Annual Governance Statement 2024/25

Brighton & Hove
City Council

Contents

We at Brighton & Hove City Council are committed to effectively and efficiently deliver outcomes in our Council Plan to make a better Brighton & Hove for all.

The Annual Governance Statement provides an accurate account of the governance arrangements within our organisation. It seeks to provide assurance on the effectiveness of these arrangements and identifies areas of improvement going forward. This statement is formally approved by the Council's Audit, Standards and General Purposes Committee each year.

In 2024/25, we made significant progress in strengthening our governance arrangements, including adopting a Leader and Cabinet system, developing our Corporate Leadership Plan and starting our journey to becoming a Learning Organisation. In the context of a constantly changing external environment, more demand for council services and less resource to provide them, we are committed to ensuring best value for our residents.

It is our opinion that the governance arrangements in 2024/25 were robust and worked well to identify areas where we are doing well, areas of risk and areas of improvement. The details of priority areas for improvement are included in this document. We are committed to delivering the actions identified and will monitor their implementation and report progress to Cabinet and in the next Annual Governance Statement.

Signed:

Councillor Bella Sankey,
Leader of the Council

Date: XX/XX/2025

Signed:

Jess Gibbons,
Chief Executive

Date: XX/XX/2025

Purpose

> To fulfil the statutory requirement for each local authority to conduct a review of its system of internal control against our <u>Local Code of Corporate Governance</u> and the 7 principles of good governance and to publish an AGS at least once every financial year

> To demonstrate that there is a sound system of governance

> To outline our progress in 2024-25 and help us take further actions to improve governance for delivery in 2025-26

The focus of the AGS is on assessing our governance arrangements, to identify areas of strength and significant weaknesses in internal controls rather than assessing our performance.

172

Good governance in local authorities is key to ensuring the council does the right things in the right way for the right people

It creates a culture based on openness, inclusivity and honesty

It puts the arrangements in place to ensure that the intended outcomes for stakeholders are defined and achieved

It ensures ongoing continuous improvement to further strengthen the way the council operates

It keeps the council's focus on the needs of service users and the public, ensuring public money is safeguarded, accounted for and used efficiently and effectively

It demonstrates effective leadership, including accountability and transparency in actions and decisions

It ensures robust systems and processes are established and followed
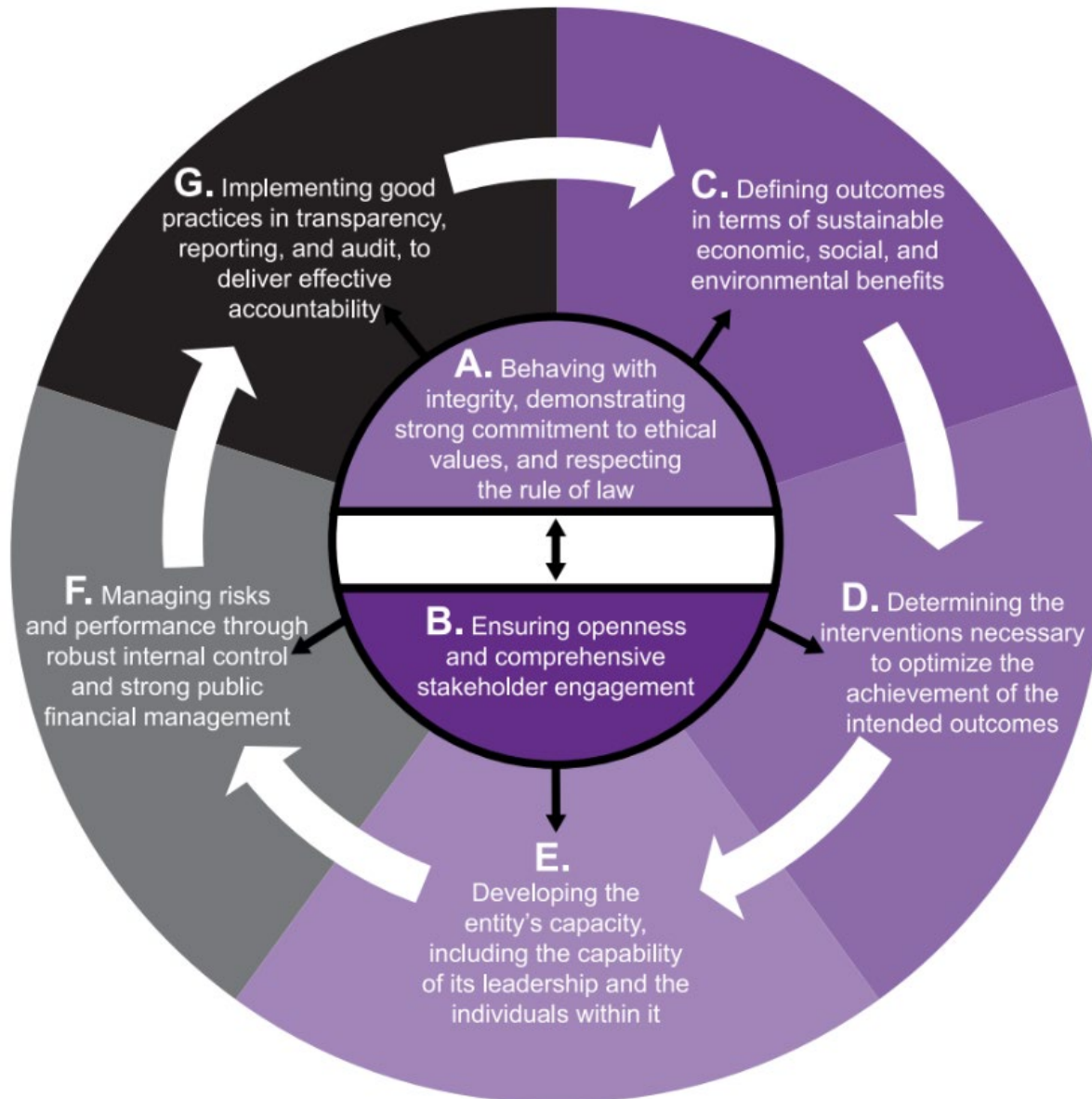
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A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

