West Sussex County Council Annual Governance Statement 2025/26

The Council's Responsibility

West Sussex County Council (WSCC) is responsible for making sure its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. WSCC has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, considering a combination of economy, efficiency, and effectiveness. The Council is responsible for putting in place proper arrangements for the governance of its affairs, making sure its functions are exercised effectively, and including arrangements for the management of risk. This statement is an open and honest self-assessment of the Council's performance across all its activities.

The purpose of the Governance Framework

The governance framework is made up of the systems and processes, culture and values by which the Council is directed, controlled, accounts to, engages with and leads the communities of West Sussex. It enables the Council to monitor the achievement of its strategic objectives and whether those objectives have led to the delivery of appropriate, cost-effective services. Whilst supporting the Council's arrangements for risk management, it cannot eliminate all risk to the achievement of policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The Governance Framework

The CIPFA/SOLACE Framework for Delivering Good Governance in Local Government (2016), and May 2025 addendum, provide a core set of seven principles, set out in the diagram, to support good governance and the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The Council's Code of Corporate Governance reflects these principles.

Our assessment of effectiveness

West Sussex County 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 the work of managers within the authority who have responsibility for the development and maintenance of the governance environment, the work of the Executive Director of Law Assurance and Insight, and of the Internal Audit function and by comments made by external auditors and other review agencies and inspectorates. The process for maintaining and reviewing the effectiveness of the governance framework in place in 2025/26 was led by the Executive Director of Law Assurance and Insight who carried out the following work:

- reviewing reports from Internal and External Audit, external inspectors and other independent reviews
- completion of governance self-assessments by senior officers and attending Departmental Management Team meetings to discuss governance issues.
- holding discussions with key senior officers to assess the Council's corporate governance framework

Key governance and decision-making bodies

Key elements of the governance framework operating during the year under review (2025/26) include the following:

a) Members

Full Council (County Council)	The sovereign body of the authority. Sets the overall policy framework and annual budget, elects the Leader, Chairman and committee memberships, and acts as the principal forum for political debate
Cabinet (Executive)	The political executive, appointed by the Leader. Responsible for proposing and taking key policy and service decisions within the framework approved by full Council; decisions can be collective or by individual Cabinet Members
Leader of the Council	Appointed by full Council. Determines executive arrangements, appoints Cabinet Members, defines portfolios, and holds overall executive authority
Scrutiny Committees	Provide oversight and challenge to Cabinet and executive decisions; can review decisions, examine performance and policy, and exercise call-in powers

Governance Committee	Oversees constitutional matters, ethical governance arrangements, and some non-executive matters that cannot be delegated to the executive including some staffing matters
Pensions Committee/ Local Pension Board	Governance and oversight of the West Sussex Pension Fund in line with statutory requirements
Planning and Rights of Way Committee	Determines certain planning applications and public rights of way matters that are not executive functions
Regulation, Audit and Accounts Committee	Responsible for audit, financial reporting, risk management and assurance arrangements, including approval of the statement of accounts and related regulatory functions and approval of the Council's self-assessment against the standards in the CIPFA Financial Management Code
Standards Committee (and Standards Sub-Committee)	Promotes and maintains high standards of conduct among councillors, including oversight of the Members' Code of Conduct
Corporate Parenting Panel	Acts on behalf of the authority as 'corporate parent' for children in care and care leavers, influencing policy and performance rather than taking executive decisions
Joint and Partnership Bodies	Shared governance with partner organisations where WSCC participates in joint decision-making or strategic oversight e.g. Health and Wellbeing Board, Police & Crime Panel, West Sussex Economic Growth Board

b) Officers

Chief Executive	Head of Paid Service. Overall responsibility for the management of the authority, delivery of services, and implementation of decisions made by members
Statutory Officers	The statutory roles of the Head of Paid Service, Monitoring Officer, Chief Financial Officer, Director of Children's Services, Director of Adult Social Services, Director of Public Health, Scrutiny Officer and Data Protection Officer are set out within the Council's constitution
Executive Directors and Service Directors	Take decisions under delegated authority from full Council, Cabinet or committees, including operational and some key decisions

