

DRAFT ANNUAL GOVERNANCE STATEMENT 2024/25

1. INTRODUCTION

- 1.1 This is the draft Annual Governance Statement (AGS) of the Council for the year 2024/25. The final AGS will be considered by the Corporate Leadership Team and provided there has been no material change in governance matters, it will be signed by the Leader and Chief Executive of the Council and issued as final alongside the Annual Accounts.
- 1.2 Each year, in line with the requirements of the Accounts and Audit Regulations 2015, the Council produces an Annual Governance Statement that explains how it manages its corporate governance arrangements, makes decisions, manages its resources and promotes values and high standards of conduct and behaviour.
- 1.3 All Local Authorities in England and Wales are required to produce an Annual Governance Statement to support the Annual Statement of Accounts. Its purpose is to publicly demonstrate that there is a continuous review of the effectiveness of the Council's governance, internal control and risk management arrangements.
- 1.4 The covering report and AGS has previously been in the name of the council's Head of Service for Internal Audit, Risk and Insurance and presented by him as well as being signed off by the Leader and the Chief Executive. CIPFA have now recommended that the Annual Governance Statement is not prepared by the Head of Internal and therefore, along with a number of other GM Local Authorities, the AGS has been prepared by the council's Monitoring Officer.
- 1.5 In May 2025, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (Solace) published new guidance on the annual review of governance and internal controls and the preparation of the annual governance statement. The guidance forms an addendum to Delivering good governance in local government: framework (2016). It applies to all UK local government statements from 2025/26 onwards and a link to it is here:-

<https://www.cipfa.org/-/media/Files/Policy-and-guidance/Standards/Delivering-Good-Governance-in-Local-Government.pdf>
- 1.6 The above guidance recognises that governance has not been fit for purpose in some Local Authorities, leading to some significant high profile failings of local authorities in recent years. The governance reviews following Section 114 reports

and reports in the public interest, or other interventions, have highlighted governance weaknesses as well as financial concerns. Although not present in every case, the following have been noted by CIPFA and Solace:-

- a culture that allows for widespread failure to follow due process, the constitution, and codes of conduct;
- leadership that has lost sight of an authority's role and function as a leader of place and provider or enabler of services;
- poor understanding of risk or inadequate management of risks;
- weaknesses in internal controls;
- weak oversight and challenge from those charged with governance;
- dysfunctional relationships between senior officers and members;
- reduced capacity and/or capability in critical areas;
- poor data quality or flawed information used in decision making;
- limited oversight of arm's length arrangements such as trading companies and joint ventures through a failure to put in place appropriate governance, risk and control arrangements;
- a lack of self-assessment and commitment to continuous improvement; and
- a lack of transparency and/or openness to external challenge.

1.7 Our AGS demonstrates that the council does not have the governance weaknesses described above. However, it does outline the governance challenges that the council continues to face which need to be effectively managed. We are not complacent and will continue to review and identify challenges and risks and improve our governance wherever necessary.

- 1.8 The AGS includes an Action Plan on the key governance challenges the Council faced in the year 2024/25. These continue to be the four key areas that were flagged as areas of focus last year. The report explains how each of those key areas have been addressed and how some of them have evolved and may require consideration from a different perspective.
- 1.9 There is a new area of governance which has been added to the AGS for this year. This is a review in relation to publication of officer decisions in line with the council's constitution. However, this is not highlighted as a key concern. This has come about as a result of a review undertaken by the Monitoring Officer and colleagues to refresh the council's committee report templates and the method used by officers to submit decisions for publication to make that process as simple, efficient, and effective as possible. As referred to above, this is not an area of key concern but has been included in the report as it demonstrates our approach to good practice and continued improvement of our governance structures.

2. **BACKGROUND**

- 2.1 Governance is about how we ensure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Good governance leads to:
- effective leadership
 - good management
 - good performance
 - good stewardship of public money
 - good public engagement, and
 - good outcomes for our citizens and service users.

- 2.2 The governance framework comprises the culture, values, systems and processes by which an organisation is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.
- 2.3 The council acknowledges its responsibility for ensuring that it has a sound system of governance both within the council and to ensure it can rely on processes that provide assurance over its wholly owned companies. The council has developed a Local Code of Corporate Governance that defines the principles that underpin the governance of the organisation. The Local Code forms part of the council's constitution and can be accessed via this link on the council's website: <https://www.stockport.gov.uk/documents/local-code-of-governance>. The Monitoring Officer will review and refresh this Local Code during the coming year as part of her new remit across the AGS.
- 2.4 The council's governance framework aims to ensure that in conducting its business it, its members and officers:
- operates in a lawful, open, inclusive and honest manner;
 - make sure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
 - have effective arrangements for the management of risk; and
 - ensure continuous improvements in the way that it operates.
- 2.5 In this document, the council:
- Summarises its assessments of the effectiveness of the key elements of its governance arrangements, and the roles of those responsible for the development and maintenance of the governance environment.
 - Describes how the council has monitored and evaluated the effectiveness of its governance arrangements in the year.
 - Provides details of how the council has responded to any issues identified in last year's governance statement.

- Reports on any significant governance issues identified from this review and provides a commitment to addressing them.

- 2.6 This year's annual review has been risk based and has focused on gaps and areas of potential risk that have been identified. Assurance over core corporate areas has been received from appropriate lead officers via discussions with the relevant colleagues and completion of Directorate Assurance Statements. Furthermore, and where possible, we have placed reliance on existing performance and exception reports rather than asking for new evidence, to reduce workload on officers.
- 2.7 We have consulted fully with the Chair of the audit committee to discuss areas where the committee are satisfied with the application of the governance framework and where they have any concerns.
- 2.8 The AGS clearly explains the limitations when undertaking this review and this has been highlighted in discussions held with the Corporate Leadership Team (CLT) and audit committee. It has been important to note that stakeholders do not take greater assurance than it is possible to give from a more limited review of this nature.