B. Ensuring openness and comprehensive stakeholder engagement

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
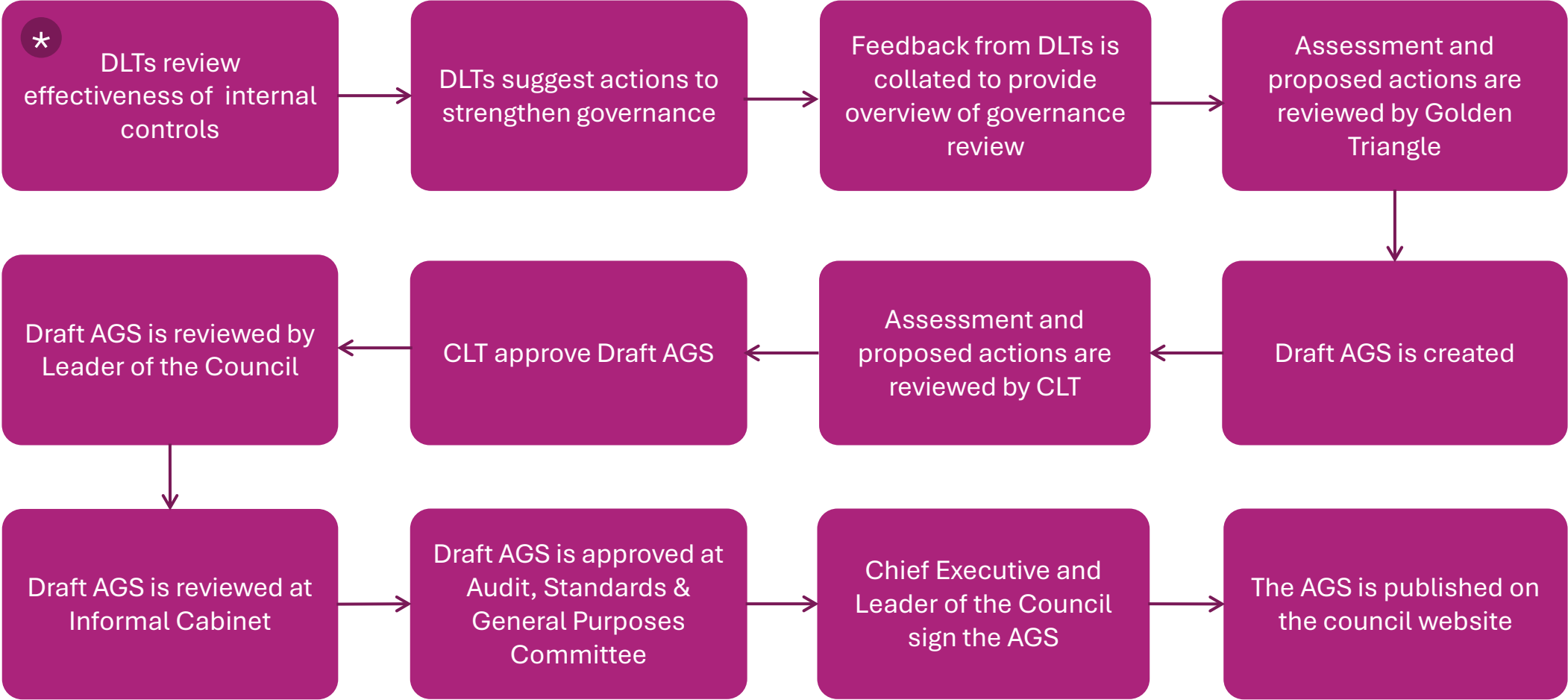
D. Determining the interventions necessary to optimise the achievement of the intended outcomes

E. Developing the entity's capacity, including the capacity of its leadership and with 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

175

* DLTs review effectiveness of internal controls

DLTs suggest actions to strengthen governance

Feedback from DLTs is collated to provide overview of governance review

Assessment and proposed actions are reviewed by Golden Triangle

Draft AGS is reviewed by Leader of the Council

CLT approve Draft AGS

Assessment and proposed actions are reviewed by CLT

Draft AGS is created

Draft AGS is reviewed at Informal Cabinet

Draft AGS is approved at Audit, Standards & General Purposes Committee

Chief Executive and Leader of the Council sign the AGS

The AGS is published on the council website

* please see the next slide outlining information taken into account when assessing arrangements

176

Finance management reports including statement of accounts	Key performance indicators	Corporate Leadership Plan progress
Internal audit reports including follow up audits	Strategic and Directorate Risk registers	External auditor report
External inspection outcomes	Customer insights (including member complaints and any Ombudsman reports)	Our people data
Health & safety data	Programme and Project data	Member reports and input

177

Adopted new Leader & Cabinet system	Launched organisational redesign and Learning Organisation Framework launched	Developed Corporate Leadership Plan
Updated the Local Code of Corporate Governance	Developed Medium Term Financial Strategy	Initiated LGA Corporate Peer Challenge
Updated Risk Management Framework	Implemented additional recruitment & spending controls	Established Information Governance Board

Our review of governance arrangements identified two broad outcomes where further improvements are needed. Delivery of the actions to achieve these outcomes, as outlined below, will contribute to achieving our mission of a responsive council with well-run services. These will be included in our refreshed Corporate Leadership Plan and will be owned and driven by the Corporate Leadership Team.

Outcome: A financially sustainable and resilient council

Key deliverables linked to this outcome:

- Continue to focus on strong financial management across the organisation, including tight monitoring of budgets and identification of mitigations and recovery plans where pressures exist;
- Reset the Medium-Term Financial Strategy MTSF (including a financial resilience framework) to revise targets for reserves levels and respond to external audit and LGA peer challenge feedback;
- Ensure Innovation & Change programmes and delivery plans are in place to underpin the MTFS for years 2-4 of the strategy
- Develop a capital receipts delivery plan and maintain control over the capital programme to ensure funding is in place to underpin the MTFS;
- Implement actions from audit findings to improve key financial systems, e.g. HR/Payroll, Council Tax, Accounts Receivable;
- Develop and implement Innovation & Change approach, including governance, to ensure focus remains on delivery of the Council Plan, MTFS and embedding Learning Organisation.; and
- Improve contract management compliance and oversight across the organisation.

178

10

Outcome: Becoming a learning organisation by embedding our ways of working

Key deliverables linked to this outcome:

- Improve governance arrangements for the delivery of Digital, Data & Technology Strategy
- Improve organisational resilience and compliance through resetting governance arrangements for Health & Safety
- Improve consistency in the quality and use of data to manage the quality and safety of our housing stock
- Ensure consistency across all client groups for managing risk for service users on waiting lists for Adult Social Care
- Operationalise the Learning Framework

179

AGS 2023/24 action	Lead Officer	Corporate Leadership Plan action 2024/25	Q4 Status
Develop and deliver a robust and sustainable medium term integrated service and financial plan (MTFSP)	Chief Finance Officer	Develop a 4-year balanced medium term financial plan and a fully funded capital programme	
A revised Medium-Term Financial Strategy (MTFS) with updated resource and cost projections was approved at the Budget Council on 27th February 2025, reflecting the final local government finance settlement and identifying a savings requirement of £60.3 million over the next four years, including £15.8 million in 2025/26. Detailed savings proposals for 2025/26 and areas of focus for transformation and savings, alongside target savings for 2026/27 to 2028/29, have been included. A minimum of £20 million from the Transformation/Innovation Fund has been allocated over the four-year period, and business cases to support transformation and savings are in the process of being approved from these resources. The Transformation/Innovation Fund relies on the flexible use of capital receipts, and the Capital Asset Strategy, due to be approved at Cabinet on 24th April 2025, focuses on generating capital receipts from asset sales. Additionally, a fully funded capital programme was approved at Budget Council on 27th February 2025. Strong financial controls have significantly reduced the projected overspend for 2024/25 by the end of February 2025, providing a stronger base for 2025/26 onwards. (25/26 – identify detailed savings through for 26-29)			
Improve the Payroll and Pension Service	Chief Finance Officer	Improve the customer experience and operational efficiency within Council Tax, Housing Benefits and Pension and Payroll Service.	
Work is underway to create e-learning and bite-size videos to educate employees about Pier self-service, enhancing their understanding of system capabilities and data content. Development of a workflow solution for customer contact, with potential delay implementation of the EDM if it is still the appropriate solution. Continuous improvement resources have been dedicated to each area, prioritizing process enhancements that can improve customer experience and integrate into business as usual. The Corporate Systems Improvement (CSI) programme has been initiated, with a programme manager recruited, governance documents developed, and alignment secured with the sponsor.			

180

AGS 2023/24 action	Lead Officer	Corporate Leadership Plan action 2024/25	Q4 Status
Improve contract management compliance across the organisation	Chief Finance Officer	Maintain the Contract Management Framework, including changes required by new procurement regulations, compliance with standing orders and implement improved oversight over contract management across the council.	

New Procurement legislation has been introduced and a refreshed contract standing orders approved and introduced. A Procurement Forward Plan for 2025/26 ha been approved by the Corporate Leadership Team. Contract Management training has been delivered to over 160 officers.