Officer Delegated Decisions (including Urgent Action)	Decisions taken under formally delegated powers, recorded and published, and subject to scrutiny call-in where applicable
Executive Leadership Team (ELT)	Led by the Chief Executive working alongside the Executive Directors and the Chief Fire Officer. ELT has a mix of responsibilities combining directorate and service leadership, setting the strategic direction of the organisation
Leadership Group	Comprises the ELT and Service Directors. Responsible for supporting the work of the ELT and ensuring distributed leadership amongst senior officers
Corporate Management Team	Comprises senior managers (Directors and Heads of Service) directly led by ELT who are responsible for working with their teams to turn strategy into operational leadership and delivery and to ensure alignment and joined up activity across the Council
Directorate Management Teams	The organisation consists of six directorates and the West Sussex Fire and Rescue Service: Adults' Services & Health, Place, Finance and Support Services, Law, Assurance and Insight, HR, OD & Comms, Communities and Children's. DMTs are established for each Directorate consisting of Executive Directors, Directors, and can also include Heads of Service, who are collectively responsible for delivering strategies and outcomes.
Managers	Responsible for developing, maintaining and implementing the Council's governance, risk and control framework, contributing to the effective corporate management and governance of the Council
Internal Audit	Assurance function providing independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
External Audit	Audit/Review and report on the Council's financial statements, providing an opinion on the accounts and use of resources, concluding on the arrangements for securing economy, efficiency and effectiveness in the use of resources (value for money opinion)

The Constitution

The Constitution sets out the processes for how the Council considers issues and makes decisions. Its key purpose is to enable good quality decision making. It is a living document which means it is regularly reviewed and amended to reflect changes in legislation and the way we organise ourselves and do things. The Constitution is kept under regular review by the Council's Governance Committee.

Corporate Performance and Risk Management

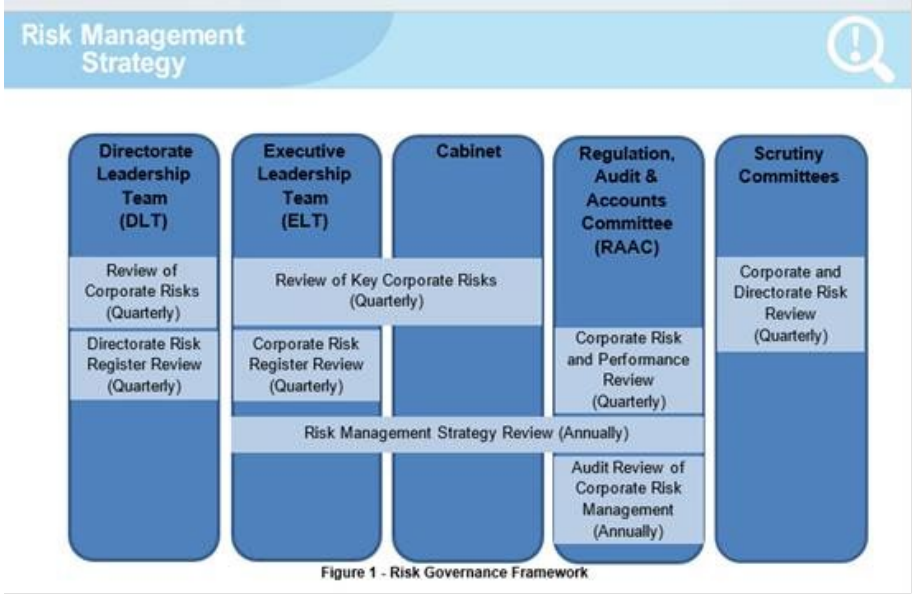

Figure 1 - Risk Governance Framework

The Council's corporate performance framework provides clear oversight of progress against the strategic aims set out in Our Council Plan. This is supported by a defined suite of Key Performance Indicators that enable consistent, transparent monitoring of delivery. Performance of internal corporate services is also routinely assessed to ensure they effectively support service delivery across the organisation, with targeted reporting provided to the Executive Leadership Team to inform decision making.

Corporate performance reporting is well established, subject to annual review, scrutinised by the relevant committees and Cabinet, and published to support openness and public accountability. As the framework continues to mature, further refinement will focus on strengthening internal reporting around the most critical measures and improving how insight is presented. This will ensure leadership receives clear, concise intelligence on priorities and emerging risks, thereby enhancing governance and supporting continuous improvement.

The Council's risk management strategy is reviewed annually. The risk management framework incorporates all risk management activity required to embed and operate a consistent, yet flexible, approach across the council.

