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Extraordinary Audit and Risk Committee

Tuesday 28 July 2026 on the rising of the prior Audit and Risk Committee

in the Council Chamber, Council Offices, Market Street, Newbury

Note: This meeting can be streamed live here: https://www.westberks.gov.uk/governanceethicscommitteelive

Date of despatch of Agenda: Thursday 23 July 2026

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Gordon Oliver on 01635 519486
e-mail: gordon.oliver1@westberks.gov.uk

Further information and Minutes are also available on the Council's website at www.westberks.gov.uk

West Berkshire COUNCIL

To:	Councillors Erik Pattenden (Chairman), Ross Mackinnon (Vice-Chairman), Jeremy Cottam, Laura Coyle, Carolyne Culver, Billy Drummond, Owen Jeffery and Simon Carey
Substitutes:	Councillors Adrian Abbs, Dennis Benneyworth, Paul Dick, Alan Macro and Stephanie Steevenson

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Agenda

Part I

Sarah Clarke

Sarah Clarke
Executive Director - Resources

West Berkshire Council is committed to equality of opportunity. We will treat everyone with respect, regardless of race, disability, gender, age, religion or sexual orientation.

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Extraordinary Audit and Risk Committee – 28 July 2026

Item 1 – Apologies for Absence

Verbal Item

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Extraordinary Audit and Risk Committee – 28 July 2026

Item 2 – Declarations of Interest

Verbal Item

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Annual Governance Statement 2025/26

Committee considering report:	Audit and Risk Committee
Date of Committee:	28 July 2026
Portfolio Member:	Councillor Iain Cottingham
Date Portfolio Member agreed report:	11 June 2026
Report Author:	Sarah Clarke

1 Purpose of the Report

1.1 The report sets out the Annual Governance Statement (AGS) for the Council for 2025/26. The AGS summarises the key governance issues for the Council and the action plan to address these. The AGS is required to be approved by those charged with governance, the Audit and Risk Committee at West Berkshire, under the Accounts and Audit Regulations 2015.

1.2 The AGS will form part of the Council's financial statements and will be considered by the Council's external auditors, KPMG as part of their annual audit for 2025/26. The deadline for the production of the financial statements is the 30 June, and a draft AGS has been included in the draft financial statements. This can be amended as part of the revisions to the financial statements during the KPMG external audit. The AGS will form part of the final financial statements for approval by the Audit and Risk Committee upon receipt of the external audit of the 2025-26 financial statements.

1.3 The Code of Corporate Governance details how the Council complies with the CIPFA/SOLACE (The Chartered Institute of Public Finance and Accountancy, ("CIPFA") and the Society of Local Authority Chief Executives ("SOLACE") framework for good governance and supports the principles of good governance contained within this. An Addendum was issued for this document in May 2025, and regard has been had to this in producing the Annual Governance Statement.

2 Recommendation

2.1 It is recommended that the Audit and Risk Committee approve:

(a) the Annual Governance Statement at Appendix A to this report

(b) the updated Code of Local Governance at Appendix B

3 Implications and Impact Assessment

Implication	Commentary
Financial:	None directly
Human Resource:	None directly
Legal:	This report is a requirement that it must be considered by the Audit and Risk Committee under the Accounts and Audit Regulations 2015.
Risk Management:	See the main report detailing the action plan to mitigate overall risks raised in the AGS
Property:	None directly
Policy:	None directly

	Positive	**Neutral**	**Negative**	**Commentary**
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		

Environmental Impact:		X		
Health Impact:		X		
ICT Impact:		X		
Digital Services Impact:		X		
Council Strategy Priorities:		X		The AGS supports the Council Strategy through focussing on areas to help improve its delivery
Core Business:	X			The AGS focusses on areas that can improve core business
Data Impact:		X		
Consultation and Engagement:	Statutory Officers and their deputies, Internal Audit Manager, SLT and relevant Members.			

4 Executive Summary

4.1 Governance is about how the Council ensures it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. It comprises systems, processes, cultures 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 Leader of the Council and Chief Executive have a special role as custodians of the Council's governance arrangements, but good governance is also the responsibility of all Members and Officers.

4.2 The Annual Governance Statement (AGS) is a core document that sets out the Council's governance arrangements and a review of their effectiveness. The AGS must be reviewed and approved by the Audit and Risk Committee annually and is published with the financial statements.

4.3 The review for 2025-26 has highlighted four key areas to include in the AGS with an accompanying action plan:

(a) Financial resilience and sustainability

(b) Securing High Needs Stability Grant funding to address circa 90% of the deficit as detailed in the Final Local Government Finance Settlement 2026/27 and accompanying DfE/MHCLG technical notes

(c) Enhance the delivery of the Transformation Programme to achieve sustainable savings and support delivery of sector wide reform.

(d) Capacity and Culture

(e) Embed updated Project Management arrangements

4.4 The above have been identified as areas where progress needs to be made during the forthcoming year to enhance the Council's governance processes and continue to deliver Best Value. These key areas have been informed by the experience of the previous year, the Corporate Risk register, key items highlighted by internal and external auditors and relevant external reviews.

5 Supporting Information

Introduction

5.1 This report outlines the purpose of the Annual Governance Statement (AGS) and explains how the necessary assurance to support the AGS has been obtained. This should enable the Committee to make an informed judgement as to the effectiveness of the process that the Council has followed in conducting the annual review of the system of internal control within the Council.

5.2 The report also proposes a refresh to the Local Code of Governance, which sets out the Council's commitment to corporate governance, and identifies arrangements that will ensure its effective implementation in all work undertaken by the Council. This has been updated to reflect the current Auditors, and to reflect how the Council demonstrates compliance with the core principles.

