Halton Borough Council

ANNUAL GOVERNANCE STATEMENT

2025/26

HALTON
BOROUGH COUNCIL

CONTENTS

1. Introduction

Regulation 6(1)(a) of the *Accounts and Audit Regulations 2015* requires the Council to carry out an annual review of the effectiveness of its system of internal control and to report the results alongside its Statement of Accounts. Regulation 6(1)(b) specifies that this report must take the form of an **Annual Governance Statement (AGS)**. This document fulfils that requirement.

The AGS has been prepared in line with proper practice, as set out in CIPFA and SOLACE's *Delivering Good Governance in Local Government Framework (2016)* and the associated guidance, including the latest addendum. This guidance places a strong emphasis on demonstrating how governance arrangements support effective decision-making, the delivery of outcomes, organisational resilience, and value for money. The Council has used these principles to shape both its governance framework and this statement.

In addition, the *Code of Practice for the Governance of Internal Audit* (CIPFA, April 2025) requires councils to explain how they achieve effective internal audit governance. This AGS reflects those requirements by setting out how internal audit contributes to assurance, risk management, and continuous improvement.

Publishing the AGS alongside the Statement of Accounts provides transparency and accountability to residents, stakeholders, and partners. It explains how the Council complies with its Local Code of Governance and highlights any significant governance issues identified during the year, along with the actions being taken to address them.

Importantly, this statement goes beyond describing governance arrangements. In line with CIPFA/SOLACE expectations, it focuses on how well those arrangements are working in practice, particularly in supporting the Council's priorities, delivering intended outcomes, managing risk, and ensuring value for money. It also reflects the Council's commitment to continuous improvement and maintaining strong, effective governance in a changing environment.

2. Ensuring a Sound System of Governance and Outcome of Review

In line with CIPFA guidance, the Council recognises its responsibility for maintaining a sound system of governance, including effective arrangements for internal control. These are set out in the Council's Constitution and Local Code of Governance, which define how decisions are taken, risks are managed and accountability is maintained.

The review undertaken for 2025/26 concludes that the Council's governance framework remains fit for purpose and provides reasonable assurance that governance, risk management and internal control arrangements are operating effectively. This is evidenced by the Council's ability to respond to significant in-year challenges, maintain service delivery and operate within its approved budget.

The review has also identified a number of significant governance challenges arising from the scale and complexity of the Council's operating environment. These include financial sustainability, the delivery of transformation, and system pressures within SEND provision, alongside the need to further strengthen risk and performance integration and organisational capacity.

These matters represent key governance risks requiring sustained focus but do not undermine the overall effectiveness of the Council's governance framework. They are informed by a range of internal and external assurance sources, including internal audit, external audit, inspection outcomes and peer review. These challenges reflect wider systemic pressures which, if not effectively managed, have the potential to impact the effectiveness of the Council's governance arrangements.

The Council has responded proactively, with improvement activity underway to address these challenges and strengthen governance arrangements further. The significant governance issues identified are set out in Section 8, together with the actions being taken to address them, which will be monitored throughout 2026/27.

Andrew Donaldson
Chief Executive
Date:

Mike Wharton
Leader of the Council
Date:

3. Methodology

The Council undertook an annual review of its Local Code of Governance and the effectiveness of its wider governance framework during 2025/26. This review was led by the Director of Finance and Monitoring Officer and considered how governance arrangements had operated throughout the financial year and up to the point of review.

The review was conducted in line with CIPFA and SOLACE guidance, including the principles set out in the Delivering Good Governance in Local Government Framework. It focused on how well governance arrangements supported effective decision-making, risk management, accountability, and the delivery of outcomes for local residents and communities.

A wide range of senior officers contributed to the process, including the Chief Executive, Executive Directors, and the Head of Internal Audit. Their input ensured that the review was both thorough and evidence-based, and that any areas for improvement were clearly identified.

The process was also informed by engagement with key elected members who have responsibilities for maintaining and developing the Council's governance framework, specifically the Leader of the Council and the Chair of the Audit and Governance Board, providing additional oversight and challenge.

The review drew on a number of key assurance sources. These included the Head of Internal Audit's Annual Report (June 2026), which provided an independent opinion on the adequacy and effectiveness of the Council's control environment. External audit findings were also taken into account, with the Council supported by Grant Thornton, whose Interim Annual Report for 2024/25 informed this assessment.

Consideration was also given to the outcomes of external inspections and assessments carried out during the year. These included the Local Government Association's Corporate Peer Challenge – Progress Review, the CIPFA External Assurance Review, the Care Quality Commission assessment report, and the Area SEND monitoring inspection. Together, these independent reviews provided valuable insight, highlighted strengths, and identified opportunities for learning and improvement.

Customer feedback and complaints formed an important source of assurance and learning. The review considered corporate complaints data, including Stage Two investigations, as well as feedback from the Local Government and Social Care Ombudsman, to understand service performance and identify opportunities for improvement. An update on corporate complaints is reported to Corporate and Inclusion Policy and Performance Board. This ensured that learning from complaints was reflected in service improvement activity and governance arrangements.

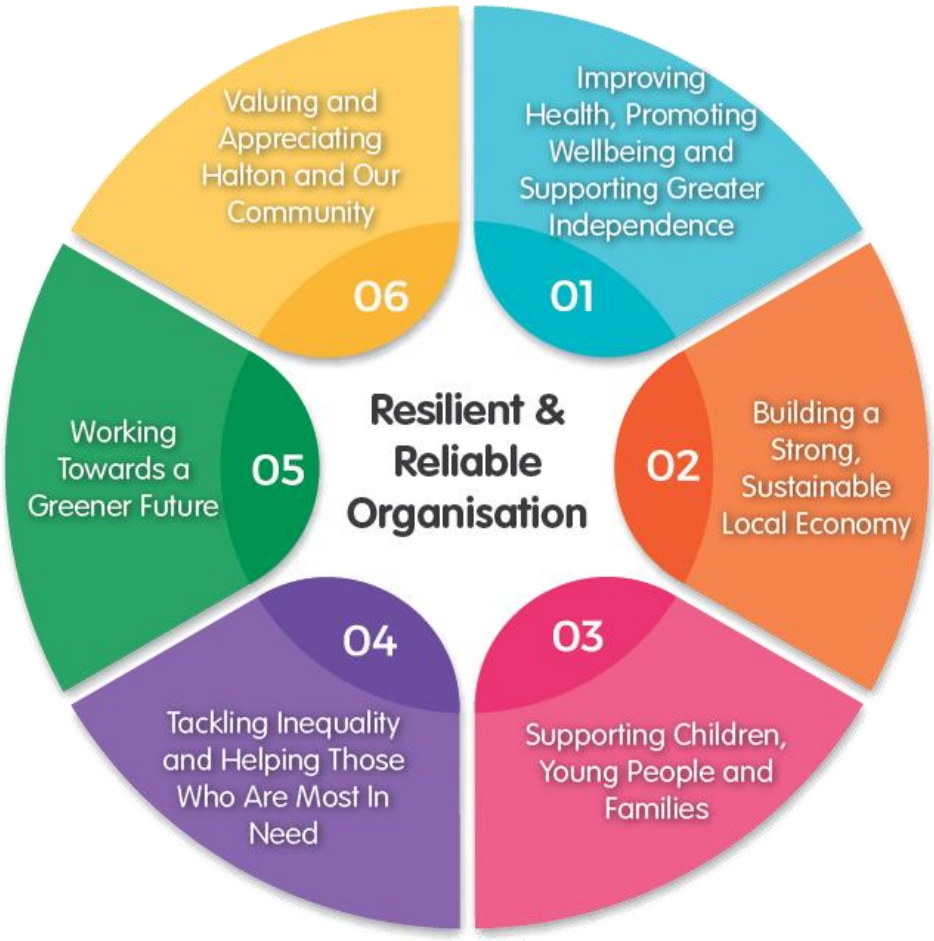
The review also incorporated assurance from the Council's counter-fraud and corruption framework, including the annual Anti-Fraud and Corruption report to the Audit and Governance Board, which provided evidence of proactive fraud prevention, detection and investigation activity across the organisation.