3. KEY GOVERNANCE AREAS TO ADDRESS FROM THE 2023/2024 ANNUAL GOVERNANCE STATEMENT

- 3.1 Last year's annual governance statement identified four key governance areas to address and review. These are set out below together with an update as to progress.

Governance Area and Lead officer	Action Proposed during 2024/25	Progress Update – Year end 2024/25
Transformation – Assistant Director Strategy, Transformation and Digital		

Governance Area and Lead officer	Action Proposed during 2024/25	Progress Update – Year end 2024/25
As highlighted in previous years' Annual Governance Statements, to meet the financial and operational challenges facing the Council we have developed a programme of transformation across the organisation in conjunction with development of our Council Plan, our One Future strategy and the five big things within it. This encompasses new and existing key programmes of work from across the Council and sets the roadmap for the future to ensure the best outcomes for the people in Stockport. Our transformation programme is closely aligned to our MTFP so that we can transform services whilst ensuring we remain financial sustainable. The challenge to reduce spend across the organisation remains a key pressure this year with significant savings needing to be found through	Our transformation programme is aligned to the ambition set out in our One Future strategy and our MTFP. Our resource will be focused on delivering transformation that will make the biggest impact for the organisation in ensuring that we remain financially sustainable. This will be clearly aligned to delivery of our council plan ambitions, particularly around ensuring we are delivering efficient and effective services. We have also set out some big ticket transformation programmes that align to reducing costs across the organisation and our flagship transformation programme around neighbourhoods and prevention working with partners. We will ensure robust governance and effective prioritisation of transformation resource to ensure we are focusing on the areas that will deliver the biggest	We continue have embedded structures and processes to ensure robust governance of our Transformation programme which is closely aligned to Medium Term Financial Planning and delivery. We have streamlined some of the governance and review structures into the new Joint Transformation Steering Group and continue to work closely with Finance and CLT colleagues. The programme is now embedded within the One Stockport; One Future programme which also includes the Live Well programme (previously our neighbourhoods and prevention programme). The rapid increase in the capabilities of different types of AI and how it can be used in transformation projects has been a focus for this team in particular. As we find our preferred approach as to how we want to introduce and benefit from AI across the council, this will be

Governance Area and Lead officer	Action Proposed during 2024/25	Progress Update – Year end 2024/25
transforming the way we work, in order to achieve a balanced budget. It will be crucial to ensure we have robust and clear prioritisation of transformation resource aligned to deliver the key transformation programmes.	return on investment for the organisation.	done in conjunction with colleagues in audit and governance to ensure that any proposals are able to align with our governance requirements and that our current processes can be adapted to ensure they remain robust, particularly in relation to decision making.
Delivering the Medium-Term Financial Plan (MTFP) – Director of Finance The council's financial position over the medium term is increasingly challenging. Councils across the country are facing significant and urgent funding gaps which cannot be balanced. Council funding is not keeping pace with increasing service costs due to the increasing need for support from residents and businesses. Whilst confident about the robustness of the council's Medium Term Financial Plan (MTFP) the	We will undertake the following activities in 2024/25 to ensure the MTFP activities receive appropriate oversight and governance: • Ongoing updates of MTFP based on latest information/data that could impact on the MTFP. For example, regular forecast outturn monitoring, inflation updates, government announcements including government budget and spending review announcements and local government finance settlement. These updates will be reported to Members	The financial landscape continues to pose significant financial challenges for all local authorities and that has not changed as the 2024/2025 financial year came to an end. At financial year end the council delivered a balanced budget. The year-end deficit was funded via one-off resources, ear marked reserves and the council's General Fund Balance. Officers continued to work on financial recovery plans to address the in-year budget pressures, bring costs in line with budgets and mitigate the recurrent impact on the council's medium term

Governance Area and Lead officer	Action Proposed during 2024/25	Progress Update – Year end 2024/25
saving requirement the council needs to address in future years is significant. The importance of the council having a robust and resilient financial platform to support the delivery and transformation of services, continues to be key to addressing this. There is still a significant amount of uncertainty, complexity and risk within the financial landscape which the Council must address through robust financial planning and management. Now more than ever the council needs a stable budget that mitigates and smooths the financial impact of significant uncertainty. Despite the continuing ask of Government for greater certainty of future funding, the council remains cautious about the budgetary impact of an upcoming General Election and subsequent government Spending Review. The caution from	throughout the year to inform decision making. • Incorporate the savings updates as part of the PPRRs and CPRR and regularly closely monitor the savings required for 2024/25 and progress in achieving these. • Ensure balanced budget at year end. • Highlight and assist in providing solutions if savings become unachievable/ensure double running reserves utilised appropriately for timing issues of achieving the savings. • Prepare and set the Council's Reserves' Policy for 2024/25 for member approval in September 2024 that takes into account latest information and requirements to utilise the reserves appropriately to support investment priorities, mitigate	financial position. Service financial recovery plans are achieving in-year cost avoidance, which would have adversely impacted the forecast if incurred. However, the growing need for support and inflationary costs result in a challenging in-year financial position despite this work. This is particularly evident in relation to Children's Social Care and the services that support that directorate where increasing need for support and complexity of that need is outstripping the cost avoidance being achieved resulting in a significant pressure both in-year and recurrently on the MTFP. The budget for 2025/26 was agreed at the Council Meeting in February 2025. Corporate measures continue to be in place to ensure robust financial management principles

Governance Area and Lead officer	Action Proposed during 2024/25	Progress Update – Year end 2024/25
commentators about the Government's future fiscal forecasts and departmental funding commitments which suggest an adverse funding position and funding cuts for local government as a sector in future years is noted. The insufficiency of council funding comes at a time when there is an increasing need for support from Stockport residents and businesses. The increased cost of living continues to create challenging circumstances for our local communities. Delivering the MTFP will continue to be shaped around the Borough Plan and Council Plan framed by four unifying themes, designing new ways of working for the modern, person-centered and ambitious organisation we strive to be. We firmly believe that investing in longer-term transformation	risk and support a balanced budget and MTFP. Finance Officers will continue to further strengthen the Council's financial management and financial resilience through continuous improvement of financial management processes. Continuing development of the Capital Board to ensure the Capital Strategy and Capital Programme are delivered and available capital resources used effectively aligned to the Council's ambitions and priorities.	underpins the delivery of efficient and effective services to address the financial position, taking a One Budget approach to the continued challenges.

