is reported to Cabinet twice a year, typically July and January to reflect mid year and year end progress.
43. Many performance measures reported to scrutiny committees are already aligned with the Council Plan performance measures, and in most cases this is done on a six monthly basis, with the exception of Children and Young People's Scrutiny Committee being quarterly. Scrutiny committees can request more or different measures, and such requests are responded to as and when they arise.

Transformation Programme

Children's Transformation

44. Our Strengthening Families Plan sets out the activities we identified and agreed to develop to improve Children's Services during 2024/25. The plan focused on key strategic priorities, which include continuing to embed a restorative culture so that the way we work in Darlington reflects the principles and values of restorative and relational practice; to continue developing staff training so we have the right offer in place to sustain and grow practice in Darlington; to support more families to find their own solutions; and to increase in house placement capability.
45. Reporting was through an agreed Strengthening Families Dashboard, highlighting progress to plan, achievements, challenges, risks, and exceptions by strategic priority area. Expected benefits were monitored through a combination of locally identified benefits (performance data and agreed quality measures) and those agreed as part of the Strengthening Families,

Protecting Children Programme (monitored via a programme tool developed by Mutual Ventures).

46. Governance arrangements are through Children's Senior Leadership Team, monthly for operational oversight and bi-monthly reporting into Strengthening Families Board, whose role it is to review overall progress against the plan, exceptions/barriers to delivery and progress with expected benefits realisation. The Board is chaired by the Executive Director of People Services and membership includes, the Assistant Director of Children's Services, Heads of Service for Children's Front Door, Assessment and Safeguarding and Looked After and Resources, the Head of Practice Quality, Head of Performance and Transformation, the Head of Workforce Development, Finance Manager, and the Programme Manager for Children's Services.
47. The Strengthening Families Board continues to effectively monitor progress and manage risk. Our Strengthening Families Plan has been reviewed for 2025/26.

Adults Transformation

48. The Adults transformation programme has been reviewed to reflect the recent changes as indicated in the Health and Care Act 2022. Therefore the programme has updated the four key themes: strengthening practice; market shaping, developing and commissioning; ensuring safety; and strategic leadership/workforce development. The previous themes of managing demand, maximising independence, self- directed support and a cost effective and sustainable market continue to be embedded within the revised programme and are integral to managing safety and risk.
49. Governance arrangements are through Adult Social Care Senior Leadership Team with fortnightly meetings for operational oversight, and monthly with wider Commissioning and Finance input. Monitoring and strategic oversight is shared by Assistant Director for Adult Social Care with Assistant Director for Commissioning, Performance and Transformation and the wider Directorate leadership Team.
50. A quality assurance and improvement framework has been developed to support the governance arrangements and is overseen by the Head of Practice and Quality with support from Workforce Development and Performance teams to ensure clear deliverables, and identified measures are implemented.

Education Transformation

51. The transformation programme has enabled the Council to develop high standard educational opportunities for all and ensure the needs of vulnerable pupils are met. A key element of the programme is developing a modern approach to the local authority role in education by driving change through strategic influence, highly effective partnership arrangements and collaborative networks.

52. The Education Strategy Group (ESG) provides overall strategic direction to educational partnership activity across Darlington, working with the Primary Headteachers Forum, the 11-19 Partnership, Vulnerable Pupil Panel and other partnership groups. It provides overall strategic direction for identified partnership work programmes and funded projects and promotes high standards and inclusive practice to support educational progress and outcomes for all, including the most vulnerable children, children with special educational needs and disabilities and children for whom the partnership has a corporate parenting role.
53. A refreshed transformation programme for 2024-25 has been developed to continue to develop high standard educational opportunities for all and ensure the needs of vulnerable pupils are met. The transformation programme has been refreshed to focus on transition for pupils, implementation of the SEND strategy and the importance of inclusion in schools.

Better Care Fund (BCF)

54. The Better Care Fund (BCF) is a programme spanning both the NHS and Local Government which seeks to join-up health and care services, so that people can manage their own health and well-being and live independently in their communities for as long as possible. The BCF is pooled under a Section 75 agreement under the National Health Service Act (2006).
55. The Darlington BCF Plan is subject to a number of levels of scrutiny to ensure performance against the aims and objectives. These included regional and national scrutiny of quarterly submissions, assurance from the Pooled Budget Partnership, with overall strategic ownership with the Health and Wellbeing Board (HWBB).
56. The BCF national team published their end of year report requirements for local authorities for 2024/25 on 15 April 2025 with a deadline of 6 June 2025. Planning requirements for 2025/26 were published on 31 January 2025 with a submission date of 31 March 2025. The assurance letter is awaited.
57. Operationally, the BCF is overseen by a joint Pooled Budget Partnership Board comprised of the Council and Integrated Care Board (ICB) and Discharge Management and Intermediate Care Delivery Groups, whose membership also includes County Durham and Darlington NHS Foundation Trust (CDDFT), Darlington's Primary Care Network, Tees, Esk and Wear Valley NHS Foundation Trust (TEWV). A joint Commissioning Group has also been established to explore areas for closer alignment between the Council and North East and North Cumbria Integrated Care Board (ICB).
58. Each BCF Plan is required to meet four national conditions in order for the grant to be agreed.
 - (a) Jointly agreed plan between the Local Authority and ICB;
 - (b) Level of social care spend in line with minimum ICB contribution;
 - (c) NHS commissioned out of hospital services (has the area committed to spend at equal or above the minimum allocation for NHS commissioned out of hospital services); and
 - (d) A Plan for improving outcomes for people being discharged from hospital.

59. In addition to the national conditions, there are four metrics against which performance is measured:

Avoidable admissions	Unplanned hospitalisation for chronic ambulatory care sensitive conditions (NHS Outcome Framework indicator 2.3i)
Discharge to normal place of residence	Percentage of people who are discharged from acute hospital to their normal place of residence
Residential Admissions	Rate of permanent admissions to residential care per 100,000 population (65+)
Falls	Emergency hospital admissions due to falls in people aged over 65 per 100,000

Additional Improved BCF Grant

60. The grant is subject to conditions which, in summary, are that the grant may only be used for the purposes of meeting adult social care needs, reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready and ensuring that the local social care provider market is supported.