Assurance was further strengthened through consideration of workforce and organisational culture, including the staff survey. The survey provided insight into employee engagement, organisational values, leadership and communication, and identified areas for improvement.

In relation to Member conduct, the Monitoring Officer reviewed complaints made against elected members, together with the outcomes of any investigations. Registers of Member Interests and Declarations of Interest were also examined to ensure transparency and compliance with expected standards. Standards updates to the Audit and Governance Board provided additional assurance that high standards of conduct were maintained. Member induction and ongoing development were also considered as part of this review, recognising their importance in supporting awareness of ethical standards, decision-making responsibilities and effective governance.

Taken together, these sources of assurance ensured that the Council's review of governance was comprehensive, evidence-based and aligned to best practice. They provide a clear understanding of how effectively governance arrangements had operated during 2025/26 and supported the identification of actions required to further strengthen the Council's governance framework.

4. Corporate Strategy (Plan)



The Corporate Plan sets out our priorities and ambitions of what we want to achieve for the residents, communities, and businesses of Halton between 2024 and 2029. It is Halton Borough Council's key strategic document.

The Plan sets out six overarching priorities and five principles towards which we are working. Each priority is underpinned by a set of strategic high-level actions.

The six overarching priorities are:

- Priority One: Improving Health, Promoting Wellbeing and Supporting Greater Independence
- Priority Two: Building a Strong, Sustainable Local Economy
- Priority Three: Supporting Children, Young People and Families
- Priority Four: Tackling Inequality, Helping Those Who Are Most In Need
- Priority Five: Working Towards a Greener Future
- Priority Six: Valuing and Appreciating Halton and Our Community

A resilient and adaptable workforce is fundamental to the delivery of all the Council's priorities. As Halton Borough Council continues to evolve the way it works, having the right skills, behaviours and capacity in place will be critical to maintaining reliable, efficient, and high-quality services.

This is supported by the Council's Values Framework, which promotes personal accountability, inspiring leadership, and a culture of continuous improvement. By listening to and working closely with residents and partners, the Council aims to remain responsive to the needs of the community and drive ongoing service improvement.

Delivering this ambition will require a shared commitment to positive behaviours and change from those who live and work in Halton. Together, these principles provide a strong foundation that underpins and enables the successful delivery of the Corporate Plan's six priorities.

5. Financial Sustainability and Value for Money

The Council approved its 2025/26 budget in February 2025 and has maintained regular financial monitoring throughout the year. Despite a significant overspend being forecast earlier in the year, decisive management action and strengthened spending controls enabled the Council to deliver services within the approved budget by year end. This demonstrates a strong commitment to financial discipline, effective oversight, and sound governance.

However, the Council continues to operate within a challenging financial environment. Demand and cost pressures remain particularly acute in adult social care, children's services, and home to school transport, with costs rising faster than available funding. The Medium-Term Financial Strategy highlights a projected funding gap of £118.6m by 2030/31 if current spending levels continue, underlining the scale of the longer-term financial challenge.

The Council's external auditors, Grant Thornton, have identified areas where arrangements for securing value for money can be strengthened across financial sustainability, governance, and service improvement. In particular, they have highlighted the need to further enhance financial planning, accelerate the pace and delivery of the transformation programme, and continue to strengthen corporate control and oversight of the Council's financial position. The auditors have also identified the importance of maintaining a clear and sustainable approach to managing the Dedicated Schools Grant deficit.

In addition, opportunities for improvement have been identified in performance management, business continuity and resilience, and services for children and young people. These findings reinforce the importance of continuing to strengthen how the Council plans, manages and monitors its performance, risk and resources in an integrated and consistent way.

The Council recognises these findings and has already begun to take forward a programme of improvement through its Financial Recovery Plan, refreshed Medium-Term Financial Strategy, and Single Change Plan. This includes strengthening financial planning, enhancing governance arrangements, and accelerating the delivery of transformation and efficiencies.

Overall, the Council has demonstrated its ability to respond effectively to in-year financial pressures and has a clear focus on improvement. With support from the LGA and MHCLG a Corporate Overview and Improvement Board has been established with five independent members, to oversee and hold the Council to account with the actions being taken to achieve financial recovery. While further sustained progress is required to secure long-term financial sustainability, the actions underway provide a strong foundation for strengthening value for money and delivering better outcomes for residents.

6. Developing and Maintaining the Governance Framework

The Council develops and maintains its governance framework through a comprehensive set of systems, processes and behaviours aligned to the principles set out in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016). The framework incorporates the Council's Constitution, Local Code of Corporate Governance and supporting policies, which together define how decisions are made, how risk is managed and how accountability is achieved.

Governance arrangements are maintained through clearly defined roles and responsibilities. The Council, Executive Board and Policy and Performance Boards provide strategic direction, decision making and scrutiny, while the Audit and Governance Board acts as the Council's audit committee, providing independent assurance on the effectiveness of governance, risk management and internal control. During 2025/26, the Audit and Governance Board aligned its terms of reference with CIPFA best practice guidance and commenced the process of appointing an independent co-opted member to further strengthen its expertise and independence.