A significant reduction in staffing within the Contract and Supply team has reduced the capacity to adequately support the council. It is essential to develop a recruitment plan alongside the business case for increased contract management capacity.

AGS 2023/24 action	Lead Officer	Corporate Leadership Plan action 2024/25	Q4 Status
Implement actions emerging from audit findings to improve key financial systems (e.g. housing rent, housing benefits, council tax)	Chief Finance Officer	Implement actions emerging from audit findings to improve key financial systems (including pension/payroll, housing rent, housing benefits, council tax) with a view to address partial assurance	

A follow-up audit of Council Tax now shows 'reasonable' assurance, indicating key actions are implemented. High priority actions on Payroll/Pensions are progressing, resolving critical issues like verification of over 19,000 pension records with East Sussex Pension Fund. The new payroll EDM system faces challenges and supplier concerns with Civica. High priority actions in Banking Security (PCI/DSS) and Housing Benefit are advancing well, with follow-up audits expected to improve opinions. Debt Management processes are under review, with some requiring system interventions or workarounds.

181

AGS 2023/24 action	Lead Officer	Corporate Leadership Plan action 2024/25	Q4 Status
Improve organisational resilience through robust emergency planning and business continuity planning arrangements	Head of Corporate Leadership Office	Improve organisational resilience through robust emergency planning and business continuity planning arrangements.	

An internal audit review of Business Continuity (BC) has been completed, upgrading the assurance level from partial to reasonable. A BC plans testing schedule has been developed and will commence in July 2025, with reporting to the Corporate Business Continuity Group. To establish a robust Emergency Preparedness (EP) and BC offer, greater accountability across the organization is needed, along with investment in resources and training, which will create a budget pressure. Failure to deliver robust EP and BC arrangements will jeopardize the council's ability to meet its duty under the Civil Contingencies Act. From July 2025, silver and bronze command levels will be introduced. Training for the Corporate Leadership Team (CLT), Directors, and relevant operational staff at gold, silver, and bronze command levels will be provided by an external supplier during May and June 2025. The reorganization of the EP Unit will create a council-wide team with the required capacity, skill, and experience to deliver the necessary level of EP and BC offer.

AGS 2023/24 action	Lead Officer	Corporate Leadership Plan action 2024/25	Q4 Status
Ensure effective governance of the implementation of the Digital, Data & Technology Strategy	Head of Engagement & Digital Innovation	Align the priorities and actions of the Digital, Data and Technology portfolio to support the delivery of the council plan priorities and support in the modernisation of service delivery	

An initial orientation session with the new lead member for transformation has taken place, with further sessions being planned. Plans for re-establishing DDaT governance have been agreed with the Director for City Operations. Progress in this area is currently awaiting the appointment of a new Director and new Business Partners.

AGS 2023/24 action	Lead Officer	Corporate Leadership Plan action 2024/25	Q4 Status
Implement an effective scrutiny function to provide robust 'critical friend' challenge to the executives	Director - Governance and Law	Provide an effective scrutiny service and develop a sustainable model for scrutiny function within financial constraints	

A programme of scrutiny committee meetings has been delivered, including 12 scheduled meetings across Place, People, and Health Overview & Scrutiny committees. Additionally, several special meetings have been arranged and delivered to support Overview & Scrutiny member involvement in pre-decision scrutiny prior to executive decisions. A Task & Finish Group looking at issues related to short-term holiday lets was established. The group held a series of evidence-gathering meetings, and members agreed on a report with recommendations that have been referred to the Cabinet for consideration. To date, there has been one call-in request (King Alfred), resulting in a special call-in meeting of the Place Overview & Scrutiny committee.

182

AGS 2023/24 action	Lead Officer	Corporate Leadership Plan action 2024/25	Q4 Status
Improve operational financial processes for adult social care clients in line with internal audit actions and other improvement plans	Director - Commissioning & Partnerships	Implement improvements to operational financial processes for Adult Social Care clients to improve efficiency and mitigate potential loss of income.	
Direct Payment Surpluses have reduced and overachieved on targets for 2024/2025. Additionally, Direct Payment reviews have been completed by a third party in line with the agreement.			
Ensure robust governance in order to meet Building Safety compliance requirements in council owned housing	Director - Homes and Investment	Invest in building and fire safety to meet new duties under the Building Safety Act and new Fire Safety (England) Regulations and ensure we are compliant with Health & Safety.	
We have obtained software, RiskFlag, for the management of Building Safety Case files and are inputting data for our high-rise blocks (HRB) with the goal of completing and having all blocks on the system by April 2025, which will serve as the base information rather than day-to-day updates. Follow-up and resources will be required, and a team will need to be established to continuously monitor and input information into RiskFlag from April 2025 onwards. New Mandatory Occurrence Reporting (MOR) and Safety Management System (SMS) procedures and processes are being developed and will be rolled out with training across all teams working on HRBs. Fire actions are being undertaken by the Repairs service and are on track; however, new FRA's starting January 2025 may increase pressure, necessitating further resources. The Fire team is currently depleted due to resignations, and recruitment is underway, but resources are not yet fully allocated. Structural and fire strategies are in progress with consultants and are under monitoring. Investment will be required for other fire-related works identified by our surveys, which will be capital works projects outside of the ongoing daily actions. We have commenced procurement of consultants for these works with the aim of building a program for 2026/27. Additionally, the building safety case requirement necessitates that other services and teams be more aware of these requirements and the need to be BSA aware before undertaking works on HRBs.			
Refresh Code of Corporate Governance to ensure robust governance	Head of Innovation	Refresh the Code of Corporate Governance to ensure clarity on governance arrangements	
The Code of Corporate Governance was refreshed and approved at Audit, Standards & General Purposes committee in January 2025.			

183

184

Based on the internal audit work completed, the Chief Internal Auditor can provide

Partial Assurance*

that Brighton & Hove City Council has in place an adequate and effective framework
of governance, risk management and internal control for the period of
1st April 2024 to 31st March 2025

Chief Internal Auditor, Russell Banks
Audit Manager, Carolyn Sheehan

* Assurance can never be absolute. In this context 'partial assurance' means there are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of some organisational objectives at risk.

Criteria	2022/2023 Auditor judgement on arrangements		2023/2024 Auditor judgement on arrangements		Direction of travel
Financial Sustainability	R	Significant weakness in arrangements identified, key recommendation made and two improvement recommendations raised	R	The significant weakness in arrangements for financial sustainability remains and the key recommendation was amended to reflect current arrangements. Four improvement recommendations were also raised	⟷
Governance	A	No significant weaknesses in arrangements identified but two improvement recommendations made	R	A significant weakness in governance arrangements was identified, relating to the internal control, standards and behaviour of staff within the CityClean service. A key recommendation has been made with two improvement recommendations.	⬇
Improving, economy, efficiency and effectiveness	A	No significant weaknesses in arrangements identified but two improvement recommendations made	R	Significant weakness in arrangements in relation to its social housing compliance with the Social Housing Regulator. A key recommendation has been made with two improvement recommendations.	⬇

G   No significant weaknesses in arrangements identified or improvement recommendations made

A   No significant weaknesses in arrangements identified but improvement recommendations made

R   Significant weaknesses in arrangements identified and key recommendations made

185

Best Value Authorities are under a general Duty of Best Value 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."

The eight elements of the Performance Management Framework are a key element of our Corporate Governance and allow us to understand the performance of the council as a whole which provide us with a better context in which we are operating. The elements are inter-related; most services contribute to every element in the framework.