Health and Safety

61. The council continued to promote a positive health and safety culture and embed health and safety systems to manage risks and protect employees and others effected by council activities during 2024/25.
62. The General Statement of Intent received its annual review in August 2024, signed by the Leader of the Council, Resources Portfolio lead and the Chief Executive. The statement details the Council's ongoing commitment to health and safety and the plan for achieving high health and safety standards and good wellbeing outcomes.
63. Measuring and review of performance are vital for an effective management system and in 2024/25 a programme of health and safety audits was completed, including health and safety management system, and legislative compliance. These audits provide a level of assurance that systems to manage risk are in place and operating well or identify areas for improvement where standards fall short. In 2024/25 a total of 34 audits were completed. The Health and Safety Team has monitored the actions and prompted service areas when

necessary to close actions, work is being carried out with services to remind managers of the importance of taking appropriate action with the set timescales.

64. Investigating and reporting incidents are an important part of health and safety management system, to help to prevent a recurrence and to comply with reporting requirements to the Health and Safety Executive (HSE). In 2024/25 12 work related accidents were reported under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), compared to 10 in 2023/24. RIDDOR also requires the reporting of cases of certain diagnosed occupational diseases, that are linked to exposure to specified hazards at work. In 2024/25 two cases were reported, one of carpal tunnel syndrome and one hand arm vibration syndrome. One case of occupational disease was reported in the previous year and two in the year prior to that.
65. The second health and safety quick survey was carried out in March 2025. The satisfaction score for health and safety in the council is 9.09 out of 10 which is an increase of 0.13 on last year. All questions gained over 90% positive responses. When comparing the responses to the statements across both 2024 and 2025, the highest scoring statement was 'I understand my responsibilities in relation to health and safety at work' which scored a slightly more positive response rate, increasing from 98.17% in 2024 to 98.73% in 2025. The statement which received the highest increase in positive responses in 2025 vs 2024 was 'I believe the Council is a safe and healthy place to work' which went from 89.05% to 92.11%. The statement which received the highest increase in negative responses was 'I report all work-related incidents' which marginally went from 1.42% to 1.52% in 2025. As an outcome of the results and feedback a plan to improve incident reporting has started, which includes drop-in sessions, team meeting discussions, and promoting the EcoOnline 'App'.

Equalities Policy

66. A revised Equalities Policy and objective (2023-27) was approved by Cabinet on 7 March 2023, and covers a 4 year period. Responsibility for corporate equalities sits within the Stronger Communities portfolio. The policy has been subjected to a small number of amendments since it was approved to align with changes to Government guidance, and definitions associated with protected characteristics.
67. The revised equality objective 'To provide ongoing training and support for staff and members to help them meet their duties under the Equality Act of 2010 and continue to report on progress' continues to be delivered through a combination of in-person and online training sessions throughout the year.
68. Performance against the delivery of the Equality Policy Objective (the number of staff and members who have received equality and diversity training) is reporting to the Chief Officers Board (COE) every three months.

Darlington Borough Local Plan 2016-36

69. The Local Plan received a favourable report from the Government Inspector and was adopted at the Council Meeting of the 17 February 2022. The Council has now agreed to start a review of the Local Plan and agreed a new Local Development Scheme which provides a timetable for the review. Ongoing monitoring of the objectives in the Local Plan

is undertaken by officers and any changes or required modifications are referred to Cabinet/Council.

Managers' Assurance Statements

70. Annual Managers' Assurance Statements (MAS) are an integral part of the framework that supports production of the AGS.
71. The Statements cover key aspects of the internal control environment on which assurance is required and were completed by all Assistant Directors and endorsed by the appropriate Director. The output from the current exercise will be reported to the Audit Committee in July 2025.
72. The 2023/24 MAS demonstrate a thorough review has been undertaken and generally an overall positive position was identified. The need to raise awareness/refresh knowledge of the Council's Risk Management Strategy and Anti-Fraud and Corruption Arrangements; review and test Business Continuity Plans (BCPs); ensure officers have completed mandatory training, including equalities training; and raise awareness of the changes to be introduced by the Procurement Act 2018 were all common improvement themes highlighted in the 2023/24 MAS. There were also a number of improvements to process/controls and proposed actions identified by services. These matters were to be progressed by Assistant Directors during 2024/25.

Financial Management

73. The Council's Medium Term Financial Plan (MTFP) incorporates a four-year financial plan. The Council sets its annual revenue budget, capital programme and council tax and treasury management strategy within this wider planning framework. The MTFP, annual budgets and council tax are developed in consultation with partner organisations, residents, businesses and employees and are approved by full Council.
74. The Council continues to face significant and unparalleled financial challenges stemming from a reduction in public funding. This was further compounded in the aftermath of covid as demand for services has risen along with an unstable economic climate, where the country saw the cost of living increasing, high inflation, income deprivation and poverty rising. The Council has met these challenges head on, through value for money service delivery, shared services, economic growth and strong financial management. The Council has a balanced budget up until 2027/28 using reserves, however reserves will be fully utilised during the 2028/29 financial year. Work continues to review all service provision to reduce expenditure or increase income, alongside reviewing the changes to local government funding following the Governments review.
75. The MTFP is continually monitored and reviewed by officers and Members and is revised at least annually when an updated rolling four-year plan is produced.
76. Responsibility for controlling and managing budgets is delegated to directors and devolved to service managers. Financial management is closely integrated with service management and a quarterly update is taken to Cabinet and Economy and Resources Scrutiny Committee to enable them to monitor and scrutinise financial performance and service

delivery.

77. The Council must comply with external financial reporting requirements, including publishing an annual Statement of Accounts ('the Accounts') and reporting to Central Government and other funding providers. The Accounts, which are prepared in accordance with relevant legislation and codes of practice, are approved by the Council's Audit Committee and are independently audited.
78. The Council's cash-flow, borrowing to finance capital expenditure and investments are managed through the Treasury Management Strategy, approved by full Council, and in accordance with legislation and codes of practice. The strategy and associated policies and procedures were reviewed and last approved in February 2025. The Council manages its investments to minimise risk of losses, ensure funds are available when needed and achieve interest income.
79. Governing Bodies have formal responsibility for financial management within maintained schools. A Schools Financial Value Standard (SFVS) has been designed by the Department for Education (DfE) to assist schools in managing their finances and to give assurance that they have secure financial management in place. The Governing Bodies of each local authority maintained school are required to undertake a self- assessment annually against the SFVS and send a copy, signed by the Chair of Governors, to the Local Authority Finance Division. All returns for 2024/25 have been received and overall, they reflect a positive position. Any remedial actions considered necessary are detailed together with an appropriate implementation date. The SFVS returns are used by the Local Authority to inform their programme of financial assessment and audit.