Senior officers, including the Monitoring Officer, Section 151 Officer and Head of Internal Audit, play a key role in ensuring compliance with legal, financial and governance requirements.

The Council continuously reviews and develops its governance framework through a structured process of monitoring, assurance and improvement. This includes an annual review of effectiveness, informed by a wide range of assurance sources such as internal audit, external audit, risk management, performance reporting, complaints data and external inspections. These sources are used to identify areas for improvement, which are incorporated into governance action plans and monitored through Member oversight.

Governance is supported by performance management and risk management arrangements, including corporate and directorate risk registers, regular performance reporting and the integration of governance, financial and equality considerations into decision making processes. The Council also maintains strong financial management arrangements, including a Medium Term Financial Strategy, treasury management processes and regular financial monitoring.

The Council promotes a strong governance culture through codes of conduct, organisational values framework and workforce engagement, ensuring that governance is embedded in both formal structures and day to day behaviours. Openness and transparency are maintained through compliance with the Transparency Code, public reporting and active engagement with residents, partners and stakeholders.

Overall, the Council's approach ensures that governance arrangements are kept under continuous review, are responsive to emerging risks and best practice, and provide a strong framework for effective decision making and accountability.

7. Review of Effectiveness of the Governance Framework

This section sets out the findings from the Council's review of the effectiveness of its governance arrangements during 2025/26. It draws together evidence from a range of internal and external assurance sources, including Internal Audit, External Audit, inspection bodies and other review activity. The purpose of this section is to provide a balanced assessment of the effectiveness of the Council's governance, risk management and internal control arrangements, highlighting areas of strength as well as those requiring further improvement.

7.1 Head of Internal Audit Opinion

In accordance with the Global Internal Audit Standards, the Head of Internal Audit has provided an annual opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control framework in 2025/26. This was reported to the Audit and Governance Board in June 2026.

For 2025/26, the opinion concludes that the Council's arrangements are generally adequate and effective, providing reasonable assurance regarding the achievement of its objectives.

Internal Audit Work and Assurance

The opinion is based on a risk-based programme of internal audit work agreed with management and approved by the Audit and Governance Board, together with other sources of assurance. During 2025/26, Internal Audit issued 50 audit reports, with the majority receiving substantial or adequate assurance.

Audit findings confirmed that key financial systems and controls are operating effectively, with no issues identified that are considered material to the Annual Governance Statement. Management has also responded positively to audit findings, with a strong track record of implementing agreed actions in a timely manner.

Key Messages

Internal audit work highlighted:

- A generally sound control environment, with effective financial and governance arrangements
- Positive management engagement and a clear commitment to continuous improvement
- Progress in strengthening risk management arrangements

The Annual Opinion also highlighted areas where further improvement is required, including:

- Embedding risk management arrangements consistently across the organisation
- Maintaining focus on financial sustainability, organisational capacity and the delivery of transformation

- Strengthening the integration of financial, performance and risk information to support decision-making

Conclusion

Overall, Internal Audit provided a reasonable level of assurance that the Council's governance, risk management and control arrangements are operating effectively. While improvements are required in a number of areas, these are consistent with the Council's wider challenges and are being actively addressed. As such, they do not undermine the overall adequacy of the control framework but remain an important focus for continued improvement.

7.2 External Audit Annual Report 2024/25

The Council's external auditors, Grant Thornton, have reviewed the Council's arrangements for securing value for money and concluded that, while key governance frameworks remain in place, a number of areas require further strengthening, particularly in relation to financial sustainability and the delivery of transformation.

The auditors identified significant weaknesses in arrangements during 2024/25 and issued three statutory recommendations. These relate to the need to strengthen short and medium-term financial planning, accelerate the delivery of a robust transformation programme to address the Council's structural funding gap, and ensure stronger corporate leadership, capacity and pace in responding to financial challenges.

In addition, a number of key recommendations were made to support improvement in areas including the management of the Dedicated Schools Grant deficit, business continuity and resilience, performance management, and services for children and young people.

Since the period covered by the audit, the Council has recognised these findings and is taking proactive steps to address them. A Financial Recovery Plan, refreshed Medium-Term Financial Strategy and Single Change Plan have been developed to strengthen financial resilience, improve governance arrangements, and accelerate the delivery of transformation and savings. These actions are intended to provide a clearer and more sustainable pathway to addressing the Council's financial challenges.

The Council is working with urgency to respond to the statutory recommendations and has strengthened oversight arrangements to ensure that progress is monitored and delivered at pace. This includes enhanced corporate control, clearer prioritisation of resources, and a renewed focus on linking financial planning with service priorities and outcomes. In March 2026 steps were taken to establish a Corporate Overview and Improvement Board with five independent members, to oversee the actions being taken to achieve financial recovery.

Overall, while the external audit findings highlight that further improvement is required, they also provide a clear framework for action. The Council has responded positively and is implementing a programme of change designed to strengthen governance, improve financial sustainability, and ensure that value for money is secured for residents over the medium term.

7.3 Local Government Association – Corporate Peer Challenge Progress Review

The Local Government Association (LGA) undertook a Corporate Peer Challenge Progress Review in June 2025 to assess the Council's progress against the recommendations from the 2024 Peer Challenge. The review recognised that the Council has made positive and tangible progress across a broad range of areas, with all recommendations assessed as either complete or in progress and none identified as requiring urgent remedial action.

Peers highlighted notable areas of improvement, including strengthened oversight and scrutiny arrangements, enhanced approaches to risk management, and the continued development of performance management systems. Progress in children's social care was particularly recognised, with a significant reduction in agency staffing contributing to improved stability and reduced costs. Early steps to strengthen partnership working and develop a shared "place" approach across the borough were also welcomed.

The review further acknowledged improvements in financial monitoring and reporting, including more frequent and transparent budget reporting to Members and officers, alongside enhanced training and engagement. These developments provide a stronger platform for informed decision-making and accountability.

At the same time, the Peer Review reinforced the scale and urgency of the Council's financial challenge. It emphasised the need to accelerate the development and delivery of a clear, organisation-wide financial recovery and savings programme to reduce reliance on Exceptional Financial Support and support long-term sustainability. The review also highlighted the importance of maintaining a strong corporate approach to transformation, ensuring clarity of roles and consistent delivery across all services.

Peers also identified opportunities to further strengthen governance and organisational capacity, including embedding performance and risk management arrangements consistently, enhancing the impact of scrutiny, and ensuring stable senior leadership to support the delivery of change.

The Council has responded positively to the review and is taking forward a comprehensive programme of improvement. Actions already underway, including the development of a Financial Recovery Plan, strengthened governance arrangements, and a refreshed transformation programme, directly reflect the Peer Review's recommendations and provide a clear framework for continued progress.