Background

5.3 The AGS is designed to provide stakeholders of the Council with assurance that the Council has operated within the law and that the Council has met the requirements of the Accounts and Audit Regulations:

"The Council shall conduct a review at least once in a year of the effectiveness of its system of internal control".

5.4 A copy of the AGS for 2024-25 is attached to this report at Appendix A and a copy of the refreshed Code of Local Governance for West Berkshire Council is produced at Appendix B.

5.5 The Council relies on a number of sources of information to carry out the review of the system of internal control and effectiveness. These include:

- Service risk registers and the Corporate Risk Register (that is reviewed by the Committee)
- The Internal Audit Manager's annual report
- Reports from external regulators, e.g. OFSTED, Care Quality Commission, KPMG (the Council's External Auditor), and the LGA.

5.6 To support the preparation of the AGS, an Annual Review was also undertaken against the Principles of Good Governance, and details of that review are produced at Appendix C.

5.7 This evidence provides the assurance that enables the Leader and Chief Executive to sign the AGS with confidence.

5.8 A key element of the review of the system of internal control is the identification of any weaknesses or risks in the system, along with recommendations to mitigate such issues. Then in the subsequent year a further report is made on progress with implementing agreed recommendations.

5.9 The following themes were identified in the previous AGS as areas of focus for 2024-25:

Item from 2024-25	**Progress during 2025-26**	**Included in the 2025-26 AGS**
Financial Resilience and Sustainability - Ensuring adequate levels of reserves, the achievability and delivery of savings, and the identification of further savings in light of a very high savings requirement required to meet ongoing pressures.	The financial position of the Council remains extremely difficult with an overspend position that is being driven by a range of factors. The Council has taken a number of steps during 2025/26 to address this challenge, including those detailed in the Finance Improvement Plan.	Yes - updated
Delivering better value in Special Educational Needs and Disability services programme – Delivery of the programme to identify and reduce costs in the High Needs Block. The deficit on the High needs Block (within the Dedicated Schools Grant) has been growing in recent years and is only being kept outside of the Council's general fund through a Government accounting adjustment (which has recently been extended to 2027-28).	The Council has progressed the move of the Delivering Better Value Programme into business-as-usual activity. Children's Services and SEND are currently subject to significant system wide reform, driven by the Government's focus on improving outcomes, inclusion, and value for money. The new reforms are a key area of focus for the year ahead.	No

Item from 2024-25	**Progress during 2025-26**	**Included in the 2025-26 AGS**
The delivery of an expanded and focussed Transformation programme - The initial transformation programme was a two-year programme, so the Council should take the opportunity to review delivery against that and to review the priorities for the next two years. Delivering and monitoring of the core transformation programme, ensuring there is sufficient resourcing for this, and ensuring wider transformation across the Council to deliver services more efficiently and effectively. This includes a clear link to business case with demonstrable benefits for each project.	The transformation programme has progressed and oversight by Transformation and Corporate Programme Board has been reviewed. The Transformation Programme has been subject to reviews by Transformation and Place Scrutiny, which demonstrated the outputs of the work to date. The new programme is in development, and it is anticipated that this will be approved in autumn 2026.	Yes - updated
Conduct a Review of Project Management arrangements across the Council - The Council is undertaking a number of large transformation projects and also needs to continue to deliver important business as usual services to our communities. This requires that the Council has systems for robust and appropriate Project Management arrangements to ensure that projects are delivered in a manner that supports efficiency and effectiveness.	There has been much progress with this work over the past year, including the centralisation of project manager roles into a new specialist team. This area has also been the subject to a Scrutiny review, which recognised the positive improvements. We need to ensure that the new processes are fully embedded, so this remains an area of focus for the coming year.	Yes - updated

Proposals

5.10 It is proposed that the Audit and Risk Committee approve the AGS produced at Appendix A, and the updated Code of Local Governance produced at Appendix B.

5.11 In light of the issues raised during the year and after a review of effectiveness, the following areas are the areas of focus for 2026/27:

- **Financial Resilience and Sustainability** - The financial challenge is ongoing and will require sustained focus and delivery over the medium term.
- **Securing High Needs Stability Grant funding to address circa 90% of the deficit as detailed in the Final Local Government Finance Settlement 2026/27 and accompanying DfE/MHCLG technical notes** - The DSG statutory override (which keeps deficits off councils' general fund) remains in place until 31 March 2028. The write-off is intended to ensure that when the override ends, councils are not exposed to catastrophic balance-sheet failure, resulting in a s114 scenario.
- **Enhance the delivery of the Transformation Programme to achieve sustainable savings and support delivery of sector wide reform** - The sector is currently subject to significant reform, across key areas such as Children's Services and SEND. Local Government Reorganisation may also have a significant impact. If proposals submitted to Government including West Berkshire are accepted. The Council also needs to deliver significant savings as part of the move to financial sustainability.
- **Capacity and Culture -** Given the scale of change that the Council must deliver in response to Government reforms, and to support the financial challenges, there is a risk regarding the capacity and culture required to deliver the scale of change required
- **Embed updated Project Management arrangements** - The Council is undertaking a number of large transformation projects which require appropriate support. Whilst good progress has been made over the past year, this needs to remain a focus to ensure that good practice becomes the default

6 Other options considered

6.1 The production of the AGS is a requirement to be completed annually and the Council must comply with its production. The Council could opt not to complete an AGS alongside the annual financial statements though this would be in contravention of the Accounts and Audit Regulations.

7 Conclusion

7.1 A key function of the Audit and Risk Committee is to review and approve the AGS for 2025/26, and review the conclusions reached.