The Council's approach is to ensure risk is managed effectively throughout the organisation; with members and senior officers focussing on strategic and business critical risks, empowering services to manage and report on detailed operational risks. All risks are recorded in the risk register and are reviewed and updated regularly, with clear routes for communication and/or escalation. By applying this framework, and with internal audit support, the council can provide assurance that risk is being effectively identified and managed across the organisation.

Through robust application of the principles set out in the risk management strategy, the council demonstrates well established and documented risk management processes that are applied consistently across the business. To continue improving the councils risk capability and maturity, risks and associated actions relating to proposals, policies and spending decisions must always be identified, recorded and published in decision reports for senior leaders and scrutiny committees to consider.

Commissioning Framework

There have been two significant changes to commissioning practice, both launched and implemented during 2025/26, which materially strengthen the Council's commercial and financial governance framework. These enhancements support officers in complying with Procurement Standing Orders and wider regulatory requirements, including the Procurement Act 2023 and the Local Government Transparency Code.

Firstly, the implementation of Oracle provides enhanced system controls by ensuring that all Purchase Orders and payments are directly linked to approved contracts. Officers are required to select the relevant contract at the point of commitment, improving transparency, strengthening financial control, and enabling more effective oversight of third-party spend.

Secondly, the introduction of the Buying Desk - an extension of the commercial capability in the Procurement and Contract Management Service. This provides a consistent, structured and controlled approach to sourcing low-value contracts (£25k-£100k, excluding VAT). The Buying Desk works in collaboration with service departments and Legal Services to ensure proportionate, compliant, and timely procurement processes, and that appropriate contractual arrangements are put in place.

Government Funding

The Council, along with the rest of Local Government and the wider public sector, continues to operate in a challenging financial context. This year confirmed the first multi-year settlement for number of years, covering the financial years 2026/27; 2027/28 and 2028/29. Whilst this provides greater budget planning certainty than in recent years of annual funding settlements there are significant financial risks the Council needs to take account of, and seek to manage, to ensure it remains financially resilient, including increasing demand pressure in social care and ensuring Government provides a sustainable solution to the Dedicated Schools Grant (DSG) deficit issue. The Council is not immune to the effects of the turbulence in the wider economy, with high inflation driving up costs of both regular service delivery and capital projects. The impact on individuals of the cost-of-living crisis arising from this economic situation also increases demand for Council services and places a risk on the Council's income base. Looking forward Local Government Reorganisation and devolution will mean significant change for the County Council. The financial implications and financing of the new arrangements will remain under close consideration as new information becomes available.

The Council has had a modified audit opinion since 2022/23. Due to national issues in the local audit market, no External Audit was carried out for the financial year 2022/23 which resulted in a disclaimed audit opinion. Whilst full audit procedures were undertaken for 2023/24, a disclaimed opinion was again issued, due to a lack of assurance over prior year comparators and opening balances as a direct result of the 2022/23 disclaimer. For 2024/25, due to an increased level of assurance in respect of prior year comparators and cumulative balances, notwithstanding the continuing effect of some 2022/23 transactions in relation to the 2024/25 accounts (for example relating to property, plant and equipment valuations and reserves), the external auditors issued a qualified opinion. In September 2024, the Financial Reporting Council published guidance for local authorities and auditors on how assurance was likely to be rebuilt over a number of years following a disclaimed opinion and the Council's progress towards an unqualified opinion in 2026/27 is on track.

Health Governance

The Council's effective discharge of its responsibilities for Children, Young People and Learning, Adults' Services, Communities and Public Health is delivered within a wider system of shared governance and partnership accountability. Democratic oversight is provided through the Health and Wellbeing Board, the Health and Adult Social Care Scrutiny Committee (HASC), and the Children and Young People's Services Scrutiny Committee, which together ensure alignment of priorities, transparency, and accountability within the Council.

These arrangements operate alongside critical interdependencies with NHS Surrey and Sussex, which provides system leadership, strategic commissioning, and population health oversight across the Integrated Care System, through its Integrated Care Board and wider public facing governance and engagement structures. As a practical example, HASC functions both as a mechanism for internal assurance and as the Council's principal route for democratic scrutiny and constructive challenge to NHS bodies and partners, enabling issues relating to service planning and delivery to be reviewed and, where appropriate, escalated. The Council has an increasingly important role to play following the expansion of the Integrated Care Board to cover a wider area, to advocate for local place and ensure this is central to future planning.