Counter Fraud

80. The Council's Anti-Fraud and Corruption Strategy reflects a zero tolerance approach and is based on a series of comprehensive and inter-related policies and procedures designed to deter, frustrate, or take effective action against any attempted fraudulent or corrupt acts.
81. The counter fraud arrangements are subject to annual review and the revised strategy was reported to the Audit Committee in November 2024. The review included self-assessments against the 'Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Managing the Risk of Fraud and Corruption' and the 'Local Government Counter Fraud and Corruption Strategy 2016-19' checklists; a summary of reported suspected frauds and whistle blowing cases; and an update on the National Fraud Initiative.
82. The review concluded that the Council's arrangements remain appropriate and fit for purpose when compared to national good practice guidance and that overall the number of reported frauds and whistle blowing cases remains low. However, the Council is not complacent and the position will be kept under review.

Risk Management

83. Risk is one of the elements of information incorporated into the Council's service planning process. Risk management is, therefore an essential element in establishing policy,

developing plans and enhancing operational management.

84. The risk management process involves identifying, analysing, managing and monitoring risks. The identification of risks is derived from a 'top down' and a 'bottom up' process of risk assessment and analysis resulting in coverage of the whole Council. The process prioritises the risks resulting in a focus upon the key risks and priorities. The risks are managed through the development of appropriate action plans, allocated to responsible officers.
85. The approach to, and the outcomes from, the Council's annual risk management processes for 2024/25 will be reported to the Audit Committee in July 2025. Based on the assessment of risk as of 20 January 2025, the report will likely detail a number of risks as being above the 'risk appetite line' and generally positive progress upon delivery of action plans to mitigate key risks and outlined advances in the management of operational risks.

ICT

86. The Council's ICT Strategy focuses on three strategic priorities, namely ICT Governance and Service Development, ICT Strategic Architecture, and Council Service Development and Transformation.
87. Implementation of the Strategy is led by the Systems and Information Governance Group (SIGG), chaired by the Executive Director – Resources and Governance as the Senior Information Risk Owner (SIRO) and comprised of Chief Officers Board (COB), the Data Protection Officer (DPO) and a number of other key officers from the Systems Team and Xentrall ICT. SIGG is tasked to produce six-monthly reports on implementation progress to the Audit Committee.
88. Progress reports were considered by the November 2024 and April 2025 Audit Committees and these documented positive progress across each of the three key programmes.
89. In terms of governance and service development, Xentrall ICT successfully retained Cabinet Office certification for the PSN (Public Services Network) as well as taking part in a pilot of the replacement to PSN, the Cyber Assessment Framework (CAF). The CAF has been developed by the National Cyber Security Centre (NCSC) and has a greater focus on the impact of a cyber-attack on key line of business applications. During the year, ICT Services worked closely with the Internal Audit on several audit controls including ICT health checks and a review of the Council's cyber security systems. All were classified as "green" on a red/amber/green rating.
90. Strategic architecture related projects have included:
 - (a) The refresh of the Council's Wide Area Network (WAN) is now complete, with new faster and more reliable fibre connectivity delivered to the 19 remote or satellite sites across the town. These new circuits will deliver significant savings as well as providing the Council with a platform to deliver new and innovative services to residents.
 - (b) Following the completion of the End User Device installs, Microsoft Defender has now been deployed to all corporate servers. This enhanced anti-virus and threat

detection system greatly enhances our security posture and will help reduce the risk of a cyber incident.

- (c) During this reporting period ICT have worked at pace to refresh and replace key technology platforms such as the corporate Virtual Private Network (VPN) which securely manages external access to Council applications e.g. Agresso Finance for schools. The Netcall Call Centre solution has also recently been refreshed and moved on to the Councils virtual server platform. This work removes the need for future investment in physical server hardware and improves availability and reliability for what is a vital point of contact for residents across Darlington.
 - (d) To ensure users benefit from the most update and secure operating system, ICT has completed a project to migrate the Councils 1,700 users from Windows 10 to Windows 11. This work took 12 months and involved extensive testing to ensure the line of business applications used across Darlington continue to work reducing the impact and potential downtime for our users. This work was completed ahead of schedule and well in advance of the end-of-life deadline of October 2025, after which Windows 10 will no longer be supported by Microsoft.
 - (e) As part of our efforts to minimise the impact of a cyber incident a new monitoring tool called Microsoft Sentinel has been procured and installed. This tool will give Xentrall ICT greater visibility of potential suspicious activity across the Council's network as well as the ability to automate security tasks, increasing protection outside of normal working hours.
91. As regards Council Service Development and Transformation, the Council's Systems and Information Strategy complements the ICT Strategy by ensuring that investment in service-based ICT systems is correctly targeted, whilst the ICT Strategy is concerned with corporate systems and underpinning ICT architecture. Development and delivery of the Systems and Information Strategy is by SIGG who approve the work programme requested of the ICT service, thereby ensuring that this finite resource is correctly targeted to meet the objectives of the Council as a whole. During the year, several service-based ICT projects have been successfully completed including the re-development and launch of Hopetown, with the customer wi-fi solution, a great platform for innovative visitor attractions in the future.
92. Xentrall ICT have also continued to support the Council's blended working programme and the continued migration of traditional files and shared folders into Microsoft Teams.

Information Governance

93. The Council has an Information Governance Work Programme shaped by a number of external information assurance requirements that represent good practice and have common objectives, namely compliance with information related legislation, approval to use essential external party systems and services and improvement in service delivery.
94. Implementation of the Programme is led by the Systems and Information Governance Group (SIGG) which is tasked to produce six-monthly reports on implementation progress to the Audit Committee.
95. Update reports considered by Audit Committee in November 2024 and April 2025 noted the ongoing delivery of our information governance programme continues to provide the

assurance required to reduce our information risks to an acceptable level. While that is the case it must be recognised that the data processing activities of the Council continually evolve and must be kept under review and that the processes implemented by the Council include review mechanisms to ensure this takes place.

96. Ongoing work includes:

- (a) The Microsoft Office 365 Programme.
- (b) Cyber Security Phishing Simulations.
- (c) Digital Darlington Strategy and Artificial Intelligence (AI).
- (d) ICT work plan.
- (e) Web Team work plan.
- (f) Systems and Process Teamwork plan.
- (g) Information Governance Team work plan.
- (h) Work to achieve our target for the completion of on-line mandatory information governance training courses.

97. The area of highest priority in the information governance programme is:

- a) The Microsoft Office 365 Programme.