Governance Area and Lead officer	Action Proposed during 2024/25	Progress Update – Year end 2024/25
is vitally important for our organisation and communities whilst ensuring the council is financially resilient. Transformation priorities are underpinned by a focus on invest to save to deliver longer term financial sustainability and neighbourhood and prevention delivery models to reduce the need for support which creates demand on services. This will be challenging and know we need to be radical and ambitious.		
Stockport Integrated Care System/ Integrated Care Board Deputy Place Based Lead (Phillipa Johnson) Since 2022, Integrated care systems (ICSs) are partnerships that bring together the health and care organisations in a particular local area, to improve population health and healthcare, tackle unequal outcomes and access, enhance productivity and value for money and help the NHS to support	Stockport's current and projected financial position is a standing item at Executive meetings and the Locality Board. 2024/25 Stockport has been given an efficiency target of £7.973 million (5% of influential spend) for the delegated Integrated Care Board funds. A recognition of actual challenges	The AGS Progress Statement for 2024/25 set out the financial position at 31 January 2025. 2024/25 Financial Outturn

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broader social and economic development - the cited Triple Aim - better health for everyone, better care for all and efficient use of health and care resources. Stockport, as a Locality under the GM ICS has local Care System and Care Board arrangements. Governance challenges Greater Manchester has significant financial pressures that the Locality and System arrangements are intended to address	include, continued demand for CHC and mental health placements compounded by increases in the cost of placements and continued prescribing price and volume pressures. To address the financial challenge a cost improvement programme (CIP) plan is in development targeting CHC, mental health and prescribing being the areas of high expenditure and reasons for the adverse variance in 2023/24. A refresh of the One Health & Plan was completed end of 2023. This is not a complete departure from the original Plan but refocuses our joint priorities to reflect Greater Manchester expectations and our evolving ambitions as a Borough. One Stockport Locality Delivery Plan 2024-29 outlines the vision for inclusive working relationships.	For the financial year ending 31 March 2025, NHS Greater Manchester (Stockport) reported an overspend of £10.306m. The key drivers of this overspend were: • An increase in both the number and cost of Continuing Health Care (CHC) packages of care • An increase in both the number and cost of Mental Health (MH) s117 packages of care • Higher costs and demand for neurodiversity assessments and ADHD treatment, as patients exercise their right to choose • Under-delivery of the Cost Improvement Programme (CIP)

Governance Area and Lead officer	Action Proposed during 2024/25	Progress Update – Year end 2024/25
	Our vision for 2029 sees us all working together to develop a borough which is inclusive, caring, enterprising and full of ambition. We want to deliver healthier, happier lives for the people of Stockport; where people are enabled to live the lives that they want to and where children, young people and their families are enabled to realise their potential. ICBs continue to be held to account by NHS England annual performance assessments, which will assess how well each ICB has discharged its functions A Place oversight process has been implemented. This will hold localities to account for delivery of financial performance and quality metrics.	Impact of NHS reforms The recently announced NHS reforms which included the abolition of NHS England and a 39% reduction in Greater Manchester Integrated Care Board's running costs, represents a significant structural change, with wide-ranging implications for system governance, accountability, and service delivery. A Model Integrated Care Board (ICB) Blueprint has been developed clarifying the role, core functions, and success enablers of ICBs. ICBs will maintain a strong leadership focus on population health, long-term planning, and reducing inequalities. Functions will be streamlined, with some responsibilities shifting to providers or regional/national teams. Implementation will be phased, with certain elements dependent on legislative change. In response to the reforms NHS Greater Manchester is reviewing its functions to better

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Alignment of partners within the Integrated Care System (ICBs) Operational Planning and NHSE oversight – GM Integrated Care have significant challenges to financial and	Development of Locality Risk Register and early identification of emerging risks and/or issues including identification of where and when increasing risks are reported and reviewed. Stockport ICS have now formed Stockport Quality Improvement Collaborative (SQIC), this forms a robust Governance structure for Quality and Equality issues. Stockport ICS will continue to embed a culture of safety and create an environment of continuous quality improvement. We will continue to work with partners across the Stockport and Greater Manchester to address variation in standards, access, and quality in line with the One Health & Care Plan and GM Joint Forward Plan.	focus on priority areas such as population health, while identifying activities that can be safely delegated or transferred. This process supports the goal of a 39% reduction in running costs and is seen as an opportunity to improve efficiency and align with the new NHS 10-Year Plan and strategic shifts. The work remains anchored in delivering the GM ICP Strategy and Sustainability Plan, with a continued focus on recovery, prevention, workforce support, economic participation, and financial sustainability. Reforms will be implemented in stages over the next couple of years with ICBs expected to make their required saving by Dec 2025, however Treasury has not made any additional funding available for redundancy schemes and this initial deadline may extend into 2026/27. Robust transitional arrangements will be essential to safeguard continuity of care,

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operational performance as does Stockport locality. Increased scrutiny by NHS England as NHS GM moves to segment 3 (SOF 3) in line with the requirements set out in the NHS Oversight Framework 2022/23. Management of key risks and/or service pressures. Quality Oversight		maintain public accountability, and ensure delivery of national health priorities.
Arms' length and subsidiary companies – Corporate Leadership Team The Council has several companies and linked entities where senior Council officers and members also serve on the Board or equivalent governance body. Being a director of a local authority-controlled company requires officers	Review the reporting relationship between arms' length organisations and the council, how risks are managed and what escalation mechanisms are put in place.	Training was provided to all relevant officers. The online register of other appointments and interests is being finalised by the Monitoring Officer following the design and implementation of the online gifts and hospitality register for officers.