This shared system is further underpinned by provider governance (including NHS providers and collaboratives), regulatory oversight (Ofsted, CQC), and national policy frameworks (DfE, DHSC). The Council recognises that elements of assurance rely on partner governance and therefore places strong emphasis on active system leadership, clarity of accountability, and collaborative oversight to manage risk and improve outcomes.

Commercial Arrangements

The Council has the following commercial arrangements:

Edes Estates

Edes Estates Limited was established in 2014 as a wholly owned company with commercial activities in property and limited by shares. Quarterly reports on current projects and reserved matters are received by the Council's shareholder group, which includes cabinet members and executive leadership directors at the Council. In 2021 Edes Estates formed a limited liability partnership named Kinsted with Lovell Partnerships Limited, and presently undertakes redevelopment of land to new homes, for onward sale.

The Council also has a small commercial property portfolio of 2 buildings which have been bought and managed for investment purposes while also renting out space in a number of other properties on commercial terms. These are managed to generate income to support service delivery.

Governance Arrangements and External Sources of Assurance

Care Quality Commission Report – Adult Social Care

The Care Quality Commission conducted an inspection of Adult Social Care at West Sussex County Council, concluding an overall Good rating. In respect of governance, the report stated "there were clear and defined governance, management and accountability arrangements at all levels within the local authority. The local authority had good governance relating to the Care Act 2014 and a clear scheme of delegation for those in the senior leadership roles. There was a clear quality assurance framework, covering professional standards, supervision and case audits, confirming who oversaw strategic and operational functions. There were several quality subgroups which met regularly."

Internal Audit Outcomes

The Southern Internal Audit Partnership is required to provide the Council with an opinion on the adequacy and effectiveness of the internal control environment. In his Annual Report on the work of Internal Audit during 2025/26 the Head of the Southern Internal Audit Partnership has confirmed he is satisfied sufficient internal audit work has been undertaken to allow him to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's control environment. This year he provided reasonable assurance that the Council has an adequate and effective control process to manage the achievement of its objectives. However, he does caveat this opinion in respect of the limited assurance reports issued during the year where Priority 1 recommendations were raised.

Role of the Chief Financial Officer

In 2011/12 a requirement to report on compliance with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government was introduced. A self-assessment has been carried out against the 5 principles within this Code (which was amended in 2016) and all required standards have been assessed as being met.

CIPFA Public Sector Internal Audit Standards (PSIAS) Since April 2013 Internal Audit has been required to confirm compliance with the CIPFA PSIAS. A successful external review was conducted in 2023.

Significant governance issues

How we have improved our governance arrangements in 2025/26

An action plan was developed to address areas of relative improvement identified in the 2024/25 Annual Governance Statement. Progress against this plan has been monitored regularly and reported to the Regulation, Audit and Accounts Committee during 2025/26. Most actions from last year's AGS have been concluded, including the revision of the Whistleblowing Policy, implementation of the new key decision threshold of £1m and publication of officer non-key decisions with a value of over £500k. Directorate Statements of Assurance have been introduced and completed by all Executive Directors.

The Governance Committee concluded a review of the Council's governance arrangements. A key part of this review was to ensure transparency and timeliness of decision making. Several improved procedures including updating the criteria for key decisions, implementation of the new process for publishing higher value officer non-key decisions and a new online member guide to governance were agreed and implemented as a result of the review.

Two actions remain from last year's action plan, the first to ensure full implementation of the plan to address the Teachers' Pension breach (ongoing from 2021/22) and the second is a review of the current pooled budget agreement between the NHS Sussex Integrated Care Board (ICB) and the Council to come into effect by 31 March 2026 at the latest (ongoing from 23/24). These actions will continue to be monitored until they are sufficiently resolved.

Forward look on governance 2025/26

Local Government Reorganisation

The Government is due to determine the future of local government in West Sussex. Local Government Reorganisation will result in the creation of new unitary arrangements. Implementing the chosen option will require significant work to ensure the new arrangements are safe and legal on vesting day and thereafter. A Structural Change Order will place requirements on West

Sussex County Council to enact the decision. Ongoing work will be required by all local authorities in the West Sussex geography, particularly once the government's decision is formalised and a Structural Change Order is made. An Implementation Team will be convened and will develop plans for a safe and legal transition.