Capital Project Management

98. The Council has an established dedicated Capital Projects Team that operates to a consistent capital project management methodology. This methodology has been developed and is used across the Council on significant projects. Projects can be assigned to the Capital Projects Team for delivery or delivered under the principles and methodology.
99. The Asset Management and Capital Programme Review Board (AMCPRB) perform a strategic gate-keeping role on capital projects and considers their governance arrangements. The Board is chaired by the Executive Director – Environment, Highways & Community Services with membership from chief officers with responsibility for capital projects, Council assets and those with specific technical, financial and legal expertise to add value to challenge and monitor the programme.
100. The Capital Projects Team has responsibility for the coordination of a Project Position Statement (PPS). The PPS provides a single source of key information relating to the Council's commitments on capital projects and programmes monitoring projects that deviate from agreed tolerances in relation to time, cost or quality to enable proactive management. The PPS is reported to the AMCPRB at every meeting and quarterly to Economy & Resources Scrutiny Committee and Cabinet.

101. Further enhancement to the project management systems are underway and a proprietary system (ProBox) has been developed within Xentrall's ICT Work Programme. ProBox has been tested by the Capital Projects Team and training is taking place for sponsors, initiators and project managers ahead of the system going live.

Internal Audit

102. The Council's Internal Audit Division operates to the UK Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note. The Annual Internal Audit Plan is a rolling programme that is risk based and sets the foundation for an objective review of key controls and procedures operating within the Council. The Audit Committee approves the Audit Plan and receives progress reports during the year, including any significant matters arising or other issues of concern, and Internal Audit's Annual Report.
103. Internal Audit concluded in their Annual Report for 2024/25, reported to the April 2025 Audit Committee, that in the opinion of the Assurance Manager the Council continues to have an appropriate, and overall, an effective system of internal control, upon which it can place reasonable reliance to deliver the Council's objectives, and detect fraud and other malpractice within a reasonable period of time.
104. A Shared Internal Audit Service with Stockton Borough Council commenced on 1 April 2017, following the agreement of both Councils. The intention was to future proof the important functions that the service provides while enabling a saving to be achieved, not least in management costs. In particular, the arrangement will enhance the resilience of the service.
105. The Audit Charter 2024/25 for the Internal Audit Shared Service was approved and its Quality Assurance and Improvement Process noted at the April 2024 Audit Committee.

Annual Review of the Effectiveness of the System of Internal Audit

106. The internal review was concluded on a self-assessment basis and concluded that the service complies with the Public Sector Internal Audit Standards.
107. This was confirmed via an external peer review conducted by the Chartered Institute of Public Finance and Accountancy (CIPFA) and reported to Audit Committee in April 2023 which concluded that the Council has an effective system of internal audit.

Xentrall-Shared Service Partnership

108. Xentrall Shared Services, the Stockton and Darlington Partnership, was established in May 2008. The Xentrall services are:
- (a) Xentrall Design & Print (Printing Services, Design Services, Displays & Exhibitions)
 - (b) Xentrall Finance (Creditors, Debtors, Banking, Income, System Support & Development)
 - (c) Xentrall HR (Payroll, Pensions, Recruitment, System Support & Development)
 - (d) Xentrall ICT (Service Centre, Platform, Applications, Architecture Strategy, Information Security)

109. The original business case identified a number of efficiencies and benefits to be delivered resulting in initial savings of £7.4m over the original ten-year period of the partnership. The successful partnership has delivered all these plus additional efficiencies and benefits and significant additional savings. At the same time the quality and performance of services have improved, with both customer and staff satisfaction increasing over the life of the partnership.
110. This is a significant achievement for a public/public partnership and it compares very well to other private sector partnerships many of which have failed over the same period or been brought back in-house for a variety of reasons. Both councils have benefited both financially and through a continued programme of service improvements brought throughout the lifetime of the partnership.
111. In recognition of the on-going success of this public/public partnership, in 2015 Members agreed to amend the original ten-year period to an on-going rolling agreement, which continues to this day.

Partnership Working

112. In March 2007, Cabinet adopted a Partnership Toolkit to provide a means to ensure that the Council's resources were effectively employed, the performance of each partnership was monitored and adequate governance arrangements were in place. As part of the toolkit, a clear definition of a partnership and those classed as significant was documented and this included whether the arrangement was a major contributor towards achieving the Community Strategy objectives. The toolkit that comprises a questionnaire is completed by the Council Lead Officer for each partnership.
113. In July 2021 Council considered a report on changes made to partnership working in Darlington. It detailed that it had been agreed by partners that the Partnership Board cease and be replaced by a Public Sector Executive Group (PSEG), with other partnership arrangements to be developed. Also, the report recommended as a result of the change in circumstances that the Sustainable Community Strategy (SCS) cease to be used as a strategic lead for the Borough and that the lead is provided to partners by the Council Plan. PSEG constitutes a significant partnership and is now subject to the governance arrangements set out in the Partnership Toolkit.
114. There are annual reviews of significant partnerships led by the Darlington Partnerships Director based upon the completion of an annual review form and the provision of evidence demonstrating the governance arrangements have been adhered to. The outcomes from the 2023/24 review were reported to the Audit Committee in July 2024. The outcomes from the 2024/25 review will be reported to Audit Committee in July 2025.
115. The July 2024 report summarised the range of partnership working undertaken by the Council and all significant partnerships in Darlington have provided evidence that they are performing well and that they are adhering to the governance arrangements are in place.
116. Partnership Lead Officers recognise and accept that ensuring governance arrangements remain relevant is an ongoing process. For example, Terms of Reference are reviewed

periodically to ensure that they remain fit for purpose and risk registers are regularly updated to reflect emerging risks and changes in circumstances.

117. The toolkit has been effective in identifying high level concerns of the significant partnerships. Reduction in funding and the consequent effect on capacity are the predominant issues raised by Lead Officers that have potential implications for the effective operation of the partnerships. Each partnership which has indicated this as an issue is monitoring closely.