7.2 To be able to review the AGS the Committee needs to examine the evidence, highlighted in the AGS and the updated Code of Local Governance, that is provided to the Audit and Risk Committee as well as other committees and Council bodies.

8 Appendices

8.1 Appendix A – Annual Governance Statement

8.2 Appendix B – Code of Local Governance

8.3 Appendix C - Annual Review against the Principles of Good Governance

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Subject to Call-In:

Yes: ☐ No: ☒

The item is due to be referred to Council for final approval	☐
Delays in implementation could have serious financial implications for the Council	☐
Delays in implementation could compromise the Council's position	☒
Considered or reviewed by Scrutiny Commission or associated Committees, Task Groups within preceding six months	☐
Item is Urgent Key Decision	☐
Report is to note only	☐

Officer details:

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Annual Governance Statement

1. Scope of Responsibility

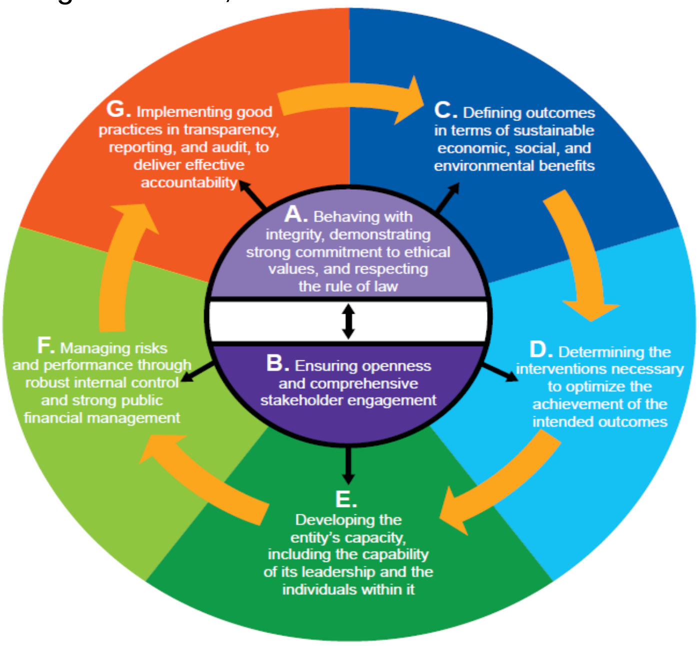
1.1 West Berkshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. West Berkshire Council also has a duty under the Local 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.

1.2 In discharging this overall responsibility, West Berkshire Council is responsible for putting in place proper arrangements for the governance as detailed in the CIPFA / SOLACE framework of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.3 This Statement explains how West Berkshire Council has complied with the principles of Good Governance set out in "Delivering Good Governance in Local Government: Framework" by CIPFA and SOLACE 2016, together with the Addendum issued in May 2025. This also meets the requirements of regulation 6(1)(a) of the Accounts and Audit Regulations 2015 in relation to the review of its system of internal control in accordance with best practice.

2. The Governance Framework

2.1 There are a number of key elements to the systems and processes that comprise the Council's governance arrangements. These elements are fully detailed in the local Code of Governance and are underpinned by the CIPFA / SOLACE framework. The framework "Delivering Good Governance in Local Government" sets out seven core principles of good governance, these are:



2.2 The purpose of the governance framework is to ensure that the authority directs and controls its activities in a way that meets standards of good governance and is accountable to the community. It does this by putting in place an organisational culture and values which drive a responsible approach to the management of public resources, supported by appropriate systems and processes, and ensuring that these work effectively. It works with the Council's Performance Management Framework to ensure that the Council has in place strategic objectives reflecting the needs of the community and is monitoring the achievement of these objectives through delivery of appropriate, cost-effective services.

2.3 The system of internal control is a significant part of that framework and is designed to manage risk to an acceptable 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 West Berkshire Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

2.4 The governance framework has been in place at West Berkshire Council for the year that ended 31 March 2026 and up to the date of approval of the Statement of Accounts. The Governance Committee approved a Code of Local Governance at its meeting in July 2025 which supports the framework for the compilation of the Annual Governance Statement.

3. Methodology for preparing the Annual Governance Statement

3.1 This Annual Governance Statement (AGS) provides assurance on the effectiveness of the Council's governance framework. The Council's governance arrangements comprise the systems, processes, cultures, values and independent oversight by which it is directed and controlled, enabling it to deliver its priorities in an open, accountable and lawful manner. These are more fully detailed in the Council's Code of Local Governance.

3.2 This Annual Governance Statement has also been informed by the following:

- Review of the Chief Internal Auditor opinion and quarterly internal audit progress reports
- opinions of External Auditors (KPMG)
- The work of the Constitution Review Task Group reviewing the Constitution on annual basis and referring changes to the Governance Committee and Council.
- The Audit and Risk Committee (previously the Governance Committee) approves the Annual Governance Statement at the same time as the final approval of the financial statements and is signed off by the Chief Executive and Leader of the Council.

- Review of Finance Performance Reports, the Corporate Risk Register, and Performance Reports by Corporate Board and Governance Committee.

- Responding positively to external regulators such as OFSTED, the Information Commissioner, the Local Government Ombudsman, the Care Quality Commission (CQC) and external auditor KPMG.

- It should be noted that Full Council in May 2026 approved the transfer of key governance functions from the Governance Committee (which will cease to exist) into the Audit and Risk Committee.

Review of effectiveness

4.1 The authority has a statutory 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 the Senior Leadership Team who have responsibility for the development and maintenance of an effective governance environment. This review is articulated in the Code of Corporate Governance approved by the Governance Committee in July 2025.