Sussex and Brighton Strategic Authority

The Sussex and Brighton Strategic Authority will take on a number of services currently provided by the County Council, including the transfer of West Sussex Fire and Rescue, which is currently planned for 2027. As with Local Government Reorganisation, it is imperative that these changes are made in a way that is safe and legal, and without disruption to the services provided to residents of West Sussex. The Devolution Programme Board, made up of officers from the Strategic Authority and the Constituent Authorities will continue to meet and ensure that required actions are progressed. A Transitions Board has also been created to ensure the smooth transfer of services, and of the Fire and Rescue Service.

Special Educational Needs and Disabilities (SEND) Reform

The Government has outlined long term transformation of the SEND system. Operational delivery and wider national reform will rely on effective whole system partnership working across education, health and care, underpinned by shared governance, co-production and collective accountability. Strategic oversight is provided through the SEND and Alternative Provision (AP) Board, which is independently chaired and fully co-produced, including representation from the West Sussex Parent Carer Forum (WSPCF), ensuring that lived experience informs both system design and performance management. This is complemented by the Council's internal democratic governance arrangements which provide transparency, challenge, and assurance. Delivery of WSCC SEND Strategy and improvement programme reflects close alignment with NHS Surrey and Sussex and education partners, recognising interdependencies across statutory duties and commissioning responsibilities. These arrangements also connect to the Council's capital programme, particularly in relation to SEND sufficiency, School Place Planning, ensuring that provision is planned and delivered to meet rising demand, and are aligned with the Dedicated Schools Grant (DSG) and wider Local Authority annual financial settlement. Operating within an external framework of Ofsted and CQC Area SEND inspection, the Council maintains a strong focus on system leadership, financial sustainability, and co-produced improvement to mitigate risk and improve outcomes for children and young people with SEND.

Action Plan 2025/26

The following improvement actions below have been identified. Progress will be followed up during 2026/27 and reported to the Governance Committee.

Issue	Action
Best practice according to the Code of Practice for the Governance of Internal Audit in UK Local Government requires the Regulation, Audit and Accounts Committee to produce an annual report to include their assessment of the effectiveness of internal audit. This does not currently happen.	Report to be scheduled in the forward plan for the Committee and included in the terms of reference.
The Local Code of Governance is a key document in underpinning the AGS that you are developing, which has been reviewed by Internal Audit against the recent CIPFA AGS Addendum. Recommendations have been made for minor improvements to the Code of Governance to more closely meet the requirements of the addendum.	Amendments to be made to the Code of Governance for consideration by the Governance Committee.
Rising demand for young people with special educational needs continues and meeting that demand places risk upon governance arrangements and the Council's ability to meet its statutory obligations. While statutory duties remain unchanged, the Council must oversee the delivery of existing obligations alongside significant preparatory activity	The Council will prioritise strong governance of forthcoming SEND reform, recognising that 2026/27 represents a transitional phase within a multi-year programme of change. This will include the development of a local SEND reform plan, strengthened partnership arrangements with health and education, and the effective deployment of new transformation funding to build early intervention and mainstream inclusion capacity. Governance oversight will include monitoring of EHCP timeliness
Procurement cards are utilised across the organisation. Whilst this is standard practice in organisations, a review of the policy is required to ensure the criteria for obtaining a procurement card is clear, and that the guidance for use is up to date.	A review of policy and guidance relating to procurement cards will be carried out.

Conclusion

The review of effectiveness on the Council's governance arrangements found that for the majority of services the control environment was satisfactory. It is not possible to eliminate all risks of failure and there were some areas where the Council's high expectations were not met and/or progress has been slower than originally expected. The control framework is an ongoing process and therefore where issues were identified action plans were agreed with the relevant Executive Director with a view to

progress being reviewed within six months of the report. The Council's review mechanisms are an effective framework for maintaining satisfactory governance arrangements including identifying any issues and for monitoring and securing their implementation. There are some common control themes for improvement plus a diverse range of service issues to be addressed and the Annual Governance Statement identifies continuing actions on the significant governance issues.

Certificate

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Governance Committee (the report can be found using this link [to be inserted following consideration by the Governance Committee], and action plans to address weaknesses and ensure continuous improvement of the system in place. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation. The 2025/26 Annual Governance Statement is due to be approved by the Governance Committee on [Date].

Signed…… **Signed……**

Leader of the Council **Chief Executive**