Commissioning

118. The Council has refreshed its key commissioning strategies namely the Adults Social Care Market Position Statement and Commissioning Strategy 2024 - 2027 (MPS) and the Looked After Children and Care Leavers Commissioning and Sufficiency Strategy Refresh for 2025 - 2026. The latter reflects changes at national level, namely the Stable Homes Built on Love Strategy, the Competition and Markets Authority review of placements, and the new Ofsted Supported Accommodation Regulations.
119. The Adults MPS, sets out the key pressures facing Adult Social Care and our vision for the future. It sets out how Darlington will meet its statutory obligations under the Care Act 2014, which places a duty on Local Authorities to facilitate and shape the local market for care and support: to ensure sustainability, diversity, and to be continuously improving and innovating services. The MPS also acknowledges pressures within the health and social care sector across the Integrated Care System (ICS). It is our ambition that the MPS will evolve over time to become a system-wide, place-based document.
120. The Commissioning and Contracts Team within the People Group supports the delivery of the strategies outlined above, supporting the delivery of a sustainable and diverse care market across Adults Social Care and Children's Services (social care, SEND and education), and ensuring services safe, affordable and sufficient to meet the needs of the most vulnerable people in the community.
121. Providers continue to be well supported during another challenging year. We work in partnership with providers through regular contract and coordination meetings and service specific provider forums. We have also supported the market through the timely allocation of additional national financial support including the Adult Social Care Discharge Fund, the BCF (Better Care Fund), and the Market Sustainability and Improvement Fund.
122. As well as operating our own quality assurance arrangements across People Group commissioned services, officers have also continued to work with safeguarding, the Care Quality Commission (CQC) and the Office for Standards in Education, Children's Services and Skills (Ofsted) to ensure services are safe and provide good outcomes for people.
123. Children's commissioned provision continues to be resilient, notwithstanding significant market challenges. Again, at a strategic level these arrangements are supported by the multi-agency Joint Children and Young People Commissioning Group. This group mirrors adults arrangements and oversees commissioning projects in Children Social care and Special Educational Needs and Disabilities (SEND).

124. A Joint Commissioning Board for Adults (Darlington Locality Oversight Group) is in place with key partners including County Durham and Darlington NHS Foundation Trust (CDDFT), Tees, Esk and Wear Valleys NHS Foundation Trust (TEWV), North East and North Cumbria Integrated Care Board (ICB) and the Darlington Primary Care Network. This group provides strategic oversight of the key delivery groups/funding streams supporting joint commissioning, the prevention agenda and hospital discharge arrangements.
125. These arrangements continue to be supported by the robust integrated governance arrangements in place, which include: the weekly Multi-Agency Local Accident and Emergency Delivery Board (LADB); and weekly Darlington's Social Care and Health Systems Pressures Meeting. Hospital discharges are also well supported with relatively low level of delayed transfers of care being experienced in Darlington.

Joint Ventures

126. The Council is investor and shareholder of a number of joint venture companies delivering small housing developments within Darlington and the wider North East region.
127. The Council has entered into eight joint venture companies approved by Cabinet (on the dates shown) at Eastbourne (November 2016), Stag House Farm (April 2018), Heighington (June 2018), Middleton St George (January 2019), ESH/DBC (December 2019), Neasham Road (September 2020), Hurworth Gardens (July 2023) and Blackwell Grange (January 2024).
128. Three of the joint ventures being Eastbourne, Heighington and Middleton St George have now been completed with the loans fully repaid and profits realised. In regard to Stag House Farm, Neasham Road, Springwell (the first development via the ESH/DBC company) and Hurworth Gardens, all sales are on target. Blackwell Grange has started on site with infrastructure works.
129. The risks and governance safeguards in place with respect to joint venture working include internal and company audits, restriction on banking facilities, monthly progress reports and quarterly board meetings. Further details are contained in the Assurance Framework at **Appendix B** of this report.

Member Standards

130. In 2024/25 we received 20 complaints about the conduct of Members of the Council and one complaint about the conduct of a parish councillor.
131. There has been a slight decrease in the total number of member conduct complaints received since 2023/24 [a total of 21 versus 23 in 2023/24], however the total number of complaints does remain higher than in previous years [they previously averaged about 9.5 per year]. It is still the case that the volume of complaints remains a relatively low number given the number of councillors, the range of matters that Members are involved with and the impact that their decisions can have on the public.

132. Two of the complaints have proceeded to a formal investigation/hearing. These are yet to be concluded. Five of the complaints are yet to be assessed by the Monitoring Officer. The remaining fourteen were resolved without the need for an investigation or hearing.
133. The assessment of complaints has continued to function well with effective liaison between the Monitoring Officer and the two Independent Persons in considering the initial assessment of complaints.
134. A training and induction programme is in place for all Members. This includes sessions on the Members Code of Conduct delivered by the Monitoring Officer for Borough Council Members and also sessions for Parish Council Members.
135. In 2022 the representation of Parish Councillor Co-opted Members who can be called upon to sit to determine complaints about Parish Councillors was refreshed (two Borough Council Members sit with one Parish Council Member on the Members Standards Hearing Committee). The positions were advertised in all 10 Parish Councils and two Parish Councillors were recruited with their appointments confirmed at the May 2022, 2023 and 2024 Annual Council meetings.
136. The Audit Committee has responsibility for ethical values as part of its remit. This includes reviewing Ethical Health Indicators across a range of activities in order to identify any peaks in activity that could indicate areas of possible concern. Update reports about Member standards issues and also ethical indicators were presented to the Audit Committee in April and November 2024. No particular issues of concern arose from variations in the indicators. General information was also presented on the work of the Committee on Standards in Public Life and the Local Government Association.
137. The Monitoring Officer continues to provide advice to Members on interests on an ongoing basis and Members do self-identify their concerns. The Monitoring Officer also raises issues with individual Members ahead of meetings as required. Compliance with the advice given by the Monitoring Officer is good.

Economy and Resources Scrutiny Committee

138. Scrutiny forms an important part of the Council's governance arrangements by providing independent examination of executive roles. The Economy and Resources Scrutiny Committee has responsibilities for examining the Council's arrangements for financial planning, performance and service delivery, project and asset management and procurement and contracts. The Committee develops and implements an annual work programme to manage its continuing oversight role and undertake specific pieces of work.
139. During 2024/25 the Committee was involved in scrutinising the annual review of the Medium Term Financial Plan (MTFP) and held a meeting on 9 January 2025 to consider the proposals made in terms of its own areas of responsibility and a meeting on 20 January 2025 to consider the responses and detailed work from all other scrutiny committees, from which the Committee made recommendations to Cabinet in February 2025 to inform their deliberations. The Economy and Resources Scrutiny Committee will continue to lead on monitoring and scrutinising the budget and MTFP and assist with the implementation and

development of the required savings.