4.2 It is important to reflect on the previous year's key areas for improvement and its impact on governance. The main item that has dominated the year 2025/26 has been financial sustainability. The provisional outturn position for 2025/26 is £192.9 million of net expenditure against a net budget of £183.4m, with an adjusted overspend position of £188.8m. The overspend position continues to be driven by a range of factors including, increased placement costs for client packages in both adults and children's social care, a reduction in government funding support via the Government finance settlement, slower growth to the Council's tax base, and increasing capital financing costs attributable to financing the deficit position relating to the DSG and the High Needs Block, and the financing of the Minimum Revenue Provision associated with the EFS request, as well as much higher interest rates on new borrowing due to pressure in the macro economy.

4.3 The financial situation of the Council remains extremely difficult, as reflected in the CIPFA Financial Resilience review, the report of our External Auditors (KPMG) and the statement of the s151 Officer pursuant to section 25 Local Government Act 2003 appended to the Revenue Budget 2026/27. Exceptional Financial Support (EFS) funding has again been secured to mitigate the impact of the 2025/26 outturn on the Council's General Fund and to ensure that there are adequate reserves. However, EFS is short-term assistance, it is not a sustainable long-term solution and EFS funding must be repaid with compound interest. It is therefore essential that the Finance Improvement Plan be delivered to address the structural income and expenditure gap in the Council's finances and to achieve financial resilience without the need of EFS. This item has therefore been retained within the AGS due to the ongoing funding constraints that are impacting the Council's financial resilience.

4.4 A number of actions were taken during 2025/26 to address the challenging financial position, including:

- Adoption of the Finance Improvement Plan (December 2025)
- Establishment of the Finance Improvement Group to provide external challenge and assurance
- Strengthening of financial control mechanisms, including Spend Panels and Financial Review Panel
- Development of a delivery plan with defined actions, ownership and milestones across key themes, including the introduction of the GPAW Boards against the themes of Growth, Prevention, Assets, and 'We Can' Culture.

4.5 These actions have started to have some impacts. The final outturn position, though still an overspend, has reduced between Q3 and Q4 by £3.2m. The deficit on the DSG (Dedicated School's Grant) high needs block has also reduced compared to the forecast outturn by £4.8m. These elements of progress are reflected in a reduced Exceptional Financial Support (EFS) requirement from £20m to £17m for 2025-26 and will need to be continued to further reduce the requirement for EFS into future financial years.

4.6 The transformation programme has progressed, and the Transformation and Corporate Programme Board has been reviewed to ensure appropriate oversight of the Transformation programme by Members of the Executive and the Senior Leadership Team. The Transformation Programme has also been subject to a number of reviews over the past year by the Resources and Place Scrutiny Committee, to highlight the work undertaken and the financial and other benefits delivered by the programme. The development and approval of the new Transformation Programme has commenced but is not yet approved. Given the financial position of the Council, and the need to transform services to reduce financial pressures, this is another area that remains an area of focus for the year ahead to increase effectiveness, economy and efficiency.

4.7 The centralisation of all project management capacity into a central projects team has brought benefits and improved capacity and resilience to focus on significant projects. Project management was also the subject of a Scrutiny Task & Finish Group Review, which concluded that "*Members of the Task and Finish Group are encouraged by the improvements to project management practices that are being rolled out through the Projects Service. It is clear that there are pockets of excellence, with project managers and project sponsors who are delivering in accordance with agreed project management methodologies*." Given the level of change that is required over the coming year, ensuring that the Projects Service fully embeds the improvements identified, and that this resource is deployed to support priority projects, remains a critical concern.

4.8 The Council has progressed the move of the Delivering Better Value Programme into business-as-usual activity. However, Children's Services and SEND are currently subject to significant system wide reform, driven by the Government's focus on improving outcomes, inclusion, and value for money. This includes changes arising from the SEND and Alternative Provision Improvement Plan, strengthened accountability expectations, and an emphasis on earlier intervention, wider use of local provision, and consistency of practice across areas. While these reforms aim to improve experiences and outcomes for children, young people and families, they have material implications for local authorities at a time of acute financial pressure, workforce shortages and rising demand.

4.9 The Council is required to deliver this transformation alongside maintaining statutory services, against a backdrop of high-needs deficits, increased placement costs, and constrained general funding. This makes it challenging, within existing resources, to also invest in essential prevention and market development. The combined effect is increased financial and operational risk, heightening the importance of strong partnership working with health, robust financial management, and clear governance to balance improvement ambitions with affordability and sustainability in an exceptionally challenging fiscal environment.

4.10 A new area of focus that therefore been added for the upcoming year to consider capacity and culture, to ensure that resources are appropriately deployed to support Government reform and transformation activity delivering measurable savings.

5. Key Governance areas for improvement

5.1 The Council faces a number of issues and areas of significant change that will require consideration and action as appropriate over the coming year and these are:

Issue	Detail	Action	Owner / Date
Financial Resilience and Sustainability	The financial challenge is ongoing and will require sustained focus and delivery over the medium term.	Implementation and delivery of the Finance Improvement Plan Fully embed and keep under review the new financial governance, including monthly budget monitoring and early development of savings proposals	Service Director Finance, Property and Procurement and Executive Director (Resources) – February 2027
Securing High Needs Stability Grant funding to address circa 90% of the deficit as detailed in the Final Local Government Finance Settlement 2026/27 and accompanying	The DSG statutory override (which keeps deficits off councils' general fund) remains in place until 31 March 2028. The write-off is intended to ensure that when the override ends, councils are not exposed to catastrophic balance-sheet failure,	Submission of a DfE approved local SEND reform plan demonstrating: • A credible route to financial sustainability • System wide reform • Alignment to national SEND reform direction	Executive Director (People – CFS) – March 2027