Overall, the Progress Review confirms that the Council is moving in the right direction, at pace and with a sense of urgency, with a clear commitment to improvement and a growing evidence base of delivery. While significant challenges remain, particularly in relation to financial sustainability, the actions in place provide a strong foundation for strengthening governance, improving performance, and delivering better outcomes for residents.

7.4 CIPFA External Assurance Review

CIPFA undertook an External Assurance Review of the Council in December 2025, focusing on financial sustainability, service delivery, governance, and the Council's capacity to deliver

transformation. The review provided a comprehensive and independent assessment of the challenges facing the Council and the actions required to secure long-term financial resilience.

The review recognised the scale of the financial challenge, with a significant and increasing structural budget gap identified over the medium term. While this position presents a high level of risk, CIPFA acknowledged that the Council has begun to respond through the development of a Financial Recovery Plan and emerging transformation arrangements. https://haltongovuk-my.sharepoint.com/personal/mervyn_murphy_halton_gov_uk/Documents/Microsoft Copilot Chat Files/CIPFA Assurance Review Report Halton draft 060126 clean.pdf

CIPFA highlight that the Council has important strengths to build upon, including generally sound financial governance processes, effective audit and scrutiny arrangements, and limited exposure to risk from past commercial investment decisions. The review also recognised positive progress in specific areas, particularly within Children's Services, where transformation activity has contributed to improved stability and reduced reliance on agency staffing.

The report identified a number of key improvement areas to strengthen the Council's overall position. In particular, it emphasised the need to develop a more detailed and deliverable Financial Recovery Plan, underpinned by clearly defined actions, realistic assumptions and robust financial modelling. It also highlighted the importance of embedding stronger ownership of budgets, improving forecasting, and aligning financial planning more closely with service delivery and transformation activity.

CIPFA further emphasised the need to accelerate and strengthen the Council's transformation programme, including consolidating existing improvement activity into a single, prioritised programme with clear governance, accountability and dedicated resources. The establishment of enhanced governance arrangements and independent external challenge were identified as important steps in maintaining pace and delivery focus.

The review also highlighted opportunities to improve the management of demand and cost within Adult Social Care and Children's Services, supported by more robust data, financial modelling and service redesign. In addition, it recommended strengthening the Council's approach to capital planning, asset management, and the use of capital receipts to support financial sustainability.

Overall, while the CIPFA review identified that significant improvement is required, it provided a clear and practical framework for achieving this. The Council has accepted the findings and is taking forward a programme of work aligned to these recommendations, including the development of a strengthened Financial Recovery Plan, refreshed transformation arrangements, and enhanced governance and oversight.

Taken together, the findings from the CIPFA review provide a strong basis for improvement, with a clear direction of travel established. The actions underway are intended to strengthen financial resilience, support sustainable service delivery, and ensure that the Council is better positioned to meet its medium-term challenges.

7.5 Care Quality Commission (CQC) Local Authority Assessment

The Care Quality Commission (CQC) assessed the Council's Adult Social Care services in July 2025, awarding an overall rating of "Good", confirming effective discharge of Care Act duties across quality, safety, leadership and outcomes.

The assessment identified strong governance arrangements, including:

- Effective safeguarding systems
- A positive learning and improvement culture
- Strong partnership working, notably through the One Halton arrangements
- Established assessment, review and waiting list management processes
- A well-developed workforce strategy supporting service quality and continuous improvement

However, the assessment highlighted several governance and system risks requiring further strengthening:

- Market sustainability risks, including limited provider capacity and over-reliance on a small number of providers
- Need for greater consistency in service delivery, particularly continuity of care
- Requirement to embed a more consistent prevention and strengths-based approach across all services
- Transformation programme governance, where greater clarity, pace and organisation-wide delivery are needed to ensure long-term sustainability
- Opportunities to strengthen co-production, improve access to information, and ensure robust transition arrangements between children's and adult services
- Ongoing need to address inequalities and ensure equitable outcomes

Overall, while governance arrangements were assessed as being effective, the CQC identified the need to strengthen strategic oversight, market development, and delivery of transformation to support sustainable improvement.

7.6 Children's Services Monitoring Visit (Ofsted)

The November 2025 Ofsted monitoring visit identified continued progress in strengthening governance, leadership and oversight within Children's Services following the 2024 inadequate judgement.

Inspectors found that senior leaders have established stronger strategic oversight and performance management arrangements, with an improvement plan that is actively monitored and delivering measurable progress. The development of a more embedded quality

assurance framework has enhanced the Council's understanding of practice and service performance, supporting more informed decision-making.

Improvements in workforce stability, leadership visibility and supervision were also noted, contributing to better continuity of care and more effective operational decision-making. Governance arrangements relating to placement sufficiency, permanence planning and commissioning have strengthened, resulting in improved placement stability and timeliness of decisions for many children.

However, the inspection identified several areas where governance arrangements require further strengthening:

- Inconsistent quality and use of audit activity, with limited involvement of practitioners, children and families, reducing opportunities for organisational learning
- Variability in the quality and recording of decision-making, particularly in relation to placement matching and contingency planning
- Weaknesses in ensuring that assessments and care plans are consistently updated to reflect changing needs
- Ongoing challenges in service capacity and sufficiency, impacting placement choice for some children
- Gaps in strategic oversight of specific cohorts, including asylum-seeking children and disabled children, particularly in relation to timely access to specialist support

Overall, while governance and leadership arrangements have strengthened significantly and are supporting service improvement, further work is required to ensure consistency of practice, robust quality assurance, and fully effective oversight across all areas of service delivery.

7.7 Area SEND Monitoring Inspection

Following the January 2026 monitoring inspection of the Halton SEND partnership, inspectors confirmed that effective progress had been made in four of five priority areas identified in 2024.

The inspection identified significant strengthening of governance arrangements, including:

- Improved leadership, accountability and strategic oversight
- Stronger partnership governance between the Council and Integrated Care Board
- A more effective culture of constructive challenge and scrutiny, supporting better decision-making and shared accountability
- Enhanced performance management, including improved use of data and joint strategic needs analysis

There was also evidence of improved joint commissioning governance, with clearer oversight, strengthened co-production with families, and targeted investment in additional provision.

Improved governance and oversight contributed to:

- Better performance in EHC plan timeliness and quality (now above national averages for new plans)
- More coordinated delivery through integrated and multidisciplinary service models

However, inspectors highlighted several ongoing governance and system challenges:

- Inconsistent delivery and variable quality, particularly in annual reviews and partner contributions
- Capacity and demand pressures, including significant waiting times for specialist health services
- Need to ensure strategic improvements translate consistently into frontline outcomes and user experience
- Further development required in early identification and access pathways
- Continued need to strengthen communication and engagement with families

Overall, while governance arrangements and partnership working have improved substantially, further strengthening is required to ensure consistent service delivery, reduced waiting times, and fully embedded system-wide improvement.