The Performance Management Framework sets out to ensure:

> strong leadership at all levels which is consistent and fair and challenges blame culture
> commitment to the accountability that has been assigned to individuals
> the right information reaching the right people at the right time so that decisions are made and actions are taken
> ongoing evaluation, review and learning to help improve future performance
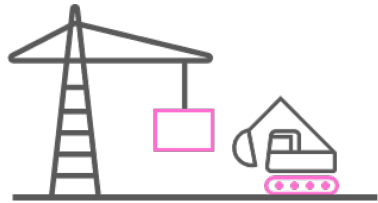> the ability to identify and commitment to rectify poor performance at an early stage

186

18

What we've achieved
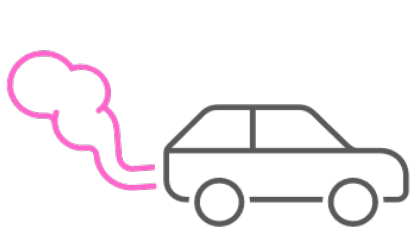
Continued improvements in air quality across the city (Nitrogen Dioxide levels) from 36.1µg/m3 in Mar 24 to 30.03µg/m3 in Dec 24
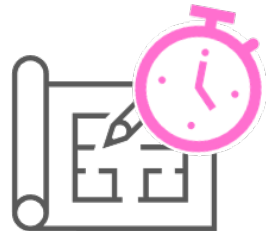
% of major & non-major planning applications decided within agreed timeframes significantly above target
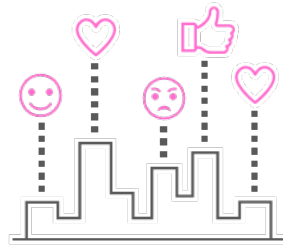
Regeneration has started on sites at Madeira Terrace and Valley Gardens 3 and key milestones reached at Black rock
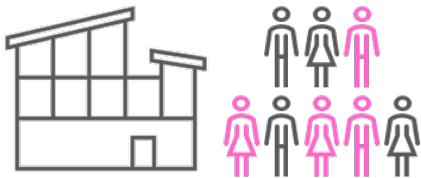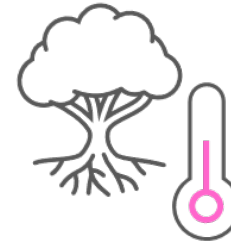
Over 1.7m attendances at council owned indoor sports facilities in the calendar year 2024

A 19% increase in attendances for Oct-Dec when comparing to 2023

50% increase in engagement with the public consultation on the City Plan to shape sustainable development
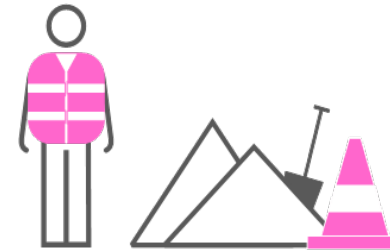
A city to be proud of

Challenges and areas of focus

Preserving the future of our trees by limiting the spread of disease

Improving the reliability of our refuse and recycling collection service by reducing the number of reported missed collections per 100,000 from 615 to under 512 (*target value*)

The future maintenance of roads and pavements (*Strategic Risk*)

Increase our recycling Rate to from 27.5% to 33.2% and reduce residual household waste from 564kg to below 531kg (*target value*)
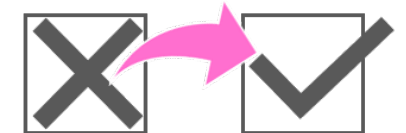
% of major planning applications decisions that are overturned on appeal

187

19

What we've achieved

Thriving Communities Investment Fund grant agreements (2025-2029) completed with new funded partnerships to go live in April 2025.

99 empty private sector homes have been brought back into use in the last year
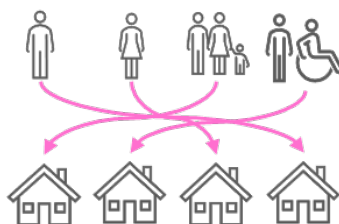
Approval of a new Housing Allocations Policy to prevent homelessness, reduce temporary accommodation use, and enhance safety for social housing tenants escaping domestic abuse.

A fair and inclusive city

67.44% [12% above benchmark] of homelessness prevention cases have been closed with a successful prevention outcome, supporting residents into settled accommodation

2 additional Changing Places toilets opened in the city, increasing the number across the city to 6 and making Brighton & Hove more accessible

Challenges and areas of focus
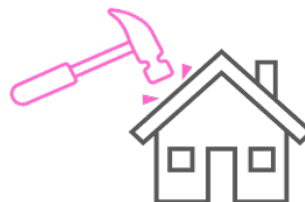
Increase the number of routine housing repairs completed on time from 46% to 70% (*target value*) [*New jobs are at 62%*]

Delivering planned improvement works to council homes and evidencing compliance with building and fire safety regulations for council homes

Increasing the number of homelessness cases presenting during the prevention duty stage from 31.71% to 50% (*target value*)
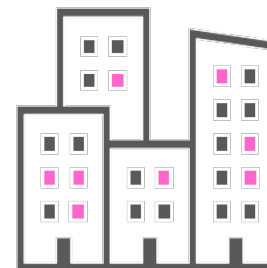
Total number of households in temporary accommodation 1,928 to 1,770 (*target value*)
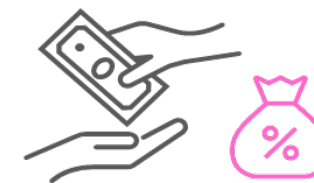
Increasing the % of rent collected from current tenants of council homes from 93.07% to 95.6% (*target value*)

188

20

What we've achieved

84.6% of people who use ASC services have control over their daily life, 7.4% higher than the England average of 77.2%

75.3% of Education, Health & Care Plans (EHCP) issued within 20 weeks, 18% above target

89% of Initial Child Protection Conferences are held within 15 working days of a strategy discussion
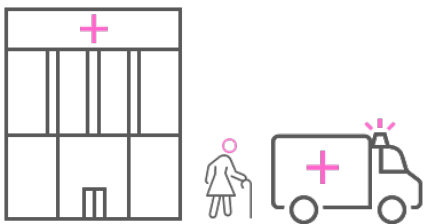
The Hospital Social Work team has supported a consistent rate of 90% of discharges to the usual place of residence
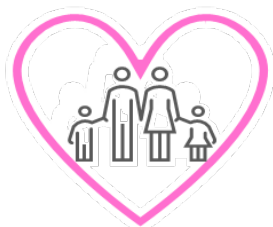
89.6% [5.1% above benchmark] of Strengthening Family Assessments completed in 45 days, ensuring timely support is initiated to meet family needs

A healthy city where people thrive

Challenges and areas of focus

Increased complexity in social care cases for adults and children places additional demands on services

Falling numbers of school aged children present significant challenges in school placements and balancing school budgets

Children's social care reforms will be a challenge in the context of devolution/local government reorganisation
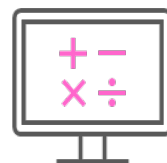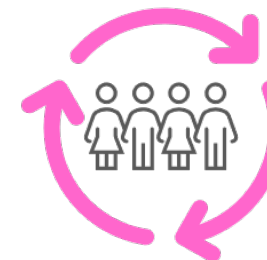
Supporting children at risk of disadvantage through their education to achieve better outcomes
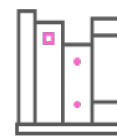
Care Quality Commission inspection for adult social care services