DfE/MHCLG technical notes	resulting in a s114 scenario.	• A plan to deal with the balance of the deficit	
Enhance the delivery of the Transformation Programme to achieve sustainable savings and support delivery of sector wide reform.	The sector is currently subject to significant reform, across key areas such as Children's Services and SEND. Local Government Reorganisation may also have a significant impact. If proposals submitted to Government including West Berkshire are accepted. The Council also needs to deliver significant savings as part of the move to financial sustainability.	Update the transformation programme to identify key strategic transformation opportunities that must be supported and delivered in the short and longer term.	Service Director (Transformation) and Executive Director Resources February 2027
Capacity and Culture	Given the scale of change that the Council must deliver in response to Government reforms, and to support the financial challenges, there is a risk regarding the capacity and culture required to deliver the scale of change required.	A prioritisation exercise needs to be undertaken to ensure that the resources that are available are appropriately focussed. The Council needs to be 'change ready', and a review should be undertaken to consider what support can be provided to ensure staff remain resilient throughout upcoming change.	Executive Director Resources September 2026 Executive Director Adults (We Can Culture Board) September 2026
Embed updated Project Management arrangements	The Council is undertaking a number of large transformation projects and also needs to continue to	Ensure that officers involved in running projects are using the updated and	Service Director Transformation and Executive

	deliver important business as usual services to our communities. Significant progress has been made over the past year, but needs to remain a focus to ensure that good practice becomes the default	improved methodology. Ensure that all projects are being operated to the same standards.	Director Resources February 2027

6. **Assurance Summary**

6.1 Good governance is about operating properly. It is the means by which the Council shows that it is taking decisions for the good of its residents, in a fair, equitable and open way. It also requires standards of behaviour that support good decision making – collective and individual integrity, openness and honesty. It is the foundation for the effective delivery of good quality services that meet the needs of the users. It is fundamental to demonstrating that public money is well spent. Without good governance, the Council would find it difficult to operate services successfully.

6.2 The Internal Audit Opinion for 2025/26 is that the Council's framework of governance, risk management and management control is 'reasonable' and that audit testing carried out during the year has demonstrated controls to be working in practice. The assessments contained within this document highlight that there are effective arrangements in place to continue to deliver good governance, but that four key areas are highlighted to further improve our governance.

6.3 We propose, over the coming year, to take the actions detailed in this report to improve our governance arrangements. We are satisfied that these steps will deliver the improvements required and we will monitor their implementation and operation during the year and as part of our next annual review.

Leader of the Council **Chief Executive**

Date: Date:

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Code of Local Governance

1. Executive Summary

1.1 Governance is about how the Council ensures it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. It comprises systems, processes, cultures 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 Leader of the Council and Chief Executive have a special relationship role as custodians of the Council's governance arrangement, but good governance is also the responsibility of all Members and Officers.

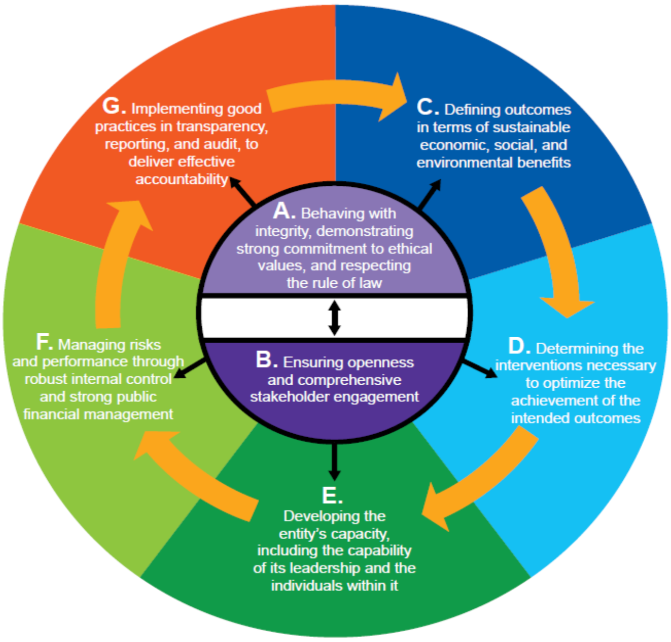
1.2 The Chartered Institute of Public Finance and Accountancy, ("CIPFA") and the Society of Local Authority Chief Executives ("SOLACE") have published: "Delivering Good Governance in Local Government: Framework (2016 Edition)" which has been subject to one formal update since publication, namely the May 2025 Addendum. This represents the first update to the 2016 framework and primarily supplements guidance in relation to the annual review of governance and the preparation of the Annual Governance Statement, without altering the core governance principles.

1.3 The Council is committed to the principles of good corporate governance through the adoption and maintenance of a Local Code of Governance, as recommended by the CIPFA/SOLACE Framework.

1.4 This Local Code of Corporate Governance therefore sets out and describes West Berkshire Council's commitment to corporate governance and identifies arrangements that will ensure its effective implementation and application in all aspects of the Council's work. This Local Code of Governance will be reviewed annually.

2. Supporting Information

2.1 The Council should have an overarching code of governance, and for West Berkshire this is based on the CIPFA/SOLACE framework. The framework "Delivering Good Governance in Local Government" sets out seven core principles of good governance, these are:



3 The Governance Framework

3.1 There are a number of key elements to the systems and processes that comprise the Council's governance arrangements. These elements form our local code of Governance and these are underpinned by the CIPFA / SOLACE framework above and core principles of good governance which are:-

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

3.2 The Council's Constitution explains existing policy making and delegation procedures and the matters which must be dealt with by the full Council. It documents the role and responsibilities of the Executive, portfolio holders, each committee and Members and officers.