7.8 Standards and Conduct Update

During 2025/26, the Audit and Governance Board received a standards update report providing assurance on Member conduct and the operation of the Council's ethical framework. The report confirmed that the Council's arrangements for maintaining high standards of conduct were operating effectively, with no proposed changes to the Member Code of Conduct required during the year.

The Monitoring Officer reported that a small number of complaints had been received. These were limited in number and nature, and were resolved appropriately through informal processes, with no requirement for formal investigation. Additional enquiries relating to Parish matters and the registration of interests were also addressed, with one complaint determined to be outside the scope of the Code of Conduct.

The report highlighted significant national developments in the standards regime, including the Government's response to the consultation on strengthening the standards and conduct framework for local authorities. Proposed changes included the introduction of a mandatory national Code of Conduct, enhanced powers for sanctions including suspension, and the establishment of clearer appeal mechanisms and national oversight arrangements.

The Council noted these developments and confirmed that it would implement any required changes once legislation is introduced. Existing arrangements, including access to a hearings panel for standards cases, were assessed as providing a sound basis for compliance with future requirements. https://haltongovuk-my.sharepoint.com/personal/mervyn_murphy_halton_gov_uk/Documents/Microsoft Copilot Chat Files/Standards Update.pdf

Overall, the update provided assurance that high standards of Member conduct were maintained during the year, with effective local arrangements in place for managing complaints and promoting ethical behaviour. The Council remains well positioned to respond to forthcoming legislative changes and to maintain robust governance arrangements in this area.

7.9 Counter-Fraud, Corruption and Ethical Governance

During 2025/26, the Council maintained and strengthened its arrangements for preventing, detecting and responding to fraud and corruption, with oversight provided by the Audit and Governance Board. An annual report on counter-fraud activity was presented to the Audit and Governance Board in June 2026 and provided assurance that the Council continued to take a proactive and coordinated approach to managing fraud risk and promoting integrity across its operations.

The report confirmed a comprehensive programme of counter-fraud activity during 2025/26, led by the Audit and Investigations Team. This included the investigation of fraud allegations, participation in national data-matching exercises, delivery of fraud awareness initiatives and the review of whistleblowing and corporate complaints. During the year, 170 allegations were received and 26 investigations undertaken, alongside additional HR investigations and whistleblowing reviews, demonstrating active monitoring and response to potential irregularities.

The Council also continued to strengthen its preventative and detective controls, including participation in the National Fraud Initiative, targeted reviews of Council Tax discounts and the use of data analytics to identify potential fraud. These activities contributed to the identification of financial irregularities, recovery of funds and increased future revenue, supporting the protection of public resources.

A new Counter Fraud Strategy 2025–2030 was approved during the year, setting out a clear strategic framework based on the principles of zero tolerance, proactive prevention, effective detection and robust investigation. The strategy emphasised accountability, transparency, partnership working and staff awareness, and reinforced the Council's commitment to maintaining a strong anti-fraud culture across the organisation.

This strategic approach was supported by an Annual Fraud Plan, which targeted resources towards the areas of highest risk and provided a structured programme of activity aligned to national best practice, including the *Fighting Fraud and Corruption Locally* framework.

Overall, these arrangements demonstrated that the Council had effective and embedded counter-fraud and corruption controls, with clear governance, active oversight and a strong focus on continuous improvement. The work undertaken during the year provided assurance that fraud risks were being managed appropriately and contributed to the Council's wider governance, risk management and financial resilience framework.

7.10 Staff Survey and Workforce Engagement

During 2025/26, the Council undertook a staff survey to gather feedback on employee experience, organisational culture and engagement. The survey achieved a response rate of

over 25% of the workforce, which was in line with recognised benchmarks for staff engagement surveys and provided a credible evidence base for workforce insight.

The results indicated a generally positive position, with around 80% positive responses across many key areas, including overall job satisfaction, awareness of the Council's Corporate Plan and Values Framework, and commitment to equality, diversity and inclusion. A significant proportion of staff reported a good work-life balance and expressed an intention to remain with the Council, providing evidence of workforce stability and commitment.

The survey also highlighted areas of organisational strength, including strong understanding of corporate priorities, positive organisational culture and effective communication, with over half of respondents feeling well informed about Council activity. These findings supported assurance that the Council's values and strategic direction were understood and embedded across the workforce.

Alongside this, the survey identified clear areas for improvement, particularly in relation to listening to and acting on staff feedback, strengthening relationships and inclusion across teams, and enhancing leadership visibility and effectiveness. Some responses also reflected concern about the future of the organisation, recognising the wider financial and organisational context.

In line with best practice, the Council took steps to actively respond to the findings, including sharing results with staff and trade unions, undertaking further analysis of feedback, and developing a corporate workforce action plan. Responsibility for delivery and monitoring of improvement actions was assigned to the Corporate Workforce Board, ensuring structured oversight and accountability.

The approach demonstrated a commitment to continuous improvement, employee engagement and organisational learning, with survey findings informing future workforce planning, organisational development and culture change activity. This supports the Council's wider governance framework by ensuring that workforce feedback is used to identify risks, drive improvement and strengthen organisational effectiveness.

8. Significant Governance Issues 2025/26

The Council's review of the effectiveness of its governance framework during 2025/26 identified a number of significant governance issues. These reflect areas where further improvement is required to strengthen governance, support organisational resilience and ensure the delivery of sustainable outcomes for residents. These issues have been informed by a range of internal and external assurance sources, including Internal and External Audit, inspection findings, peer review activity and performance information. Each of the issues below represents a significant risk to the effectiveness of the Council's governance arrangements and its ability to deliver sustainable outcomes:

Financial Sustainability and Change Programme

The Council continued to face significant financial pressures, with demand-led services such as Adult Social Care and Children's Services placing increasing strain on resources. The Medium Term Financial Strategy identified a substantial and growing funding gap, and external audit findings highlighted weaknesses in financial sustainability arrangements and the need to accelerate the delivery of transformation.

While the Council demonstrated strong in-year financial management and responded proactively through the development of a Financial Recovery Plan, the scale and persistence of the financial challenge represent a systemic risk to the effectiveness of the Council's governance arrangements, particularly in terms of long-term planning, prioritisation and the capacity to deliver sustainable outcomes.

Medium-term financial planning has been strengthened and there is now a need for the reshaped Change Programme to develop and deliver sustainable savings over a multi-year period which are aligned with corporate organisational priorities.