189

21

What we've achieved

Balanced budget for 2025/26 and MTFS agreed at Council

Approved devolution proposals for a new Strategic Authority for Sussex, led by an elected Mayor
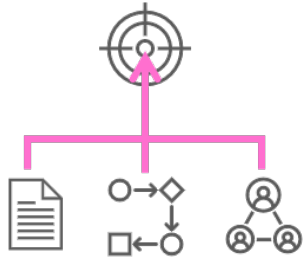
Refreshed our Local Code of Corporate Governance, approved at Audit, Standards & General Purposes Committee
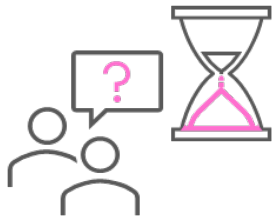
85% of councillor enquiries received between October and December were responded to in 5 working days, an 8% improvement compared to Q2

Initiated new Health & Safety oversight arrangements to monitor compliance and drive improvements of health, safety and wellbeing

A responsive council with well-run services

Challenges and areas of focus

Financial sustainability & organisational capacity (*Strategic risks*)

Reduce the average number of working days lost to sickness from 11.69 to 10.9 (*target value*)

Procurement capacity and compliance with new Procurement Act (includes contract management)

Improve customer contact response times within Council Tax and Housing Needs services

Increasing the number of high priority audit actions implemented by their due date from 84% to 95% (*target value*)
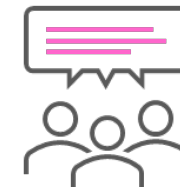
Improving Stage 1 complaints responded to on time from 69.9% to 80%.

A 33% increase in Stage 2 complaints received

190

22

National context and local factors

Outcomes the council want to achieve

The Council Plan

Rolling 4-year plan
Refreshed annually in line with financial planning

Reviewed annually

Corporate Leadership Plan

Key activities to deliver the Council Plan and meet essential & statutory duties
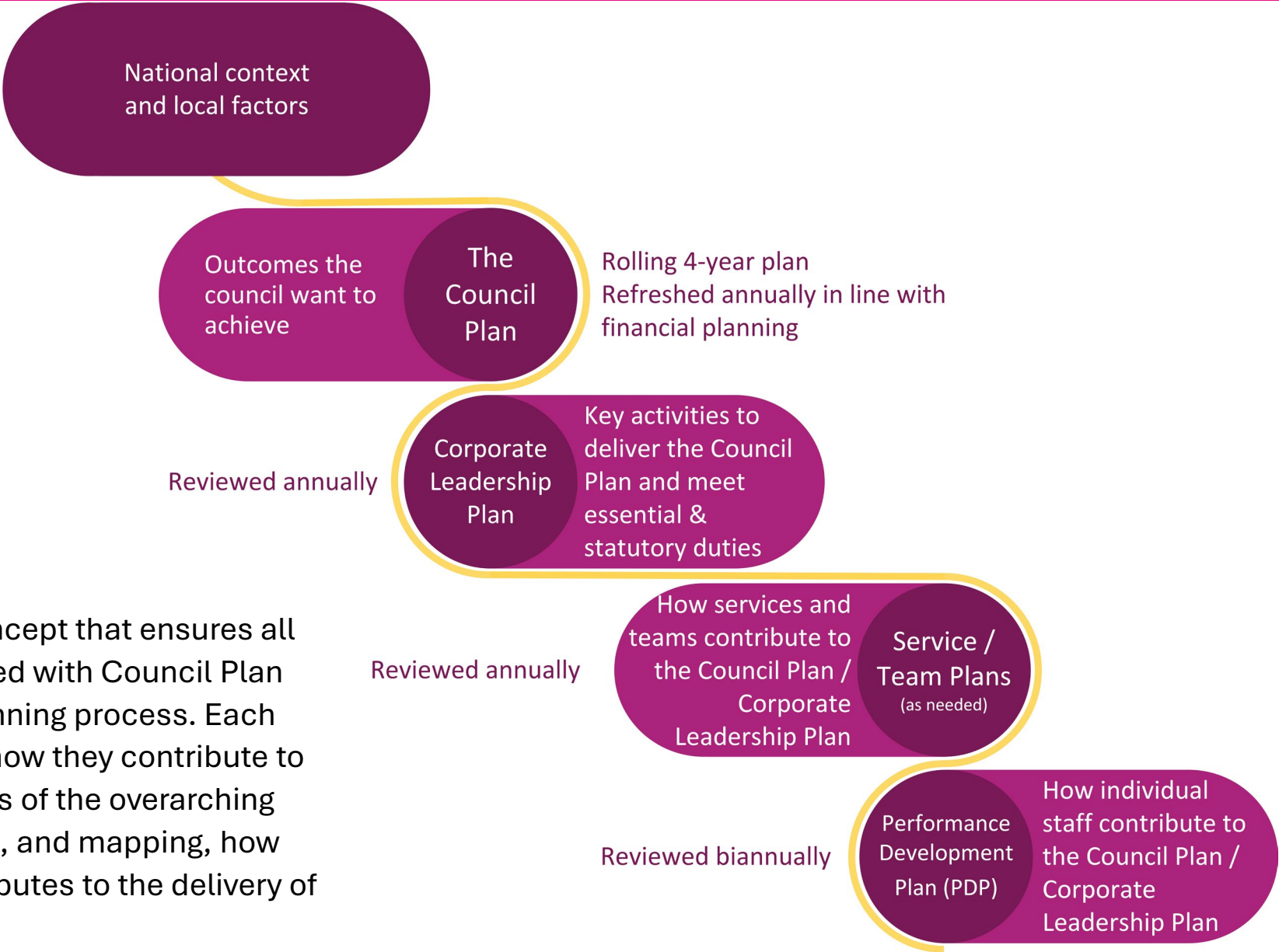
The Golden Thread

The Golden Thread is a concept that ensures all council activities are aligned with Council Plan outcomes through the planning process. Each plan should demonstrate how they contribute to the priorities and outcomes of the overarching plan, ultimately illustrating, and mapping, how each council officer contributes to the delivery of the council plan.

Reviewed annually

How services and teams contribute to the Council Plan / Corporate Leadership Plan

Service / Team Plans
(as needed)

Reviewed biannually

Performance Development Plan (PDP)

How individual staff contribute to the Council Plan / Corporate Leadership Plan

191

23

Risk Management Process

There are four steps in the risk management process:

> Risk identification & assessment

> Risk treatment

> Risk monitoring

> Risk reporting

The full Risk Management Framework can be found here

Risk description		Existing controls		Current risk score		Mitigating actions		Target risk score
Risk title	→	Three lines of defence	→	Likelihood	→	Risk action lead	→	Likelihood
Risk owner				X				X
Causes		Effectiveness of controls		Impact		Target date		Impact
Impact								