Public Health

140. The Local Authority, through the Director of Public Health (DPH), advocates for the health of the population and provides the local leadership for its improvement and protection. This supports and compliments the statutory duty in planning for, and responding to, emergencies that present a risk to the public's health.
141. The DPH leads and oversees the statutory public health responsibilities of the local authority and has a duty to write an independent annual report on the health and health needs of the population, which the Local Authority must publish.
142. The Supplemental Substance Misuse Treatment and Recovery Grant (SSMTRG) was provided to local authorities to enhance the delivery of treatment and recovery systems as part of the implementation of the Government's 10-year Drug and Alcohol Strategy. Additionally, grant funding for Individual Placement Support (IPS) was also provided, for the purpose of supporting adults in treatment for alcohol and drug dependence (excluding opioid dependence) into employment.
143. Continued funding for drug and alcohol treatment recovery has been confirmed for 2025/26, at the same level of funding received in 2024/25. Going forward the aggregated funding has been renamed as the Drug and Alcohol Treatment, Recovery and Improvement Grant (DATRIG) and for Darlington includes funding for drug and alcohol treatment and recovery and inpatient detoxification. IPS funding has also been confirmed for 2025/26.
144. The Local Stop Smoking Services and Support Grant was provided to local authorities to enhance local authority led stop smoking services, in support of the Government's commitment to create a smoke-free generation. A reduced level of funding has been confirmed for 2025/26.
145. The current allocations of additional grant funding end in March 2026. It is not yet known if any, or all of these additional grants, will continue to be available from April 2026.
146. Public health outcomes are monitored via the Public Health Outcomes Framework. Performance is improving in areas including breastfeeding at 6 to 8 weeks, smoking status at time of delivery, childhood overweight (including obesity), adult smoking prevalence and successful completion of treatments for opiates, non-opiates and alcohol. The rate of suicides has increased and there has been a decline in the percentage of the eligible population offered a NHS Health Check.
147. A new Joint Local Health and Wellbeing Strategy was published in December 2024. The Joint Strategic Needs Assessment was also refreshed during 2024/25.

Business Continuity

148. The Council's Business Continuity Management System ensures that the Council can manage the response to a business interruption. Examples of this include the loss of buildings, loss of IT function, loss of utilities, loss of communication and loss of staff. The

Business Continuity Management System is aligned to the international standard ISO 22301 and uses a series of Business Impact Analysis, to identify essential Council functions. Business Continuity Plans are developed and maintained to ensure the Council's essential services are prepared for a business interruption. Business continuity has been strengthened during the pandemic and has worked successfully with the Council still being able to deliver services to the public despite the restrictions in place.

149. The Business Continuity Management System is now embedded into the Council. Business Continuity Plans are monitored as part of the Local Code of Corporate Governance and are a regular agenda item at Chief Officers Board (COB) Meetings. Individual Business Continuity Plans are regularly updated to take into account business changes and the response to actual business interruptions and are available to view on the Council's intranet. A new business continuity cycle is now starting, reviewing the business impact analysis and reviewing plan content following lessons learned from incidents and exercises. A testing regime is in place for the Business Continuity Plans to improve their effectiveness.

Agile working

150. Through the pandemic the Council like most employers increased the number of staff working from home. The Council has always worked on an outcome/output basis and productivity is not measured on where the employee is based but on what they deliver. Following the relaxation of restrictions, the Council commenced a pilot to review agile working in terms of efficiency and benefits to employees, following the success of this pilot the Council adopted an agile working solution and "The Ways We Can Work" policy was adopted in April 2023. For employees who work agile, management and supervision of staff remains the same regardless of location with managers in regular contact with team members and team meetings held in person and through Teams for managing workloads and employee wellbeing. Agile working has been reviewed throughout since adoption, with annual reports to Chief Officers Board (COB) and the Joint Consultative Committee. Both of these groups and trade unions are supportive of the arrangements and our flexible practice around business need continues to demonstrate a return.

External Audit

151. The Council's external auditors Forvis Mazars reported a disclaimed opinion on the Council's 2023/24 accounts to Audit Committee on 24 February and therefore the Council was able to meet the backstop target date of 28 February 2025. For 2024/25 Forvis Mazars are awaiting final guidance regarding how reassurance will be rebuilt for the period of disclaimed opinion, which may impact on the opinion given for 2024/25 by the backstop date of 27 February 2026.
152. With regards to auditing the Council's arrangements for ensuring economy, efficiency and effectiveness in its use of resources during 2023/24, Forvis Mazars provided a summary of the work they have undertaken and the judgements they have reached against each of the specified reporting criteria they did not identify any significant weaknesses. With regards to 2024/25 we anticipate Forvis Mazars will again not identify any significant weaknesses.

153. With regards to auditing the Council's arrangements for ensuring financial sustainability during 2023/24, Forvis Mazars did not identify any actual significant weaknesses. However, they highlighted the downward trajectory of the Council's financial reserves and its risk to future financial sustainability if the deficit is not addressed.
154. In their Combined Audit Strategy & Completion Report 2023-24 Forvis Mazars stated, *'I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS'*. Forvis Mazars review the AGS to consider whether it complies with the CIPFA/SOLACE guidance and whether it might be misleading or inconsistent with other information known to them. They are expected to confirm that they found no areas of concern in this context.
155. The auditors are also required to report to management and the Audit Committee any significant deficiencies in internal control identified during their audit. Forvis Mazars are the Council's new external auditors and therefore have undertaken limited audit work to date, however they have not raised or are expected to raise any significant matters in this regard.

Action Plan 2025/26

156. The action plan for 2025/26 is comprised of the Council Plan and the following action relating to governance matters:

Council Plan



Governance

The Council has formed a Decision Making and Scrutiny Process Working Group. Throughout 2025/26 recommendations will come forward from the Working Group, which will then be consulted upon further, as to ways in which the Council's decision making and scrutiny processes could potentially be improved. Any required amendments to the Constitution would then be brought to Full Council for consideration.

157. Progress against the 2024/25 action plan will be reported to [Cabinet](#) on 8 July 2025 in the Quarter 4 - Council Plan Performance Report.

Conclusion

158. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee. In conclusion, we are satisfied the Council has robust governance arrangements in place and while there are currently no governance issues we are committed to the continuous improvement of the system.