Children's Services Improvement and Quality Assurance

Inspection activity, including the Ofsted monitoring visit, identified continued strengthening of leadership, oversight and governance arrangements within Children's Services. However, inconsistencies in the quality of practice, decision-making and the application of quality assurance processes present a risk to the effectiveness of governance and oversight, particularly in ensuring that improvement is fully embedded across all areas of service delivery.

In particular, variability in audit activity, care planning and oversight of specific cohorts indicates the need to further strengthen quality assurance arrangements and ensure that learning is systematically captured and translated into improved outcomes.

Sustained focus is required to ensure that governance arrangements support consistent, high-quality practice, robust performance oversight and the delivery of sustainable improvement across Children's Services.

Special Educational Needs and Disabilities (SEND)

Despite positive progress identified through the SEND monitoring inspection, the system continues to face significant pressures, particularly in relation to early identification and access to specialist health services.

While governance, commissioning and EHC processes have improved, inconsistencies in delivery and ongoing capacity constraints present a risk to the effectiveness of partnership governance arrangements, particularly in ensuring that strategic objectives are translated into consistently improved outcomes and experiences for children, young people and their families.

Sustained focus is required to strengthen system leadership, improve integration across partners, and ensure that performance, quality and user experience are monitored and addressed in a consistent and timely way.

Risk Management and Performance Integration

The review identified the need to further embed and strengthen risk management and performance management arrangements, ensuring that they are fully integrated and consistently applied across the organisation.

Inconsistent integration of financial, performance and risk information may potentially limit the effectiveness of strategic decision-making, oversight and accountability, reducing the ability of Members and senior officers to respond proactively to emerging issues.

Further work is required to embed a joined-up approach that provides clear, timely and reliable information to support informed decision-making and effective governance across all levels of the organisation.

Organisational Capacity and Leadership

Maintaining sufficient organisational capacity and leadership capability is critical to the effectiveness of the Council's governance arrangements and delivery of its priorities.

External reviews have highlighted the need to sustain strong corporate leadership, pace and organisational capacity to respond effectively to financial challenges and increasing service demand. Constraints in capacity and leadership resilience present a risk to the Council's ability to deliver transformation and maintain effective governance oversight, particularly during a period of significant change.

Workforce feedback also identified areas for improvement in leadership visibility, communication and engagement. Addressing these issues will be important in strengthening organisational resilience, supporting delivery, and maintaining an effective governance culture.

Overall Assessment

Taken together, these issues reflect the scale and complexity of the challenges facing the Council, particularly in relation to financial sustainability, service improvement and organisational capacity. However, the review also identified clear evidence of progress, strengthened governance arrangements and a strong commitment to improvement.

The Council has recognised these issues and is taking forward a programme of action to address them. These actions, set out in the Governance Action Plan at Appendix 1, will be monitored throughout 2026/27 to ensure that progress is delivered and that governance arrangements continue to strengthen over time.

9. Conclusion

The Council's review of its governance arrangements for 2025/26 has concluded that a sound system of governance and internal control was in place and operating effectively. The framework remained aligned to the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework (2016)* and continues to support lawful, transparent and informed decision-making.

The review demonstrated that, notwithstanding the significant challenges facing the organisation, the Council has maintained robust governance, risk management and financial control arrangements. There is clear evidence of effective oversight by Members, strong engagement with internal and external assurance providers, and an embedded commitment to continuous improvement.

At the same time, the review acknowledged that the Council is operating in a very challenging environment, with ongoing pressures relating to financial sustainability, service demand and organisational capacity. These challenges are reflected in the significant governance issues identified within this statement, which represent the key areas of focus for the Council moving forward. In particular, sustained effort will be required to deliver long-term financial resilience and ensure that transformation activity is implemented effectively at pace and scale.

The Council has demonstrated a clear understanding of these challenges and a commitment to addressing them, supported by the development of improvement plans, strengthened governance arrangements and continued engagement with external challenge and assurance. The actions set out in the Governance Review Action Plan provide a focused and structured approach to addressing these issues and will be subject to regular monitoring by the Audit and Governance Board.

Based on the evidence available, the Council is satisfied that its governance arrangements are fit for purpose and provide a reasonable level of assurance, while recognising that further improvement is required in a number of key areas. The Council will continue to build on its existing strengths, maintain a strong focus on delivery and improvement, and ensure that governance arrangements evolve to respond effectively to emerging risks and challenges.

The Council remains committed to maintaining high standards of governance, openness and accountability, and to delivering sustainable outcomes and value for money for the residents of Halton.

APPENDIX 1

2025/26 GOVERNANCE REVIEW – ACTION PLAN

The following action plan sets out the key actions identified to address the significant governance issues outlined in Section 8 of this Annual Governance Statement. These actions reflect areas where further improvement is required to strengthen the Council's governance, risk management and internal control arrangements.

The plan has been developed using evidence from a wide range of assurance sources, including Internal Audit, External Audit, external inspections and peer reviews. Each action has a clearly identified lead officer and indicative timescale to support effective delivery and accountability.

Delivery of the actions within this plan forms a key part of the Council's ongoing commitment to continuous improvement and strengthening organisational resilience. Progress will be regularly monitored and reported through established governance arrangements, including oversight by the Audit and Governance Board.

Where appropriate, actions build on existing improvement activity, including the Council's Financial Recovery Plan, transformation programme and service improvement plans, ensuring a coordinated and integrated approach to addressing the issues identified.

Progress against these actions will be reflected in the 2026/27 Annual Governance Statement, providing transparency on the extent to which the Council has addressed the governance issues identified during the year.

Governance issue / area	Action	Lead Officer	Timescale
Financial Sustainability	Continue to address the Council's long term financial challenges as set out within the Medium Term Financial Strategy, with oversight by the independently chaired Corporate Overview & Improvement Board.	Director of Finance	Ongoing
Change Programme Implementation	Development of the reshaped approach to transformation and governance arrangements, with implementation of the Change Programme supported by the Change Delivery Team (PMO).	Interim Director of Transformation	Ongoing
Children's Services Improvement and Quality Assurance	To continue the successful implementation of the Children's Social Care Improvement Plan, in anticipation of forthcoming Ofsted monitoring visits and the next full ILACS inspection.	Executive Director Children's Services	Ongoing
Special Educational Needs and Disabilities (SEND)	Preparation and implementation of an approved SEND Reform Plan.	Executive Director Children's Services	Ongoing
Risk Management and Performance Integration	Continued development of an integrated approach to risk management and performance management.	Interim Director of HR and Corporate Affairs	31st March 2027
Organisational Capacity and Leadership	Review of the Council's Management Structure as part of introducing a Total Operating Model, in order to ensure the Council's staffing structures are fit for purpose.	Interim Director of HR and Corporate Affairs	31st March 2027