193
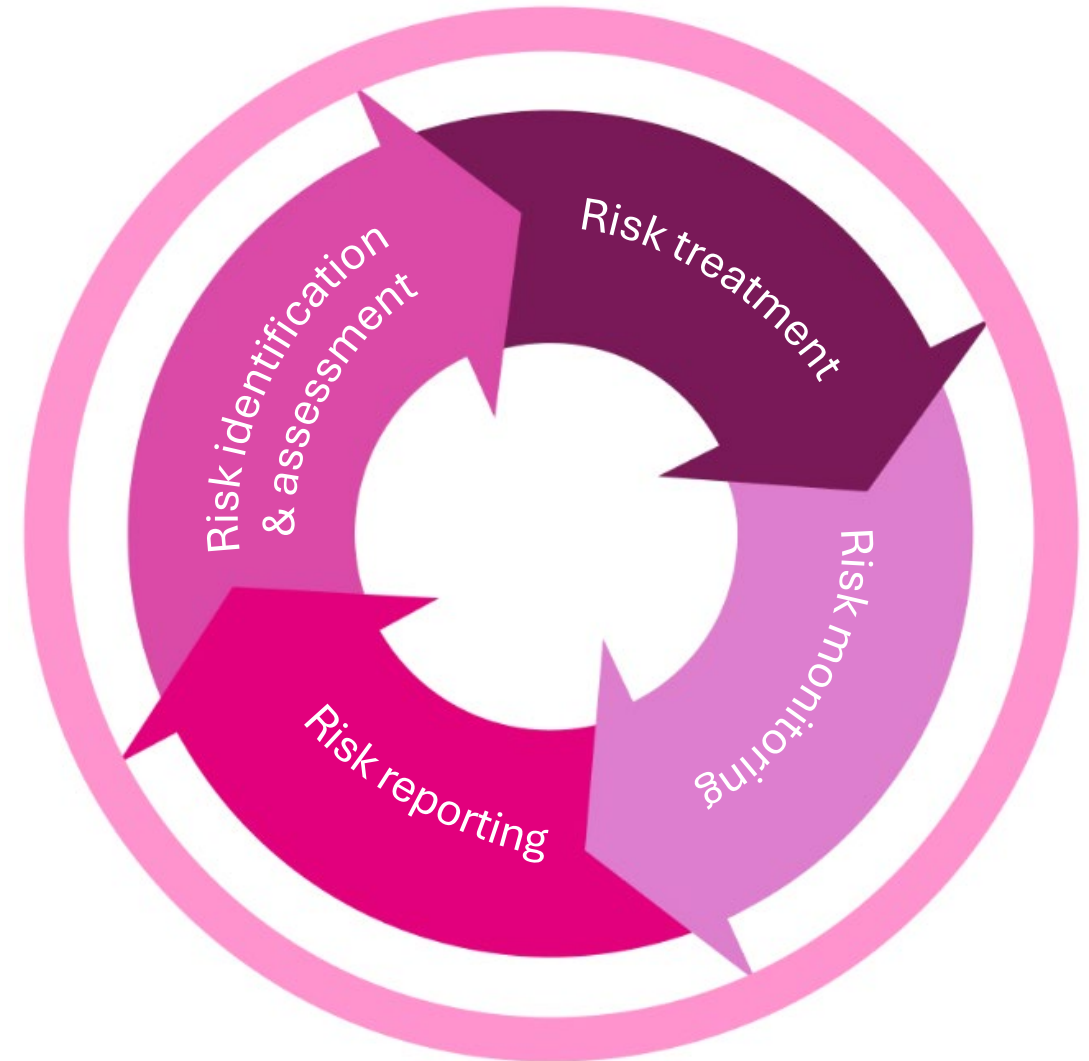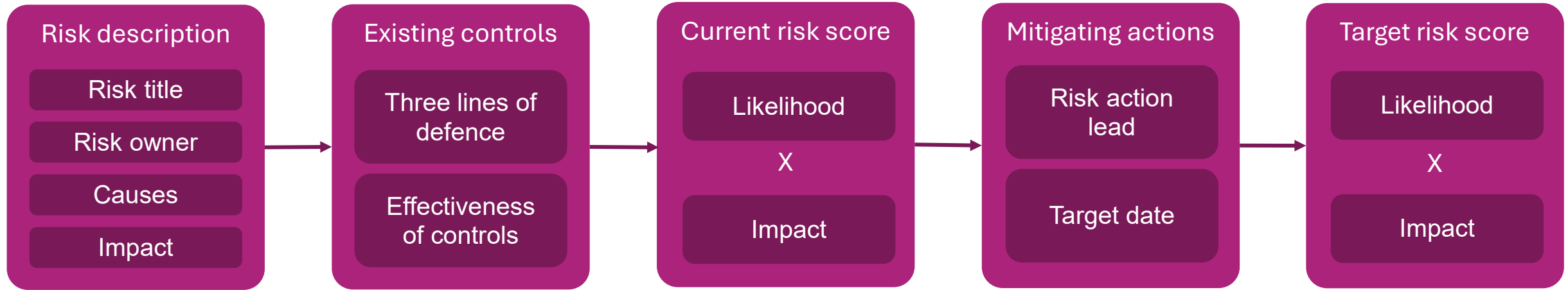
Risks are prioritised by assigning risk scores 1-5 to the likelihood of the risk occurring, and the potential impact if the risk should occur. These are multiplied to give a total risk score.

The Strategic Risk Register mostly includes high (red) and significant (amber) risks. Directorate Risk Registers are likely to include high, significant, moderate (yellow) and low (green) risks.

Risk Owners are asked to consider whether to treat, tolerate, terminate or transfer the risk. Risk actions should reduce the likelihood and/or impact – if neither are true, there will not be any reason to undertake the action.

Likelihood	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Almost impossible (1)	1	2	3	4	5

Impact

25

Risk identification and assessment must be prioritised and managed appropriately within the council to ensure proper allocation of resources and oversight. The level of oversight and management of a risk will depend on the scope, scale of potential impact and the type of response required. Risks can be escalated or de-escalated between management levels through reviews.

The council has three levels of risk management:

> Strategic (corporate)
> Directorate
> Service or Programme/Project

Level of risk exposure increases (Likelihood and/or impact score goes up)

Multiple risks around a similar theme

Mitigating actions are not having excepted impact

Shift in external context or council objectives

Level of risk exposure decreases (Likelihood and/or impact score goes down)

Shift in external context or council objectives

Managed by CLT
Oversight from cabinet
Strategic risks

Managed by DLT
Oversight from CLT
Cabinet lead regularly briefed
Directorate risks

Managed by SLT
Director regularly briefed
Service risks

Managed by Board
Director regularly briefed
Programme & project risks

194

26

To ensure the effective and robust management of risk, specified council functions, members and officers are responsible and accountable for the management of risk.

The key responsibilities for the management and oversight of risk are detailed within Council's Constitution. This table outlines these responsibilities alongside those responsible for managing the process.

195

Role	Responsibilities
Cabinet	• Approval of the Risk Management Framework • Oversight and review of strategic risks
Audit, Standards & General Purpose Committee	• Oversight of the risk management framework and recommend improvements to strengthen risk management
Cabinet Portfolio Leads	• Oversight of relevant risks
Corporate Leadership Team (CLT)	• Accountable for the Strategic Risk Register • Review the strategic risk register, ensuring it contains appropriate risks and they are managed effectively • Agree recommendations in changes to strategic risks • Promote culture of risk management • Each CLT member is responsible for their Directorate Risk Register
Directorate Leadership Team (DLT)	• Management of the directorate risks, ensuring it contains appropriate risks, and they are managed effectively • Escalation/de-escalation of risks between service, directorate and strategic levels
Risk Owner	• Accountable for the management of assigned risks, ensuring descriptions, assessments and risk scores are accurate, and suitable controls and actions are in place to mitigate the risk • Provide updates on the risk, including any emerging information which may impact the risk

27

Risk assurance specifically refers to the processes and systems which can be used to hold the council to account and give confidence in how it delivers its duties, functions and outcomes through the management of risk.

Directly supporting the levels of risk management, the council uses the 'three lines of defence' model to assess and provide assurance of the effectiveness of our internal controls for any strategic risk.

The Three Lines of Defence model outlines three levels of assurance within our existing controls for each risk, providing evidence of the controls, oversight and existing processes specific to that risk.

The use of the Three Lines of Defence model demonstrates:

> plans to ensure that proper controls are in place
> that checks are in place for all areas of control
> the best use of the assurance process, i.e. all areas are checked have oversight and duplication is avoided

Cabinet / Audit, standards & general purpose committee

Corporate Leadership Team

First line of defence

Management control | Internal control measures

- Identify, assess, own and manage risks
- Design, implement and maintain effective internal control measures
- Supervise execution and monitor adherence
- Implement corrective actions to address deficiencies.