Signed

Date:

Leader of the Council

Signed

Date:

Chief Executive

APPENDIX A

Document/Function	Core Principles of Corporate Governance						
	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of the intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting, and audit, to deliver effective accountability
Council Plan		X	X	X			X
Constitution	X	X					X
Corporate/Service Planning and Performance Management Framework		X	X	X	X	X	X
Communications and Engagement Strategy	X	X	X	X			X
ICT Strategy			X		X		
Workforce Strategy	X				X		
Schedule of Council Meetings		X					X
Council Procedure Rules	X	X					X
Record of Decisions	X	X	X	X			X
Partnership Working Toolkit	X	X	X	X	X	X	X
Code of Conduct for Members	X	X					X

Document/Function	Core Principles of Corporate Governance						
	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of the intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting, and audit, to deliver effective accountability
Members Induction and Training Programme	X	X			X	X	X
Code of Conduct for Employees	X	X					
Officer and Member Protocols	X				X		
Confidential Reporting Policy	X					X	X
Code of Corporate Governance	X	X	X	X	X	X	X
Risk Management Approach				X		X	X
Anti-fraud and Corruption Policies	X					X	X
Capital Projects Methodology		X	X			X	
Information Governance Policies	X	X				X	X
Procurement Strategy	X	X	X			X	

Document/Function	Core Principles of Corporate Governance						
	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of the intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting, and audit, to deliver effective accountability
Contract and Property Procedure Rules	X	X	X			X	
Medium Term Financial Plan/Budgets		X	X	X		X	X
Treasury Management Framework						X	
Annual Statement of Accounts		X				X	X
Financial Procedure Rules	X	X				X	X
Scheme of Delegation		X			X		X
Complaints Process	X	X					X
Equalities Policy		X	X	X			
Business Continuity Plans		X				X	
Health and Safety Policy		X				X	X

APPENDIX B

Assurance Framework

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Corporate Planning and Performance Management Framework inadequate/ineffective	Chief Officers Executive	<p>Performance clinics held between the Chief Executive, Director and Assistant Directors are arranged at regular intervals.</p> <p>Performance data is gathered from various sources and reviewed by the Assistant Director and relevant Director in advance of the clinics.</p> <p>Clear definitions for indicators are in the process of being established.</p>	Performance indicators are reviewed by Internal Audit when individual service areas are audited.	Baskets of performance indicators reported to Cabinet and scrutiny groups twice a year (Q2 and Q4)
Equalities Policy inadequate/ineffective	Chief Officers Board	<p>Indicators relating to equalities are regularly reported to Chief Officers Board.</p> <p>Corporate Equalities Group consisting of equalities advisors (appointed by Assistant Directors) and chaired by Head of Strategy, Performance and Communications meet quarterly</p>	Where appropriate, equalities related performance indicators are reviewed by Internal Audit when individual service areas are audited.	<p>Equalities report to be produced quarterly and presented to Chief Officers Board.</p> <p>Equalities updates discussed with the portfolio holder for Stronger Communities on a regular basis.</p>

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
		to monitor and report on equalities related performance indicators.		
Internal Control environment inadequate/ineffective.	Internal Audit	Internal Audit Strategy. Internal Audit's Role and Terms of Reference. Risk based Annual Internal Audit Plan. Internal Audit Reports/opinions and outcomes from consultancy work undertaken.	Internal Audit Strategy. Internal Audit's Role and Terms of Reference. Risk based Internal Audit Plan. Internal Audit reports/opinions and outcomes from consultancy work undertaken.	Internal Audit's Strategy, Role and Terms of reference and Annual Audit Plan approved by the Audit Committee. Quarterly/Annual Reports to the Audit Committee on progress/outcomes against the Annual Audit Plan. Annual Report includes an overall opinion on the Council's control environment.
The financial position of the Council not presented fairly in the Financial Statements; the Annual Governance Statement not presented in accordance with relevant requirements; and proper arrangements are not	External Audit	Risk based External Audit Plan. External Audit Reports/opinions.	Internal Audit's Annual Audit Plan discussed with External Audit to facilitate External audit planning and minimise the duplication of audit effort wherever possible.	External Audit Plan and External Audit Reports, including the Annual Audit Letter, considered by the Audit Committee. Annual Audit Letter considered by Cabinet.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
in place to secure economy, efficiency and effectiveness in the use of resources.				
Inadequate provision of services to the people of Darlington.	External Inspection Agencies	External Inspection Agencies' reports.	External Inspection reports reflected upon in the Internal Audit planning process.	External Inspection reports and progress on improvement action plans considered by relevant Scrutiny Committee/Audit Committee/Cabinet/Council.
Business risk processes inadequate/ineffective	Law and Governance	Risk Management Approach Corporate/Group Risk Registers.	Annual Audit Plan developed with reference to Corporate/Group Risk Registers. Risk Management function subject to periodic Internal Audit review as part of the cyclical audit process.	Risk Management Approach endorsed by the Audit Committee and approved by Cabinet. Six-monthly/Annual Reports to the Audit Committee on the outcomes from the Council's risk management processes.
Fraud and corruption arrangements inadequate/ineffective.	Internal Audit and DWP.	Anti-Fraud and Corruption Strategy, Policy, Fraud Response Plan, Anti-Money Laundering Policy and Anti-Bribery Policy and Procedures. Confidential Reporting Policy. Internal Audit reviews of arrangements.	Anti-Fraud and Corruption arrangements, including National Fraud Initiative exercises, administered by Internal Audit. The potential for a service to be susceptible to fraud reflected within Internal Audit's risk assessment model	Fraud related Policies and Strategies approved by the Audit Committee/Council Confidential Reporting Policy approved by Council. Annual Reports to the Audit Committee on the outcomes from the Council's anti-