Governance Area and Lead officer	Action Proposed during 2024/25	Progress Update – Year end 2024/25
and elected members appointed to those roles to operate in a potentially different legal and cultural framework to that which they are used to inside Stockport Council. This can lead to real conflicts between the duty owed to the company and the interests of the council. Furthermore, it could result in conflicts of interest on a personal level which makes holding some roles in a local authority unviable whilst continuing as a director. It is necessary to make different assumptions about how different bodies operate and what issues have been taken into account, and what had no influence. Too often, this is not necessarily understood until problems arise, resulting in reputational and financial damage. Council officers and members also have fiduciary duties to the council. Situations can inevitably arise where	Determine if current scrutiny arrangements provide sufficient oversight or if a more specialised “Subsidiaries Committee” might be appropriate. Draft conflicts of interest guidance specifically for officers and members serving on associated companies. Skills and training assessment for all officers and members serving on company Boards or equivalent. Register of appointments of all officers and members along with any declared interests and potential conflicts.	As per the progress update of February 2025, council officers receive no benefit from their appointments to the boards of the council's wholly owned companies as non-executive directors. The work of the shared services board is continuing and an update will be provided when the work has been finalised. The update to audit committee will focus on any governance implications identified in implementing the agreed way forward. The second piece of work was the Independent Review of Stockport's Housing Management Arrangements. The report has been completed and circulated and the recommendations are being implemented. The recommendations include strengthening the governance and scrutiny arrangements in place, with a specific focus on the relationships currently held with members to ensure they are

Governance Area and Lead officer	Action Proposed during 2024/25	Progress Update – Year end 2024/25
the same officer/member will be a decision maker or advisor both for the council and one of its entities. Examples of this include matters of reporting, contractual discussions, investment requests or resourcing agreements. Subsidiary entities are often key to delivery of key strands of Council activities against key objectives and it is important that these are delivered effectively, and the council receives sufficient assurance about delivery of outcomes and any risk mitigations in place.		appropriately involved in the decision-making and have the right levels of information to do so. A Housing Task & Finish Group has been established which will consider and make recommendations in relation to the appropriate scrutiny and decision-making structures which is due to report later in 2025/26. As per the progress report of February 2025, Cabinet agreed that Stockport Active CIC (Life Leisure) would now provide its services as an agent to the council. There was no required changed to the Scrutiny process as part of this. This area has three remaining actions which will be carried forward into the 2024/25 municipal year:- 1. finalisation of the register of officer interests; 2. finalisation and implementation of the recommendations of the Shared Services review in so far as they relate to Governance;

Governance Area and Lead officer	Action Proposed during 2024/25	Progress Update – Year end 2024/25
		3. implementation of the recommendations of the Independent Review of Stockport's Housing Management Arrangements which includes a change to the council's Scrutiny process.

4. REVIEW OF EFFECTIVENESS OF GOVERNANCE ARRANGEMENTS

- 4.1 The council has a 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 leaders within the Council and its wholly owned companies, who have responsibility for the development and maintenance of the governance environment, the Monitoring Officer, the Head of Internal Audit, Risk and Insurance, and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2 The processes applied and sources of assurance obtained in maintaining and reviewing the effectiveness of governance arrangements is set out in the overall governance framework.
- 4.3 The Corporate Leadership Team has responsibility for overseeing the annual review of the governance framework, providing evidence of conformity, as outlined in the Council's Code of Governance and the preparation of this Annual Governance Statement. Since the last AGS, the meetings between the Chief Executive, Section 151 Officer and the Monitoring Officer to consider any governance related matters have been formalised and take place on a monthly basis.

4.4 The results of the annual review of the effectiveness of the key elements of the Council's governance processes during 2024/25 are set out in the table below.

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Officers Code of Conduct Code of Conduct for Councillors and Co-opted Members Protocol on Councillor / Officer relations Proper Officer appointments Standards Committee Disciplinary Policy Anti-fraud, bribery & corruption policy and strategy Confidential Reporting (Whistleblowing Policy) Anti-money Laundering Policy Corporate Complaints procedure Constitution	The Standards committee met three times in the year to consider the treatment of members' sensitive interests in the Register of Interests, the Annual Report on Councillor Conduct for the previous year, and dispensations for members who are on the board of the Stockport Mayoral Development Corporation. The conduct of Councillors is monitored throughout the year by the Monitoring Officer and an annual report on the outcomes of complaints will be presented to the Standards Committee in September 2025. An Annual Fraud Report has been produced by the Head of Internal Audit, Risk and Insurance which demonstrates the work that the Council has undertaken in the preceding year to tackle identified instances of fraud and whistleblowing allegations and to highlight the proactive levels of work being undertaken. This is presented to the Audit Committee in July of each year.

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		The outcomes of complaints investigations regarding service delivery have been reported to the Cabinet at quarterly intervals throughout the year. The Corporate Leadership Team has consulted with the Monitoring Officer as and when it considers that advice is required to ensure that the Council's decisions accord with the law and Council's constitution. The Council's constitution has been reviewed by the Constitution Working Party. Various amendments to the constitution were undertaken during the last municipal year (including the scheme of delegation) and further reviews will continue to be undertaken on an annual basis to improve the efficacy and robustness of the constitution so that it evolves year on year in support of the council's vision of an Ambitious Stockport. The Council has a robust process for dealing with whistleblowing issues supported by a clear and concise policy.