3.3 The Council has approved a protocol governing relationships between Members and Officers as part of its Constitution and has adopted codes of conduct for both Officers and Members which facilitate the promotion, communication and embedding of proper standards of behaviour. Officers have job descriptions and there are clearly defined schemes of delegation, all of which are reviewed from time to time.

3.4 The Council's Constitution incorporates clear guidelines to ensure that business is dealt with in an open manner except in circumstances when issues should be kept confidential. Meetings are open to the public except where personal or confidential matters are being discussed. All Executive /committee agendas, minutes and portfolio holder decisions are published promptly on the Council's website unless exempt from publication in accordance with the statutory scheme. In addition, senior officers of the Council can make decisions under delegated authority. The over-arching policy of the Council is decided by the full Council.

3.5 The Scrutiny Committees and Governance Committee hold Portfolio Holders to account for delivery of the Council's policy framework within the agreed budget, and protocols are in place for any departure from this to be properly examined.

3.6 The Council engages with its communities through a number of channels, including consultation and engagement events, surveys and campaigns relating to specific initiatives.

3.7 The Council Strategy is supplemented by more detailed information on the key areas of focus, projects and programmes of work that the authority will be delivering during the year – with actions to achieve priority outcomes set out in department plans, with objectives set for individual members of staff through the annual appraisal process. This process also looks at the development and training needs of staff, with a programme of training then put in place to meet these needs.

3.8 Progress against the Council Strategy outcomes and budgets is monitored regularly by Corporate Board and Portfolio Holders. The Resources and Place Scrutiny Committee will receive regular reports focusing on delivery of key projects and programmes of work and drawing attention to other areas where progress is exceeding or falling short of targets. Portfolio Holders also monitor progress of delivery, especially through the Transformation and Corporate Programme Board.

3.9 The Council has an officer Strategic Leadership Team to monitor financial performance, service performance, the progress of key corporate projects and risk management and to oversee the implementation of recommendations from Internal Audit reports.

3.10 The Council publishes an Annual Financial Report (the Statement of Accounts) annually within the statutory timescales. The Annual Financial Report incorporates the full requirements of best practice guidance in relation to corporate governance, risk management and internal control.

3.11 The Council is subject to independent audit by KPMG and receives an Annual Audit Letter reporting on findings. The Council supplements this work with its own internal audit function and ad hoc external peer reviews. The Governance Committee undertakes the core functions as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities.

3.12 The Council has arrangements for managing risk detailed in its Risk Management Strategy that was approved in December 2024.

4 Review of effectiveness

4.1 The authority has a statutory 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 Service Directors who have responsibility for the development and maintenance of a sound governance environment.

4.2 Staff awareness training has been undertaken to ensure that the Council complies adequately with the provisions of the General Data Protection Regulation (GDPR) and Freedom of Information Acts, and Equality requirements.

4.3 The Council has appointed the Service Director Finance, Property and Procurement as the Section 151 officer with the statutory responsibility for the proper administration of the Council's financial affairs. Service Director Finance, Property and Procurement is a member of Corporate Board.

4.4 The Council has appointed the Executive Director Resources as the statutory "Monitoring Officer" and has procedures to ensure that the Monitoring Officer is aware of any issues which may have legal implications.

4.5 All Executive reports are reviewed by the S151 and Monitoring Officers. All reports to Executive are required to demonstrate how the proposal links to the Council Strategy and highlight resource implications. Officers are also asked to draw out risk, equality, environmental, management and legal issues as appropriate. Similar procedures are in place for the other Council Committees.

4.6 The Council has whistle-blowing and anti-fraud and corruption policies. It has a formal complaints procedure and seeks to address and learn from complaints. The Council's Governance Committee deals with complaints relating to the conduct of Members.

4.7 Members' induction training is undertaken after each election. Members also receive regular updates and training on developments in local government, and on an annual basis to support their roles on various committees.

4.8 Key roles in maintaining and reviewing the effectiveness of governance within the Council are as follows:

Key Roles	Responsibilities
Council	The Council is collectively responsible for approving the governance arrangements of the Council. Full Council is also responsible for agreeing the Constitution, policy framework and budget. Manages risk in making operational and governance decisions together with proposing and implementing the policy framework, budget and key strategies.
Executive	The Executive receives regular monitoring reports on revenue and capital expenditure and on key performance measures.
Governance Committee	Governance Committee approves the annual audit plan, monitors the internal control environment through receipt of audit reports and the AGS, and keeps an overview of arrangements for risk management. It also approves this Statement and the Statement of Accounts. It is proposed that the majority of the functions of this committee will transfer in the 2026-27 municipal year, to the Audit and Risk Committee.
Internal Audit	The internal audit team provide the Council with an internal audit service which includes the Council's entire control environment. The Internal Audit Manager takes account of the Council's assurance and monitoring mechanisms, including risk management arrangements, for achieving the Council's objectives. The Internal Audit Plan is based on the Risk Register and identifies Internal Audit's contribution to the review of the effectiveness of the control environment. The process includes reports to the Governance Committee on progress of audits. Regular summaries are also produced of the outcome of each audit, together with reviews of whether agreed recommendations have been implemented. There is a requirement for internal audit to undertake an annual self-assessment and independent external assessment every five year. Any areas of non-conformance must be reported as part of their annual report and opinion. In the light of feedback, we have concluded that internal audit is an effective part of the Council's governance arrangements.
Chief Internal Auditor	Internal Audit provides an annual opinion on the internal control environment and issues that should be included in the AGS.