Management of the Capital Programme	Implementation of recommendations provided by the Local Partnerships review of the delivery and management of the Council's capital programme.	Director of Finance	31st March 2027
Corporate Improvement Plan	Implementation of the actions relating to the single Corporate Improvement Plan, which brings together recommendations from a number of corporate external reviews.	Chief Executive	31st March 2027
Corporate Plan Deliverables	Development of specific service activities which are reflected in departmental business plans and support each of the Council's seven corporate priorities.	Interim Director of HR and Corporate Affairs	31st March 2027

APPENDIX 2

2024/25 GOVERNANCE ISSUES AND ACTION PLAN UPDATE

Development areas identified in 2024/25 review	Progress Achieved
Council Finances Ongoing financial sustainability remained a significant governance issue, with the Council continuing to experience substantial financial pressures, particularly within Adult and Children's Social Care services. The scale of forecast overspending in 2024/25 and the projected funding gaps identified within the Medium-Term Financial Strategy highlighted the need for further corrective action to bring expenditure in line with available resources. In response to these pressures, the Council applied for Exceptional Financial Support (EFS) from Government in December 2024, which received provisional approval in February 2025. While this provided short-term flexibility, it also underlined the requirement for continued financial recovery and longer-term sustainability. The issue identified the need to further develop and deliver the Council's Transformation Programme, including the re-prioritisation of savings and efficiency activity. It also recognised the importance of strengthening financial resilience and governance arrangements, including engagement with the Ministry of Housing, Communities and Local Government and the commissioning of a CIPFA financial resilience review to provide independent assurance and challenge.	In response to the Council's application to Government for Exceptional Financial Support (EFS), £10m was approved towards funding the Council's £16m overspend at 31st March 2025. Provisional EFS approval granted in February 2025 of up to £29m enabled the Council to set its budget for the following year 2025/26. During 2025/26 significant steps were taken by all Departments to cease, defer or restrict spending to essential items only. Monthly Financial Recovery meetings were held by the Interim Chief Executive and Director of Finance with each Executive Director and their leadership teams, to scrutinise the actions being taken and monitor progress. Budget monitoring reports were provided to Executive Board and the Policy and Performance Boards on a bi-monthly basis, with a focus upon the outturn forecasts. A snapshot report was also prepared at each intervening month-end, of spending against approximately a dozen key budgets across the Council, which historically suffer the greatest pressures. Following the above activities, at 31st March 2026 Councilwide spending for the year was £14.7m below budget. It should be noted that around £12.8m of this relates to a number of one-off items which may not be available in future years such as, capitalisation of expenditure and utilisation of grant funding.

Development areas identified in 2024/25 review	Progress Achieved
	The Medium Term Financial Strategy was enhanced and extended to cover a five year period. The Strategy was reported earlier to Executive Board in September 2025, alongside a report presenting financial recovery scenarios setting out the scale of actions required to eventually bring the Council out of Exceptional Financial Support (EFS). A reshaping of the Transformation Programme into the Change Programme has been undertaken, to re-prioritise the approach to focus upon delivering savings and efficiencies. A gateway process has been established for the identification and approval of potential savings proposals, with the development of business cases for their delivery. Cipfa were commissioned to undertake a Financial Resilience Review, the findings of which have been incorporated into a Corporate Improvement Plan. With the support of the Local Government Association (LGA) and the Ministry of Housing, Communities and Local Government (MHCLG), a Corporate Improvement Board has been established to oversee and challenge the Council's improvement activities. The Board's Membership includes five independent specialists including the Chair, to support this work.

Children's Services Improvement Children's Services remained a significant governance issue following previous inspection findings and ongoing statutory intervention. Earlier inspections had identified serious weaknesses in social work practice, including shortcomings in management oversight and the effectiveness of safeguarding arrangements. These issues resulted in formal improvement requirements and continued external scrutiny. Following a full Ofsted inspection in May 2024, the service was judged to be inadequate across all areas. This led to the issuance of a Statutory Direction by the Secretary of State and the appointment of a Children's Commissioner to provide support, challenge and oversight of the improvement programme. The Commissioner's report, published in December 2024, recognised that the Council was at an early stage of its improvement journey but identified evidence of the capacity and capability to deliver sustainable and long-term change. The report set out a series of recommendations for the Council and its partners to implement in order to address the identified weaknesses and support service improvement. The issue highlighted the need for sustained focus on delivering improvement, embedding effective governance and oversight arrangements, and ensuring that the recommendations made by the Commissioner were implemented in full. Ongoing progress was to be monitored through the independently chaired Children's Ofsted Improvement Board to provide continued assurance and challenge.	The independently chaired Children's Improvement Board has continued to monitor implementation of the Improvement Plan over the past year, focused upon the 12 recommendations provided by Ofsted. Progress with implementation of the recommendations is being closely monitored by the Improvement Board. 7 of the recommendations are now complete and the remaining 5 recommendations are on track to be completed on schedule. As a result of the changes being implemented, the financial position of Children's Social Care has improved significantly during 2025/26. Spending has moved from being £8.4m above budget in 2024/25 to £4.3m under budget in 2025/26. Ofsted have continued to undertake Monitoring visits and have confirmed improvements in the quality of service delivery. Areas of continued development align with the departments own self-assessment. DFE have also undertaken mid-year reviews of progress and has also confirmed progress against our improvement planning including workforce culture, transparency and leadership. Children's Social Care are currently designing the new social care delivery model in line with the Families First reforms. This is on track and has received an initial review of progress, which has given assurance to the DFE in respect of targets and implementation. The first phase of the re-structure is implemented via a pilot team approach and a review of practice, quality of work and impact is currently underway. The Social Care reforms aim to tackle the number of children entering care by completely re-shaping how Children's Social Care is delivered. As part of the re-design, baselines on financial

	spend are known and will be tracked to ensure improved quality of service whilst delivering on reduction in spending. Improved quality of practice and additional investment has contributed to the lowest rate of Children entering care in Halton in a number of years. 15 less residential provisions were used by the end of 2025/26 than at the end of the previous year. Court proceedings length has reduced from an average of 48 weeks to 33 weeks, reducing legal costs and delays for children. The average timescales continue to fall. Family Hubs Fatherhood Strategy is acknowledged by Government as good practice, with Halton invited to speak regarding the work completed in Parliament. Workforce strategy and changes in culture have been acknowledged by regulating bodies and by our staff, which has helped reduce the rate of agency staff from 53% in 2024 to 18% in 2026. Significant savings are noted on agency costs with all over establishment posts being deleted accept those covering long term absence, handover periods and continuity of essential service delivery. Governance structures have been implemented that include Resource Panels, Permanence Panel, Aiming High, Early Help Strategic Board, Short Breaks Panel, Mid and High Cost Placements, Safeguarding Governance, Executive Safeguarding Group and Workforce Board. Each of these structures look at quality of intervention, areas of development and best value around officer spending. Senior leaders also have a much better understanding of service delivery, due to systems and governance that promote and require transparency and detail of information.