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		The Anti-money Laundering Policy contains the requirements as set out in the Money Laundering Regulations 2017. Regular updates on the number and types of complaints received by the Council are reported and discussed by Corporate, Resource Management & Governance (CRMG) Scrutiny Committee.
B. Ensuring openness and comprehensive stakeholder engagement	Online, including the Council Website, Twitter, You Tube and Facebook Consultations including Have your say (Council website) Webcasts Area Committees Joint committees Neighbourhood Forums Corporate complaints procedure	All committee meetings have been held in public unless legislation prevents this or allows them not to be and there is considered to be good reason to hold the meeting in private. The Monitoring Officer has to confirm their agreement to any item of business (even partial) being treated as confidential (not for publication). The new committee meeting report template includes, if relevant, a confirmation that the Monitoring Officer has been consulted and has agreed that the item, or part of it, is to be treated as exempt.

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		All meeting dates, agendas and minutes have been published in accordance with legislation and are available online and in local libraries. The Council webcasts its meetings throughout the year at http://stockport.public-i.tv/core/portal/home The Council Plan has been published on the Council website. Council priorities and spending plans are published in the Council newspaper 'the Review' which is sent annually to all households, with electronic bulletins emailed to subscribers on a monthly basis since October 2016. The Council also engaged with local communities by encouraging publicity via local newspapers and radio stations. The Council continues to engage with all sectors of the community through; Partnership and Community Engagement, Neighbourhood Management engagement and panels, Area Committees, Ward Committees and Scrutiny Committees, and through targeted consultation and engagement. In addition to corporate

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		consultation exercises, directorates conduct specific consultation. The One Stockport Borough Plan, was launched in June 2021 following extensive engagement with other local public services, businesses, community and voluntary organisations which sets out the vision for the Borough until 2030. The Council is represented at regional level through the Greater Manchester Combined Authority (GMCA) and the Association of Greater Manchester Authorities (AGMA). The Leader and Chief Executive played a vital role in ensuring Stockport's interests are represented in key decisions around the regional economy, transport and planning and Children's Social Care.

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits	One Stockport Borough Plan – One Stockport: One Future Our Council Plan 2024-27 Portfolio Performance & Resources Agreements Climate Action Now	The One Stockport Borough Plan (One Stockport; One Future), developed in conjunction with other local public services, businesses, community and voluntary organisations sets out the vision for the Borough until 2030. The next phase of the Borough Plan has been launched (One Stockport; One Future) setting out how the council will deliver the “5 Big Things”. One Stockport, One Future has been shaped by listening to the young people of Stockport, local businesses, community organisations and residents. In total over 450 people have contributed to One Future. The Council has set out a clear statement of its purpose and vision for Stockport within the Council Plan which has been updated and approved by members. The Council Plan defines the priorities and outcomes the Council is seeking to achieve for

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		the next 12 months, with the 2023/24 Plan adopting the 4 big ambitions of the Council. The Council Plan is developed and agreed within the context of the Council's budget and underpinned by the Medium-Term Financial Plan, Capital Programme and Treasury Management Strategy. The Plan provides a clear basis for corporate and service planning which is carried out in accordance with the Corporate Planning cycle and articulated through seven Portfolio Performance and Resources Agreements, presented to Scrutiny Committees annually in June. The Council used a range of methods to measure and review the achievement of key outcomes. This included carrying out satisfaction surveys and monitoring relevant performance indicators and objectives within plans and strategies. The Council produces comprehensive quarterly Performance and Resources Reports based on delivery of Council priorities, values and goals (as set out

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		in the Council Plan and detailed in Portfolio Performance and Resource Agreements) along with the Council's spending plans and financial position (MTFP) which have been considered by the Council's Corporate Leadership Team, the Cabinet and Scrutiny committees throughout the year. This ensures that the Council reviews and monitors the achievement of key outcomes within the Council Plan and continues to reflect the needs of its residents in order to ensure improvement.
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	Corporate Council Plan Quarterly and Annual Portfolio Performance & Resources Reports Quarterly and Annual Corporate Performance & Resources Reports Medium Term Financial Strategy Business Case Working Papers reported to the Cabinet and Scrutiny committees	The Council has processes in place to demonstrate that decision makers follow due process, the decisions are properly documented and taken having regard to all relevant considerations. This is supported by robust options appraisals, risk assessments and consideration of the impact of decisions on delivery of outcomes. The Council actively consults with stakeholders and service users when making decisions about service improvements, changes to service delivery or

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
	Service and Directorate level business plans Service level business plans Civil Contingency and Emergency Planning Business Continuity	proposing any reductions to service delivery. All of this is supported by effective service planning, budget planning and performance planning processes, which are underpinned by the Medium-Term Financial Strategy. This is evidenced through a series of detailed business cases which underpin proposals within the Medium-Term Financial Plan to deliver a balanced budget for the year ahead. In addition to comprehensive, targeted consultation with service users, employees and any other stakeholders, these are considered by Scrutiny Committees at each stage. The Council, Cabinet and Committee meetings are open to the public and the vast majority of decisions are made in open session and are formally recorded and published (as referred to above). The Council has an effective scrutiny function via five scrutiny committees and a scrutiny co-ordination committee which encourages constructive challenge and enhances the management of the Council's performance in service areas and overall. The scrutiny function is also enhanced by joint scrutiny arrangements, principally with local health bodies and scrutiny review panels which