	This provides additional assurance to elected members regarding the adequacy of the review of effectiveness.
External Audit	External Audit is provided by KPMG. Whilst the external auditors are not required to form an opinion on the effectiveness of the Council's risk and control procedures, their work does give a degree of assurance following the annual audit of the Council's financial accounts.
Statutory Officers	Head of Paid Service – Chief Executive Section 151 Officer – Service Director Finance, Property and Procurement Monitoring Officer –Executive Director Resources Statutory officers with responsibilities linked to effective governance. Normally, one of these officers will be responsible for drafting the Annual Governance Statement. The Chief Executive and Leader must sign the AGS once approved.

5 Core Principles

5.1 To achieve and maintain good governance, the Council will seek to apply each of the seven core principles above, along with their supporting principles. Evidence of how this is achieved is set out below:

Core Principle	Where evidenced
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved.	• Constitution • Members code of conduct • Councillor Charter • Protocol on Member / Officer Relations • Council values • Behaviour Framework • HR Policies & Procedures • Council policies e.g. Anti-fraud and Whistleblowing Policies • Review of the Constitution • Annual Monitoring Officer report to Full Council

B. Ensuring openness and comprehensive stakeholder engagement Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.	• Transparent decision making in accordance with the legislative framework and Constitution • Openness and accessibility of Council meetings • Public participation in the democratic processes • Access to information rules • Consultation, engagement and co-production with key stakeholders
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.	• Council Strategy 2023-2027 • Supporting Plans and Strategies for example the Environment Strategy • Health & Wellbeing Strategy • Quarterly Finance and Performance Reports to Resources and Place Scrutiny Committee and to Executive • Development of the new Procurement Strategy and Think Local Social Value Policy
D. Determining the interventions necessary to optimise the achievement of the intended outcomes 'Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. '	• Council Strategy Delivery Plan • Adoption of Finance Improvement Plan • Creation of GPAW (Growth, Prevention, Assets, and We Can Culture) Boards • Transformation and Corporate Programme Board • Senior Leadership Team monitoring and management of overall list of projects • Ensuring strong link between Council Strategy and the Medium-Term Financial Strategy (MTFS)

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it 'Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole.'	• Leadership and Management development through the Workforce Strategy • Leadership Development Programme • Development of the Managers Toolkit • Induction Programme for Officers and Members • Member Development Programme • HR Policies and Procedures including performance management
F. Managing risks and performance through robust internal control and strong public financial management 'A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.' 'It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery.'	• Adoption of the Finance Improvement Plan • Implementation of the Finance Improvement Group • Robust quarterly monitoring of performance, finance and corporate risk register by the Senior Leadership Team • Public scrutiny of the above at Executive, Scrutiny and the Governance Committees • Annual review and approval of financial statements and progress reporting on action plans • Role of internal and external audit
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to	• Council Constitution • Executive and Council Bodies Forward Plans • Reports from Internal audit, risk management and financial reporting submitted to Governance / Audit and Risk Committee

understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.	• The annual report from the Internal Audit manager • All committee reports contain a clear summary of implications including links to strategic priorities and risk management. • Annual report from the Governance / Audit and Risk Committee to Full Council •

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Principles of Good Governance Annual Review
Completed May 2026

Principle	Evidence of Compliance
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved.	Integrity is one of the overarching values of the Council as set out in the Council Strategy. The behaviours that demonstrate this are set down in the Councillors' Code of Conduct (which was updated in 2024-25), the Councillor Charter, and in the Officers Code of Conduct and Behaviour Framework. The values and behaviours detailed within the Behaviour Framework are being incorporated into all relevant HR Policies and Procedures. This will assist to ensure that this is part of the conversation all staff are having in regular performance and supervision meetings. Officers joining the Council are now provided with in person inductions organised by HR. This is intended to ensure that all new staff understand how decisions are made and so that they know the culture in which we operate. Training is provided for Members on an annual basis in accordance with a programme approved by Council, including Training on the Code of Conduct.
B. Ensuring openness and comprehensive stakeholder engagement Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and	The Council is committed to openness and undertakes extensive stakeholder engagement with the communities that we serve. Formal decisions of the Council, Executive and other Council bodies are publicised in advance on the respective forward plans, and all public meetings are live streamed and recorded. Council meetings during the 2025-26 financial year received over 16,000 views on You Tube. The Council permits public participation in ordinary meetings of Council, Executive and Planning Committees and third parties regularly appear at Scrutiny Committees. Decisions of the Council are available on the Councils website.

service users, as well as institutional stakeholders.	The Council has undertaken a number of significant consultations, including the proposals for local government reorganisation in Oxfordshire and West Berkshire, the draft budget for 2026/27, the Draft Playing Pitch Strategy, the proposed Extension of pedestrianisation for Newbury Town Centre, and a Health Visiting Service survey. The Council began a programme of holding Community Forums in 2023. These are held in various locations across the district and are also accessible online. The two most recent events have considered Planning and then Highways. The Council formally approved the adoption of a Voluntary and Charitable Sector Memorandum of Understanding, which had been developed in consultation with key VCS stakeholders, to facilitate more effective joint working and to improve support and outcomes for vulnerable groups.
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.	The Council Strategy 2023-2027 sets out the Council's strategic ambition and provides direction to everyone in the Council to ensure that all services are working together to support the priorities set out in the strategy and corresponding Department Plans. The Council Strategy also provides focus for the Executive and Senior Leadership Team and provides a framework by which the Council's performance can be evaluated. Reports presented to decision makers highlight where decisions are intended to support strategic priorities. Reports also provide a clear summary highlighting the impacts (positive or negative) of the proposed decision. The Council acknowledged the launch of the Local Government Outcomes Framework, and this has been incorporated into the Council's performance reporting since September 2025. In the past year, the Council has consulted on a number of significant proposals, including proposals for Local Government Reorganisation in Oxfordshire and West Berkshire, proposals for Pedestrianisation for Newbury Town Centre, the budget for 2026-27, and a Residents Survey.