Second line of defence

Corporate oversight: Functions that oversee or specialise in risk management

- Set the boundaries for delivery through the definition of standards, policies, procedures and guidance
- Assist management in developing controls in line
- Monitor compliance and effectiveness
- Identify and alert senior management, and where appropriate governing bodies, to emerging issues and changing risk scenarios.

Third line of defence

Independent assurance: Internal audit, external audit or regulators

- Provide an objective evaluation of the adequacy and effectiveness of the framework of governance, risk management and control
- Provide proactive evaluation of controls proposed by management
- Advise on potential control strategies and the design of controls.

196

28

Independent assurances of the strategic risks are represented in the third line of defence. The risk register is one element that informs the Internal Audit Plan, but the planned audits will not cover all the strategic risks. Internal audit provides 3rd line of defence assurance on specific aspects of some of the strategic risks. Independent assurance over the internal controls OR arrangements in management of risk`

SR02 Failure to develop and deliver a Medium-term financial plan (MTFP) to ensure financial sustainability and resilience

1. Annual review of Value for Money (VfM) arrangements by the External Auditor leading to an opinion in the annual audit report. The last review (2022/23) concluded there were significant weakness in arrangements identified in relation to financial sustainability, with key recommendations made and two improvement recommendations raised.

2. Internal Audit reviews on all aspects of financial management, governance and reporting are undertaken on a rolling basis to provide management with assurance and recommendations for improvements. The Audit Plan and Strategy is agreed and monitored by Audit, Standards & General Purposes Committee on an annual basis. The committee also receives reports on high priority actions and limited assurance audits.

3. Internal audit reviews:

   - 2024/25: Accounts Payable (Reasonable), Treasury Management (substantial), Payroll (Partial), Housing Rents (Reasonable), Capital Programme budgetary Control (Reasonable), Home Purchase Scheme (Partial), Prepayment Vouchers- HUGGG (Partial), Budget Management - Effectiveness of Savings Targets Follow Up (Reasonable), General Ledger (Reasonable), PCI DSS Follow Up (Reasonable), Housing Benefit and Council Tax Reduction (Reasonable)

197

SR10 Failure to adequately protect information assets from a successful cyber-attack impacting our ability to deliver a responsive council with well-run services

1. Internal Audit:
    - 2024/25: Recovery and Resilience (including Cyber Security) arrangements (Reasonable), System Change Control and Release Management (Patch Management)(Reasonable), PCI DSS Follow up (Reasonable)
    - 2023/24: Procurement of IT Systems (Reasonable Assurance), Surveillance Cameras follow up (Reasonable Assurance), Robotic Process Automation (Reasonable Assurance), Eclipse Application Control (Reasonable Assurance), Accommodation Strategy & Workstyle Programme (Reasonable Assurance), Adult Services Data Handling (Reasonable Assurance), Childrens Services Data Handling (Reasonable Assurance), PCI/DSS (Partial Assurance)
2. IT Health Check (ITHC) performed by a 'CHECK'/'CREST' approved external service provider – covering both applications and infrastructure assurance. The ITHC approach has been updated to include one standard annual check and one targeted solution specific check (e.g. the mobile service).
3. Continued assurance from compliance regimes, including Public Sector Network (PSN) CoCo (Code of Connection); NHS Digital Data Security and Protection (DSP) Toolkit; and Payment Card Industry Data Security Standard (PCI DSS).

198

SR13 Not keeping adults safe from harm and abuse.

1. For the council's in-house registered care services Care Quality Commission (CQC) Inspections on an on-going regular basis. From 2023, all local authority adult social care services will be inspected by CQC.
2. CQC's programme of inspections of all registered care providers are published weekly and available on CQC's website www.cqc.org.uk.
3. Brighton & Hove Safeguarding Adults Board (BHSAB) is independently chaired and meets quarterly with the three statutory agencies for city wide safeguarding assurance. The Safeguarding Lead is a member of the SAR panel (multi agency, chaired by independent sector) where referrals for reviews are discussed in depth.
4. Local Government Association Test of Assurance in September 2022 provided recommendations that were reviewed at follow up session in April 2023.
5. Internal Audit
    - 2024/25: Direct Payments (Partial)
    - 2023/24: Adult Services Data Handling (Reasonable Assurance)

SR15: Failure to ensure effective safeguarding arrangements to keep children and young people safe from harm and neglect

1. Ofsted inspection of children's services arrangements in March 2024 - Outstanding. This provides external assurance on our safeguarding and care arrangements.
2. Ofsted and the CQC inspection of the council's SEND and Alternative Provision arrangements in March 2023. The council received outcome 1 which provides positive assurance around our social care arrangements for children with special educational needs and disabilities and confirmation that existing improvement plans are correctly focussed.
3. National Probation Inspectorate statutory inspection of the city's Youth Offending Service April 2021 - Outstanding grading across every domain.
4. Annual Engagement Meeting (AEM) with Ofsted HMI for social care and education. Most recently held in April 2024 and covered social care and education. A separate discussion focussing on Further Education and Skills and one on Special Educational Needs is due to take place later in 2024.
5. The Brighton & Hove Safeguarding Children's Partnership (BHSCP) commissions Independent Scrutiny (IS) for the partnership to provide external challenge to the businesses of the partnership, its meetings, subgroups and priorities.
6. Internal audit:
   - 2024/25: Early Help Services (Reasonable)
   - 2023/24: Childrens Services Data Handling (Reasonable Assurance), Risk Management Actions: Implementation and Progress Reporting (Substantial Assurance)
   - 2022/23: Home to School Transport (Reasonable Assurance)

199

SR18: Failure to invest in and maximise use of digital technology to enable a responsive council with well-run services

1. Internal Audit:
   - 2024/25: PCI DSS Follow Up (Reasonable), Housing Replacement Works Management System (Advice work)
   - 2023/24: Surveillance Cameras follow up (Reasonable Assurance), Robotic Process Automation (Reasonable Assurance), Advice work for ERP programme board and the housing works management system programme board, PCI/DSS (Partial Assurance)
   - 2022/23: Housing Management System (follow up) (Reasonable Assurance); Public Sector Bodies Accessibility Regulations (follow up) (Reasonable Assurance)

SR21: Failure to optimise council housing stock, make best use of available housing in the city and deliver new affordable homes

1. Internal Audit:
   - 2024/25: Housing Major and Planned Works Programme (Partial), Housing Rents (Reasonable), Home Purchase Scheme (Partial)
   - 2023/24: Housing Rents follow up (Partial Assurance), Housing Temporary Accommodation (Reasonable Assurance), Housing Allocations (Reasonable Assurance)
   - 2022/23: Housing Management System (follow up) (Reasonable Assurance)
2. Ministry of Housing, Communities and Local Government information quarterly returns on homelessness and rough sleeping
3. Homes England (HE) information returns where we have HE grant allocations. HE grant for homeless move on accommodation – regular updates to HE on scheme progress and draw down on grant.

SR24 Failure to provide an equitable approach to ensure equality of access, outcomes and experiences for all

1. Internal Audit:
   - 2024/25: Housing Benefit and Council Tax Reduction (reasonable)
   - 2023/24: Risk Management Actions: Implementation and Progress Reporting (Substantial Assurance)
1. Department for Work & Pensions (DWP) oversee distribution of the Household Support Fund.
2. Ministry of Housing, Communities and Local Government and BEIS oversee the Energy Payment and associated discretionary fund, and Energy Bills Support Scheme respectively.