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		undertake deep dive reviews on subjects agreed by the scrutiny committees. Elected Members are collectively responsible for the governance of the Council. Decision making and scrutiny of these decisions are separated through the executive arrangements (Cabinet) and reflects the legislative arrangements for defining executive and non-executive functions. The Council works within the framework set by the Civil Contingencies Act 2004, which provides a single statutory framework for civil protection in the UK at a local level. We work with the Greater Manchester Resilience Unit (GMRU), which is an Association of Greater Manchester Authorities (AGMA) service to coordinate 'emergency planning' on our behalf. We work to the plans drawn up by the GMRU. We are also a partner of the Greater Manchester Resilience Forum (GMRF). This partnership of agencies from across Greater Manchester has responsibility for coordinating and overseeing emergency planning. Its overall

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		purpose is to ensure an appropriate level of preparedness for multi-agency response to emergency incidents which may have significant impact on the communities of Greater Manchester. To ensure preparedness and response we maintain a bank of Silver Commanders, Forward Incident Officers and on-call Emergency Rest Centre Managers who are on call 24/7/365. We have a planned business continuity process aimed at managing the many and varied, known and unknown risks inherent in the day-to-day activities involved in delivering our services. The main purpose of the process is to ensure continuity of service delivery following an unexpected disruption to normal working. This year's continuity planning exercise for services has utilised a more effective digital platform and dashboard to allow better completion, collation and retrieval of service continuity plans. The highest priority activities are desk top tested. The over-arching Corporate Business Continuity Plan and service area specific plans

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		form the structure of the Council's Business Continuity Management Plan. Specific plans are developed, compiled and maintained by each service in readiness for use in an incident to enable the organisation to continue to deliver its critical functions at an acceptable pre-defined level. In the event of a service being overwhelmed the Corporate Plan would be invoked. Risks considered in the Business Impact Assessment include but not limited to: - Loss of IT/Telecoms - Loss of Site/Flood/Fire - Loss of People/Skills /Industrial Action - Utility Outage - Employee H&S Issue - Supply Chain - Damage to Reputation Civil contingencies and business continuity are now included as risks on the corporate risk register.

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E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	Members' Training Plan Members' Induction Process Corporate Induction Process One Team – People Plan Employees' My Conversation Leadership Forum Global Majority Leadership Programme GM Elevate Programme Absence Management Policy Apprenticeship scheme	A corporate Members' induction programme is in place for all newly elected Members although all Members are invited and encouraged to attend. Training for Members includes Mandatory training such as the members' code of conduct, planning and licensing in addition to sessions such as decision making, corporate parenting, digital and personal safety and procedures. The council supports member development in different ways including a comprehensive induction and training programme for new Councillors, new Cabinet Councillors and new Committee Chairs, bespoke training for individual political groups, attendance at conferences aligned with the member's particular responsibilities. In particular the Council fund a number of Cabinet Councillors and spokespersons from the main opposition group on the LGA Leadership Programme. Training in relation to Audit and Treasury Management is also provided annually to

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		Cabinet Councillors and members of the Audit and Corporate, Resource Management and Governance Scrutiny Committee. All employees are required to have a personal development review, which is now undertaken via the council's new digital platform called "My Conversation". The My Conversation is based on our council values along with setting out objectives of how each individual colleague in the council contributes to and delivers the council plan. There will no longer be a reliance on an annual conversation about performance as My Conversations will take place at quarterly intervals throughout the year. Personal development plans will also be developed in the My Conversation process outlining any training or development needs that the individual has. The Council has an 'Employee Handbook' which brings together a range of conditions of service into a single resource. This handbook is complemented by a Manager's Handbook and forms the basis of a revised management

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		induction and leadership development package. The Workforce Steering Group that has key individuals from all directorates continues to meet monthly as part of the One Team People Plan governance to discuss and develop plans for future workplace arrangements. New leadership programmes have been launched in the previous year including the Leadership Forum (face to face quarterly session which all colleagues that have management responsibilities) and the Inclusive Leadership programme run by an external provider for all colleagues with management responsibilities. The Global Majority Leadership programme has just been launched following feedback from our last all colleague survey and we have several colleagues on the GM Elevate programme and the GM Legal Academy. The council has several employee networks to support the development of colleagues with protected characteristics and there are further support groups established by and for

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		colleagues with other common interests. They include: The Palettes of Colour Network The Dis-Ability Network LGBTQ+ Network Neurodivergent Support Group Carers Support Group Menopause Support Group Mental Health Peer Support Group Bereavement Network An Early Careers Network has also recently been established to support the development and leadership of our colleagues in the early stages of their career.
F. Managing risks and performance through	Corporate Risk Register considered by CLT and CCG and reported to Audit Committee Annual Head of Internal Audit Opinion Report	Decision making is supported by risk management arrangements. The Corporate Leadership Team monitors the development and maintenance of a Corporate Risk Register

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
robust internal control and strong public financial management	Board Meetings of wholly owned companies Publication of Officer Decisions and Executive Decisions (Individual Cabinet Member and Cabinet Decisions) Business Programme and Governance Cycle	and receives regular in-year updates on the management of risks within the Corporate Risk Register. A range of risk workshops were held with both Officers and Members in 2024/25 following an update of the Council's current Risk Strategy. An effective Audit Committee is in place which is independent of the Cabinet and whose purpose is to provide independent assurance of the adequacy of the internal control environment, and to oversee the financial reporting process. The Head of Internal Audit supports the Audit Committee and reviews its effectiveness on an annual basis. The Chair of the Audit Committee produces an Annual Report that demonstrates the value added by the Committee over the previous year. The Internal Audit function operates in line with the Public Sector Internal Audit Standards (PSIAS) for Local Government and the Internal Audit Plan is based on the high risks reported within the risk registers. Underpinning the Council's financial and operational management arrangements is a