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
		Outcomes from bi-annual National Fraud Initiative exercises. Internal Audit/Housing Benefits case files.	that underpins the annual audit planning process. Internal Audit review of Housing Benefits conducted on an annual basis.	fraud and corruption arrangements.
Information governance arrangements inadequate/ineffective.	Systems and Information Governance Group (SIGG), Senior Information Risk Owner (SIRO), Caldicott Guardian, Data Protection Officer (DPO), Complaints and Information Governance Team, Xentrall and External Audit.	Corporate policies, processes, procedures and guidance in place. SIGG Minutes. Officer/Member Training. Data Quality reflected upon by External Audit in their VFM assessment.	Information Governance/Sensitivity of data is reflected within Internal Audit's risk assessment that underpins the annual audit planning process. Information Governance subject to periodic Internal Audit review as part of the cyclical audit process.	Six-monthly reports to the Audit Committee on progress with implementation of the information governance work programme. External Audit VFM assessment considered by the Audit Committee and Cabinet.
Internal control environment of relevant areas of Xentrall inadequate/ineffective.	Stockton BC Internal Audit	Risk based Internal Audit Plan. Internal Audit reports/opinions and outcomes from consultancy work undertaken.	Relevant testing undertaken as part of the risk based audit plan and reported to each partner.	Stockton BC's Annual Audit Plan related to Xentrall considered by the Audit Committee. Quarterly Reports to the Audit Committee on progress/outcomes against the Plan.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Local Code of Corporate Governance not implemented.	Corporate Group with responsibility for overseeing the drafting of the Annual Governance Statement.	Local Code of Corporate Governance Local Code individual key documents/functions matrices updated quarterly by relevant Lead Officers, covering awareness, monitoring and review actions.	Internal Audit direct effort annually to validate a sample of evidence to support delivery of awareness, monitoring and review actions detailed on the Local Code individual key documents/functions matrices.	Local Code endorsed by the Audit Committee and approved by Council. Annual Governance Statement considered by the Audit Committee prior to approval.
Grant processes inadequate.	External Audit Internal Audit	External Audit Report on audited Grant Claims. Internal Audit sign-off of relevant Grant Claims.	Grant process arrangements subject to annual review by Internal audit.	External Audit Report on Grant Claims considered by the Audit Committee. Internal Audit Grant Claims work referenced in Quarterly Reports to the Audit Committee on progress/outcomes against the Annual Audit Plan.
Health and Safety practices and processes inadequate/ineffective	Health and Safety Unit	Corporate Health and Safety Policy. Heads of Service Health and Safety Management self-assessments and action plans. Risk Assessments Reportable Accident Statistics Outcomes from audits undertaken by the Health and Safety Unit. Officer/Member Training.	Health and Safety function subject to periodic Internal Audit review as part of the cyclical audit process.	Corporate Health and Safety Policy approved by Cabinet. Council's performance on health and safety reported annually to the Economy and Resources Scrutiny Committee.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Property management arrangements inadequate	Corporate Landlord Function	Corporate Premises Database System and supporting documentation.	Corporate Landlord Function subject to periodic Internal Audit review as part of the cyclical audit process.	Property management arrangements included in Council Risk Registers and, as such, included within member reporting arrangements for business risk processes.
Management control in respect of operational aspects of the business inadequate.	Chief Officers Board	Annual signed Assurance Statements from Assistant Directors.	Arrangements administered and outputs scrutinised by Internal Audit.	Annual report to the Audit Committee on the outcomes from the Assurance Statement process.
Capital Project management arrangements inadequate/ineffective.	Asset Management and Capital Programme Review Board	Asset Management and Capital Programme Review Board Agendas/Minutes and supporting documentation.	Project Office function subject to periodic Internal Audit review as part of the cyclical audit process.	Project Position Statement reported regularly to Cabinet.
Partnership governance arrangements inadequate.	Partnership Lead Officers	Annual Partnership Toolkit questionnaires completed by relevant Council Partnership Lead Officers and supporting documentation provided.	Partnership Governance Arrangements subject to periodic Internal Audit review as part of the cyclical audit process.	Partnership Toolkit approved by Cabinet. Annual report to the Audit Committee on the operations of significant partnerships.
Joint Venture Housing Investment	Internal Audit DBC Directors Legal Services advice as required	Copies of Company Audit reports Access to Banking facilities Restriction on Banking Facilities without approval of 2 Directors Weekly Sales Report Monthly Progress Report	Joint Venture Arrangements subject to periodic internal audit review and reviewed as part of cyclical audit process	The investment plan annual update to Cabinet reports on the progress of all Joint Venture Partnerships. Financial returns from the JV arrangements are monitored through the

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
		Quarterly Board meeting attended by DBC Directors with Finance and Housing and regeneration expertise. Shareholders Reserved Matters		MTFP and quarterly budget monitoring reports.
Treasury management arrangements inadequate.	Financial Services	Treasury Management Policy Statement, Strategy, Prudential Indicators and Procedures.	Treasury Management function subject to periodic Internal Audit review as part of the cyclical audit process.	Treasury Management Policy Statement, Strategy and Prudential Indicators considered by the Audit Committee and approved by Council. Treasury Management Procedures approved by the Audit Committee. Regular/Annual Reports to the Audit Committee ,Cabinet and Council on the performance of the Treasury Management function.
Financial management arrangements inadequate/ineffective.	Financial Services	Medium Term Financial Plan. Corporate Budget Setting/Monitoring processes and supporting documentation. Officer/Member Training.	Financial management arrangements subject to periodic Internal Audit review as part of the cyclical audit process.	Medium Term Financial Plan approved by Council. Quarterly Reports to Economy & Resources Scrutiny Committee and Cabinet on Financial Performance.
Financial management arrangements in local authority maintained	School Governing Bodies	Schools annual self-assessment returns against the Schools Financial Value Standard (SFVS).	Financial arrangements in schools subject to periodic	School balances reported to Cabinet quarterly.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
schools inadequate/ineffective.			Internal Audit review as part of the cyclic audit process.	
Ineffective management of the transformation agenda.	Chief Officers Executive	Chief Officer Executive Agendas/Minutes and supporting documentation.	Internal Audit support/contribute to delivery of the Transformation Programme as relevant.	Reports to Cabinet and Scrutiny as appropriate.
Ineffective challenge to the procurement process.	Procurement Board	Procurement Board Agendas/Minutes and supporting documentation.	Procurement process subject to periodic Internal Audit review as part of the cyclical audit process.	Annual Procurement Plan approved by Cabinet.
Ethical health arrangements inadequate.	Law and Governance	Member Code of Conduct. Officer Code of Conduct. Member/Officer Training.	Audit Committee reports on ethical indicators reflected upon in the audit planning process.	Members and Officers Codes of Conduct approved by Council. Audit Committee receives reports on ethical indicators.
Lessons not learned from complaints received.	Complaints and Information Governance Team	Corporate, Adult Social Care, Children's Social Care, Housing and Public Health Complaints, Compliments and Comments Procedures. Complaints Records. Local Government and Social Care Ombudsman Housing Ombudsman Annual reports to COB. Regular reporting to senior management. Quarterly reporting via PMF.	Complaints and Ombudsman reports reflected upon in the audit planning process.	Complaints Procedures approved by Cabinet. Annual report to Cabinet on complaints received and the resultant organisational learning. Regular reports to Cabinet on Ombudsman complaints and outcomes.

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		External Inspection Agencies' reports.		
Inadequate arrangements for the delivery of the Public Health function and responsibilities.	Director of Public Health	Public Health Work Plan. Health and Wellbeing Strategy. Director of Public Health's Annual Report.	Public Health function subject to periodic Internal Audit review as part of the cyclical audit process.	Regular reports to Health and Wellbeing Board and Health and Partnerships Scrutiny Committee.
Ineffective system of internal audit	Senior Group of Officers	Annual Review of the system of internal audit and supporting documentation.	Internal Audit direct effort annually to support the review process.	Annual Review of the system of internal audit considered by the Audit Committee.