	This engagement helps to ensure that decision making is informed and undertaken in a transparent manner.
D. Determining the interventions necessary to optimise the achievement of the intended outcomes 'Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. '	The Council undertakes regular reviews of performance. Quarterly Finance and Performance reports are considered by the Scrutiny Commission (now Resources and Place Scrutiny Committee), prior to being presented to Executive. This ensures that the Council can demonstrate progress against its stated priorities, and highlights areas of risk. The Council sets its budgets following extensive internal governance, and after meaningful external consultation and engagement has taken place. The Council has a clear Medium Term Financial Strategy, approved by Council prior to setting the annual budget, which supports delivery of the Council Strategy. The Council has received a number of External Reviews in the past year, which have assisted to identify both areas of strength and areas for improvement. Action plans have been developed in response to each of those. The Council will be updating its Procurement Strategy to reflect the Procurement Act 2023, and alongside this, will adopt a Think Local Social Value Policy. This has been informed by key stakeholders and will ensure that the Council secures the right balance between best value and social value.
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it 'Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively	The Council developed an Employee Value Proposition (EVP) to support recruitment and retention and whilst there remain some areas where recruitment is still challenging, the cumulative savings in agency spend of £13 million over the past 3 years is evidence of the improved offer. All staff complete an annual appraisal and a personal development plan to identify areas of training and development that will support the employee to progress in their career. Objectives and the personal development plan will be reviewed at regular one to ones.

and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole.'	The Council has a fairly new senior leadership team, and a number of workshops have taken place with this group over the past year to develop and maximise on its cohesion and effectiveness. The new SLT was highlighted as a risk in the previous Internal Audit Annual Assurance Report, although this is now recognised as an improving situation. Internal Audit raised a concern during the year that Audit Recommendations were not always being followed through, which may have been linked to changes in senior managers. In order to ensure that all audit recommendations are implemented, Service Directors will be required to provide updates during the Quarterly Assurance meeting of SLT. The Council also fully launched its new Learning Platform in 2025, and this too has expanded the number of courses that are available to staff. There is an annual programme of Member Development that is approved by Council each year to support Members to discharge their roles effectively.
F. Managing risks and performance through robust internal control and strong public financial management 'A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.' 'It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision	The Council has operated with well-established systems of internal control for its financial resources. However, as a result of the low levels of reserves that the Council was operating with, additional internal controls were established, which included the creating of a 'Financial Review Panel' ('FRP') to consider recruitment activities and significant spend. Following the Council seeking Exceptional Financial Support in 2025, additional controls were introduced to ensure that budget setting and management of budgets is robust and effective. This included an assurance review by CIPFA, which informed the actions detailed in the Financial Improvement Plan('FIP'), adopted in December 2025. There is enhanced financial governance arrangements, including a review of FRP, and the introduction of a Spend Panel and a Finance Improvement Group that is supported by external Peers. The FIP also introduced the four GPAW Boards linked to the themes of Growth, Prevention, Assets, and We Can Culture. These Boards will be critical for the

making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery.'	delivery of improved financial resilience and for the Council to become financially sustainable. As noted above, Financial and Performance reports are considered on a quarterly basis by the Resources and Place Scrutiny Committee and/ or Executive. The Council updated its Risk Management Strategy in December 2024, and training has been delivered to support staff and the Governance Committee understanding the need for robust risk management, and to support them in fulfilling their duties when considering risks. A review was also undertaken to ensure that risks are assessed having regard to risk appetite, and demonstrating to what extent the risk score deviates from the acceptable risk exposure. The Governance Committee receives a Risk management Report twice a year to provide assurance that the Council is appropriately reviewing and assessing risks. This Committee also approves the Internal Audit Plan 2026-29, which includes an Anti-Fraud Work Plan. Internal Audit is a key element of the assurance process in respect of governance arrangements and fraud prevention providing independent, risk-based, and objective assurance, advice, insight, and foresight. The Internal Audit Team achieved the 'Fully Conforms' rating from the most recent external review in 2023, which checked compliance by Internal Audit with professional standards Risks are reviewed on a quarterly basis by the Senior Leadership Team, along with Health and Safety, Complaints, FOI and Information Security. This includes a review of any significant incidents that have occurred. Officers are required to complete Data Protection Training on an annual basis, and levels of training are checked as part of the quarterly reviews.
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	As noted above, Financial and Performance reports are considered in public on a quarterly basis by the Resources and Place Scrutiny Committee and/or at Executive.

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.	The Governance Committee will receive reports from Internal Audit regarding the Internal Audit Plan and progress against that. The Committee are also presented with an update on the delivery of the Anti-Fraud Work Plan. These reports will highlight cases where there is limited assurance following an inspection or follow-up inspection. An update is provided to the Governance Committee in respect of progress made against outstanding recommendations in previous reports where there was limited assurance. The Governance Committee will also consider the External Auditor Annual report and Plan. The Annual report for (2024-25), presented at the meeting of the Governance Committee in January 2026 identified a number of significant Value for Money risks, including financial resilience and the Dedicated Schools Grant. It is also of note that the External Auditors also confirmed that they did not identify a risk of significant weakness in the areas of the Council's governance or arrangements for improving economy, efficiency and effectiveness due to "the procedures performed during our risk assessment identifying the Council to have appropriate and effective processes in place."