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		regulatory framework comprising of Financial Procedure Rules, Contract Procedure Rules, and risk-based audit reviews of systems and procedures across the full range of Council operations on behalf of the S151 officer. The Constitution is clear that management have the responsibility for operating a sound system of internal control. Concerns regarding non-compliance with rules, policies, procedures or legislation can be reported through channels set out in the Anti-Fraud, Corruption and Bribery Strategy/Policy and Confidential Reporting Procedure (Whistleblowing Policy) and a Fraud and Irregularities Panel has the remit to deal with these. In addition, the Council's arrangements for providing economy, efficiency and effectiveness are reviewed by the external auditors on an annual basis and this is reported and published on the Council's website. The Annual Head of Internal Audit Report was considered by the Audit Committee in July 2024 and the overall opinion on the level of assurance discussed. The report is presented

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		annually and will be discussed in the July 2025 Audit Committee. Arrangements for how the Council interacts with the Greater Manchester Integrated Care System are highlighted in the AGS Action Plan below as a continuing challenge for 2025/26. The Monitoring Officer and colleagues have worked on a new set of committee report templates to incorporate an Integrated Impact Assessment (to assess Inequalities and Environmental impacts). A review of how reports were being written and submitted identified the need for a more efficient and simpler report template with clear indicators re essential governance considerations and a simpler and more efficient way for officers to submit decisions for publication.
G. Implementing good practices in transparency, reporting, and audit to	Webcasts Publication of Committee Reports and decisions	The Council publishes a wide range of information on its website, with the aim of increasing transparency and accountability. Much of this is published in an 'open data' format to enable re-use by interested parties, and the Council is committed to meeting the

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
deliver effective accountability	Freedom of Information Act requests Annual Governance Statement progress reports to Audit Committee Internal Audit progress reports Development of Performance Dashboards	standards set out in the Local Government Transparency Code 2015. The Council has a clear process for dealing with Freedom of Information (FOI) requests from the public. These are logged onto a central system and the Council's Information Governance team coordinate and track progress on all requests to ensure responses are properly co-ordinated and to the right quality, standard and timescales. The Council is also committed to being as transparent as possible and has developed its website further to provide more information to the public. The Council has responded effectively and promptly to implement agreed actions resulting from the work of Internal Audit, external audit and other external inspectorates.

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		Progress made against the areas identified in the 2023/24 Annual Governance Statement action plan was reported to the Audit Committee in February 2025. All 2024-25 issues are strategic and complex, reflecting the continued pace of change and significant financial challenges and continue to remain key governance issues for the Council. The Council published its Annual Report and Statement of Accounts on its website. During 2024/25, the Council has used a series of 'dashboards' to provide a regular visual summary of performance. These include development of Corporate and Portfolio Performance Dashboards for members, complementing the Performance and Resource Reports (see above) and providing the ability to see more detailed trends and commentary on specific measures. This follows the development of a Performance Dashboard for

Principle	Assurances Received	Assessment of the effectiveness of key elements of the Council's Governance processes during 2024/25
		the Corporate Leadership Team, which has resulted in a number of 'performance spotlights' helping to understand what has been causing and impacting some areas of performance.

5. GOVERNANCE AREAS TO BE ADDRESSED DURING 2025/26

5.1 The review of the effectiveness of the council's governance framework has identified and confirmed the following areas that will need to be addressed or continue to be addressed during 2025/2026.

Governance Area and Lead Officer	Action proposed during 2025/26
Transformation – Assistant Director for Strategy, Transformation and Digital Our transformation programme is closely aligned to our MTFP so that we can transformation services whilst ensuring we remain financial sustainable.	Our transformation programme is aligned to the ambition set out in our One Future strategy and our MTFP. Our resource will be focused on delivering transformation that will make the biggest impact for the organisation in ensuring that we remain financially sustainable.

Governance Area and Lead Officer	Action proposed during 2025/26
The challenge to reduce spend across the organisation remains a key pressure this year with significant savings needing to be found through transforming the way we work, in order to achieve a balanced budget. It will be crucial to ensure we have robust and clear prioritisation of transformation resource aligned to deliver the key transformation programmes. A new area of potential risk in relation to governance is emerging, as referred to above, in relation to AI and how its implementation may affect decision making.	This will be clearly aligned to delivery of our council plan ambitions, particularly around ensuring we are delivering efficient and effective services. We will ensure robust governance and effective prioritisation of transformation resource to ensure we are focusing on the areas that will deliver the biggest return on investment for the organisation. We will ensure that any proposals for the use of AI will be considered from a governance and ethical position to ensure that the use of such will result in a continued robust and transparent approach to governance.
Delivering the Medium-Term Financial Plan (MTFP) - Director of Finance The council's financial position over the medium term is increasingly challenging. Councils across the country are facing significant and urgent funding gaps which cannot be balanced. Council funding is not keeping pace with increasing service costs due to the	We will undertake the following activities in 2025/26 to ensure the MTFP activities receive appropriate oversight and governance: • Ongoing updates of MTFP based on latest information/data that could impact on the MTFP. For example, regular forecast outturn monitoring, inflation updates, government announcements including government budget and spending review announcements and local government finance settlement. These