SR25: Failure to use the council's resources and capabilities to deliver the Council Plan and adapt to the evolving needs of the city

1. Local Government Association Corporate Peer Challenge undertaken in 2025
2. Internal Audit
   - 2024/25: Employment checks - Right to Work (Reasonable), Apprenticeship Programme (Reasonable)
   - 2023/24: Organisational Capacity – Workforce Strategy and Management (Reasonable Assurance), Performance Development Plans and 1 to 1s (Reasonable Assurance)

200

SR21: Failure to optimise council housing stock, make best use of available housing in the city and deliver new affordable homes

1. Internal Audit:
   - 2024/25: Housing Major and Planned Works Programme (Partial), Housing Rents (Reasonable), Home Purchase Scheme (Partial)
   - 2023/24:   Housing Rents follow up (Partial Assurance), Housing Temporary Accommodation (Reasonable Assurance), Housing Allocations (Reasonable Assurance)
   - 2022/23: Housing Management System (follow up) (Reasonable Assurance)
2. Ministry of Housing, Communities and Local Government information quarterly returns on homelessness and rough sleeping
3. Homes England (HE) information returns where we have HE grant allocations. HE grant for homeless move on accommodation – regular updates to HE on scheme progress and draw down on grant.

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1. Internal Audit:
   - 2024/25: Housing Benefit and Council Tax Reduction (reasonable)
   - 2023/24: Risk Management Actions: Implementation and Progress Reporting (Substantial Assurance)
1. Department for Work & Pensions (DWP) oversee distribution of the Household Support Fund.
2. Ministry of Housing, Communities and Local Government and BEIS oversee the Energy Payment and associated discretionary fund, and Energy Bills Support Scheme respectively.

SR25: Failure to use the council's resources and capabilities to deliver the Council Plan and adapt to the evolving needs of the city

1. Local Government Association Corporate Peer Challenge undertaken in 2025
2. Internal Audit
   - 2024/25: Employment checks - Right to Work (Reasonable), Apprenticeship Programme (Reasonable)
   - 2023/24: Organisational Capacity – Workforce Strategy and Management (Reasonable Assurance), Performance Development Plans and 1 to 1s (Reasonable Assurance)

201

SR29: Failure to manage contracts to ensure value for money and achieve the best outcomes for the city

1. Internal Audit reports: Audit work completed during the 2024/25 financial year, findings were raised regarding contract management across four non-opinion pieces

SR38: Failure to take effective action to increase our city's resilience to climate change, improve biodiversity and transition to net zero

1. Environment Agency (EA) in respect of flooding. Monthly reports made to EA on how the city council spends the monies received from EA includes schemes such as coastal protection; Property Level Protection; sustainable urban drainage SPG (policy); Strategic Flood Risk Assessment.
2. Local Air Quality Management reports submitted regularly to the Department for Environment, Food and Rural Affairs (Defra)
3. Internal Audits undertaken:
    - 2023/24: Carbon Reduction Programme (Reasonable Assurance)

202

SR39 Failure to maintain and demonstrate the building and fire safety of council homes

1. Monthly meeting with the Regulator of Social Housing
2. Report on Health & Safety Board Performance Trackers sent to Regulator of Social Housing
3. Report on Tenant Satisfaction Measures to Regulator of Social Housing
4. Internal Audit Position Statement on Housing Health and Safety Regulations 2024/25 (January 2025)

SR40: Failure to maintain a clean and safe city

1. Local Authorities Events Organisers Group (LAEOG)
2. DfT monitor and assure delivery of key transport programmes
3. Independent Seafront Development Board

SR41: Failure to maintain and demonstrate the health & safety compliance and fire safety of the council's commercial property

None

SR42: Failure to deliver on or maximise opportunities of Devolution in the best interests of Brighton & Hove

1. Internal audit - plan for 25/26
2. Regular meetings with MHCLG on Devolution

SR43: Failure to maximise the opportunities of Local Government Reorganisation in the best interests of Brighton & Hove

None

SR44: Failure to maintain and demonstrate the health & safety compliance and fire safety of the council's operational property

None

203

Whilst many of our policies, processes and strategies link to many of the Good Governance Principles, below are those that are particularly relevant.

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

Policy, framework or process	Owner	Last reviewed
The Constitution	Director (Governance & Law)	2024
Code on Officer/Member Relations	Director (Governance & Law)	2024
Behaviour Framework which includes council values (Leadership values were included in this)	Director (People & Innovation)	2023
BHCC Anti-Fraud & Corruption Strategy and Framework	Chief Internal Auditor	2022
Modern Slavery Statement	Chief Finance Officer	2024

204

Good Governance Principle B: Ensuring openness and comprehensive stakeholder engagements

Policy, framework or process	Owner	Last reviewed
Customer Experience Strategy	Director (People & Innovation)	2023
Information Rights Framework	Director (People & Innovation)	2024
Formal Partnerships including the City Management Board	Head of Cabinet Office	2023

205

Good Governance Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Policy, framework or process	Owner	Last reviewed
Council Plan	Director (People & Innovation)	2023
Economic Strategy	Head of Cabinet Office	2024
Net Zero Programme	Corporate Director (City Operations)	2024
Medium Term Financial Strategy	Chief Finance Officer	2025
Capital Investment Programme	Chief Finance Officer	2024

Good Governance Principle D: Determining the interventions necessary to optimise the achievement of the intended outcome

Policy, framework or process	Owner	Last reviewed
Financial Regulations & Standard Financial Procedures	Chief Finance Officer	2024
Innovation & Change portfolio of projects and programmes	Director (People & Innovation)	2024
Contract Standing Orders	Chief Finance Officer	2024

Good Governance Principle E: Developing the entity's capacity including the capacity of its leadership and with individuals within it

Policy, framework or process	Owner	Last reviewed
Fair & Inclusive Action Plan (which includes equalities work with city partners)	Director (People & Innovation)	2023
Staff training	Director (People & Innovation)	2023
Member training	Director (Governance & Law)	2023
Scheme of Delegation	Director (Governance & Law)	2024
Pay policy statement	Director (People & Innovation)	2024

206

Good Governance Principle F: Managing risks and performance through robust internal control and strong financial management

Policy, framework or process	Owner	Last reviewed
Risk Management Process part of Performance Management Framework	Director (People & Innovation)	2025
Information governance & security policies	Corporate Director (City Operations)	2023
Health & Safety Strategy	Director (People & Innovation)	2023
People Strategy	Director (People & Innovation)	2023
Whistleblowing Policy	Director (Governance & Law)	2025

Good Governance Principle G: Implementing good practice in transparency, reporting and audit to deliver effective accountability

Policy, framework or process	Owner	Last reviewed
Performance Management Framework	Director (People & Innovation)	2023
Internal Audit Plan, Annual Internal Audit Review and Opinion, Independent Assessment of Internal Audit	Chief Internal Auditor	2025
External Auditor's Annual Report	Chief Finance Officer	2025

207

> Brighton & Hove Estates Conservation Trust

> Brighton & Hove Music Trust

> Brighton & Hove Seaside Community Homes Ltd

> Brighton Dome & Festival Limited

> East Sussex Fire Authority

> East Sussex Pension Board

> Gorham's Gift

> Homes for Brighton & Hove LLP

> Local Government Association

> Sussex Police & Crime Panel

BHCC appoints members to a range of other external bodies and partnerships as a means of discharging the council's functions across the area of Brighton & Hove. A complete list of appointments is available in the papers of Annual Council, which are published on the council's website.

Those external bodies include the East Sussex Fire Authority, which is a combined fire authority made up of members of its two constituent authorities: East Sussex County Council and BHCC, and the Police & Crime Panel; a joint committee which monitors and supports the Police and Crime Commissioner.