Governance Area and Lead Officer	Action proposed during 2025/26
increasing need for support from residents and businesses. Whilst confident about the robustness of the council's Medium Term Financial Plan (MTFP), the saving requirement the council needs to address in the next three years is significant. The importance of the council having a robust and resilient financial platform to support the delivery and transformation of services, continues to be key to addressing this. There is still a significant amount of uncertainty, complexity and risk within the financial landscape which the Council must address through robust financial planning and management. Now more than ever the council needs a stable budget that mitigates and smooths the financial impact of significant uncertainty. Despite the continuing ask of Government for greater certainty of future funding, we await further detail on the recent Spending Review.	updates will be reported to Members throughout the year to inform decision making. • Incorporate the savings updates as part of the PPRRs and CPRR and regularly monitor the savings required for 2025/26 and progress in achieving these. • Ensure balanced budget at year end. • Highlight and assist in providing solutions if savings become unachievable/ensure double running. • Ensure reserves utilised appropriately for timing issues of achieving the savings. • Prepare and set the Council's Reserves' Policy for 2025/26 for member approval in September 2025 that takes into account latest information and requirements to utilise the reserves appropriately to support investment priorities, mitigate risk and support a balanced budget and MTFP. • Finance Officers will continue to further strengthen the Council's financial management and financial resilience through continuous improvement of financial management processes. • Continuing development of the Capital Board to ensure the Capital Strategy and Capital Programme are delivered and available capital resources used effectively aligned to the Council's ambitions and priorities.

Governance Area and Lead Officer	Action proposed during 2025/26
The insufficiency of council funding comes at a time when there is an increasing need for support from Stockport residents and businesses. The increased cost of living continues to create challenging circumstances for our local communities. This is coupled with the increasing ask on many council services such as Social Care, Greenspace, Highways and Homelessness. Delivering the MTFP will continue to be shaped around the Borough Plan and Council Plan. We firmly believe that investing in longer term transformation is vitally important for our organisation and communities whilst ensuring the council is financially resilient. Transformation priorities are underpinned by a focus on invest to save to deliver longer term financial sustainability and neighbourhood and prevention delivery models (now known as Live Well) to reduce the need for support which creates demand on services.	Consider the MTFP through a three year lens in terms of proposals for savings, cost avoidance, income generation and recovery programmes rather than on a one year basis.

Governance Area and Lead Officer	Action proposed during 2025/26
Stockport Integrated Care System/ Integrated Care Board – Deputy Place Based Lead As referred to above, the ICB reported a significant deficit at year end. The Government reforms will cause uncertainty and unavoidable cuts to staffing resources which may impact upon quality of governance and decision making.	ICBs continue to be held to account by NHS England annual performance assessments, which will assess how well each ICB has discharged its functions A Place oversight process has been implemented. This will hold localities to account for delivery of financial performance and quality metrics. We will continue to work with partners across the Stockport and Greater Manchester area in order to support the ICB in meeting and adjusting to the NHS England Reforms (including any governance changes or requirements) whilst continuing to deliver its services to our residents.
Arm's length and subsidiary companies – Corporate Leadership Team The Council has several wholly owned companies and linked entities where senior Council officers and	

Governance Area and Lead Officer	Action proposed during 2025/26
members also serve on the Board or equivalent governance body. Being a director of a local authority-controlled company requires officers and elected members appointed to those roles to operate in a potentially different legal and cultural framework to that which they are used to inside Stockport Council. This can lead to real conflicts between the duty owed to the company and the interests of the council. It is necessary to make different assumptions about how different bodies operate and what issues have been taken into account, and what had no influence. Too often, this is not necessarily understood until problems arise, resulting in reputational and financial damage. Council officers and members also have fiduciary duties to the council. Situations can inevitably arise where the same officer/member will be a decision maker or advisor both for the council and one of its entities. Examples of this include matters of reporting,	The digital register of interests for officers of the council will be finalising in the first half of 25/26. Draft conflicts of interest guidance specifically for officers and members serving on associated companies. Provide training to officers who become new members of boards of the wholly owned companies and undertake refresher training annually for all such officers. We await the outcomes, recommendations and implementation of such from the two reports referred to above relating to Shared Services and Stockport Homes Group. We will ensure that any changes to governance processes are thoroughly tested before they are introduced and remain robust.

Governance Area and Lead Officer	Action proposed during 2025/26
contractual discussions, investment requests or resourcing agreements. In addition to potential or real conflicts of interest, the two reports referred to above on Shared Services and the Independent Review of Stockport's Housing Arrangements are likely to have an impact on governance arrangements in some way which we will need to ensure are addressed.	
Publication of Decisions – Monitoring Officer As referred to above, as part of the refresh of the committee report templates and method of publishing officer decisions the Monitoring Officer will be undertaking a review of the process.	This is not a significant or key concern but the Monitoring Officer wanted to include it in the Action Plan to demonstrate good practice and robust approach to continuing review and improvement if necessary to our governance processes.

6. FORWARD LOOK

- 6.1 The new guidance from CIPFA and Solace referred to at the beginning of this AGS encourages all local authorities to consider what governance areas and issues may arise in the future. Changes requiring flexibility and adaptability could occur for

example, because of changes in legislation and technology. An example of an expected change in legislation is to allow local authorities to hold their committee meetings in a hybrid way which will require a review and refresh of the governance processes related to decisions made at such hybrid meetings. The going growth and development of AI is an example of how changes in available technology will lead to changes in governance and oversight of how decisions are taken.

- 6.2 Our council is not complacent and will continue to forward look and plan in order to be agile and be able to adapt to the inevitable changes which will be needed to our governance processes in the future.

7. CONCLUSIONS

- 7.1 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Monitoring Officer, Corporate Leadership Team and the Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.
- 7.2 The Audit Committee will approve the final 2024-25 Annual Governance Statement at their meeting to be held in September 2025.
- 7.3 Our assessment of the effectiveness of our governance arrangements for 2024/25 identified governance issues as outlined in this document. We propose over the coming year to take all appropriate action to address the matters outlined in this Statement and any other issues to further enhance our overall governance and stewardship arrangements. We are satisfied that our plans will address the improvement areas identified in our review of effectiveness. We will monitor their implementation and operation as part of our next annual review.

Leader of the Council

Stockport Metropolitan Borough Council

Chief Executive

Stockport Metropolitan Borough Council