Development areas identified in 2024/25 review	Progress Achieved
Risk Management The Council identified the need to further strengthen and develop its approach to risk management to ensure that emerging risks were effectively identified, assessed and managed across the organisation. While existing arrangements provided a foundation for risk oversight, the issue recognised the requirement to enhance the consistency and maturity of the Council's risk management framework. Specifically, this included the development and implementation of an updated Risk Management Policy, together with a revised Corporate Risk Register and supporting monitoring framework. The issue also highlighted the importance of ensuring that both officers and Members were supported through appropriate training to embed the revised approach across the organisation. Overall, the issue reflected the need to improve the integration of risk management into decision-making processes and to strengthen arrangements for monitoring and reporting risk at both operational and strategic levels.	During 2005 Zurich were commissioned to review the Council's approach to risk management and its risk management policy and procedures. As a result a new Risk Management Policy was developed which was subsequently approved by Audit and Governance Board and Executive Board in September 2025. The aim of the new Policy was to provide direction and alignment of Risk Management processes across all the Council's Departments. Zurich have also supported the Council on the journey to improving the Council's Risk Management, by providing training across the Council in order to support the introduction of this new policy. In addition, the Council have established a new post of Risk Management Officer which is currently being recruited to. The aim of this post is to co-ordinate and drive forward implementation of the new Risk Management Policy, in order to embed it into the Council's processes.

Development areas identified in 2024/25 review	Progress Achieved
Performance Management The Council identified the need to further strengthen its performance management arrangements to ensure clearer alignment between organisational priorities, risk management and service delivery. While existing performance reporting arrangements were in place, the issue recognised the opportunity to enhance the use of data and improve the integration of performance and risk information to support decision-making. This included the development of an enhanced Performance Management Framework incorporating key performance indicators linked to corporate priorities and risks, supported by improvements in data quality and accessibility. The issue also highlighted the need to develop a more integrated approach to performance reporting through the implementation of a corporate data platform and the use of real-time dashboards to provide timely and meaningful insight to stakeholders. In addition, the issue identified the need to strengthen the Council's scrutiny arrangements to ensure effective oversight and challenge. This included a review of the Policy and Performance Board structure, terms of reference and alignment with the Corporate Plan priorities, supported by external advice. Overall, the issue reflected the need to ensure that performance management arrangements were robust, integrated and capable of providing clear evidence of progress against strategic objectives while supporting effective governance and accountability.	Work has been ongoing to implement improved performance management arrangements, which link to the Council's corporate priorities. A new performance management framework has been rolled out, with a core set of Key Performance Indicators incorporated into the quarterly performance reporting regime, linked to the new corporate priorities and built upon Departmental business plans and performance monitoring. A corporate data project is being implemented to pull together relevant performance data and provide links to service data, with increased use of benchmarking in setting targets and monitoring outcomes. The intention is for this data to then be streamed to relevant stakeholders for review and scrutiny through tailored dashboards. In order to strengthen the Council's scrutiny arrangements, the Centre for Governance and Scrutiny were commissioned to provide training in late 2025 for both Members and senior officers. Further to this, the structure and responsibilities of the Policy and Performance Boards were reviewed and updated to align them with the Council's corporate priorities.

Development areas identified in 2024/25 review	Progress Achieved
Special Educational Needs and Disabilities (SEND) The Council identified the need to continue strengthening services for children and young people with special educational needs and/or disabilities (SEND), particularly in response to previous inspection findings and the implementation of the Priority Action Plan. While progress had been made in addressing areas for improvement, the issue recognised the importance of maintaining momentum and ensuring that improvements were embedded and sustainable. The issue highlighted the requirement for ongoing oversight and assurance, including participation in formal stock take processes with the Department for Education and NHS England. It also reflected the anticipated external monitoring of progress through a further inspection, which would assess the effectiveness of actions taken to date. Overall, the issue emphasised the need to ensure that the SEND improvement programme continued to deliver measurable improvements in outcomes and experiences for children, young people and their families, supported by effective partnership working and robust governance arrangements.	Work has continued to implement the Delivering Best Value in SEND programme supported by the DfE. In addition to seeking to reduce costs, the programme is striving to provide the following: • A stronger inclusive mainstream system • Reduced reliance on high cost external placements • Improved multi agency governance • Strengthened SEND improvement capacity. The independently chaired SEND Improvement Board is overseeing the work being undertaken to address the recommendations from previous Ofsted inspections. Government have confirmed that from 2028/29 the funding for SEND will be centralised and become the responsibility of the DfE. As part of this, Government will provide a SEND Sustainability Grant to fund 90% of cumulative deficits as at 31st March 2026. The funding of deficits relating to 2026/27 and 2027/28 is still uncertain. The 90% grant funding requires approval of a SEND Reform Plan, a draft of which has been prepared in conjunction with a DfE Advisor and submitted to the DfE.

Development areas identified in 2024/25 review	Progress Achieved
<u>Audit and Governance Board</u> The Council identified the need to further strengthen the effectiveness of its Audit and Governance Board in line with emerging best practice. While the Board was operating effectively as the Council's audit committee, the issue recognised the opportunity to enhance its role, structure and capacity in accordance with CIPFA guidance. This included the requirement to review and update the Board's terms of reference to align with the model outlined in CIPFA's Audit Committees: Practical Guidance for Local Authorities and Police (2022 edition), ensuring that its responsibilities, scope and oversight arrangements reflect current good practice. The issue also highlighted the need to strengthen the independence and expertise of the Board through the appointment of a suitably qualified co-opted independent member, providing additional challenge and specialist knowledge. Overall, these actions were intended to enhance the effectiveness of the Council's governance, risk management and assurance arrangements by ensuring that the Audit and Governance Board operated in line with recognised best practice standards.	The Board has reviewed and updated it's Terms of Reference in accordance with the Cipfa Code of Practice for Audit Committees. In May 2025 the composition of the Board was reduced to eight Members including a co-opted Member, as recommended by the Code of Practice. The recruitment of a co-opted Member was undertaken during 2025, but only one application was received which was not considered sufficient to make a suitable appointment. The Council's Constitution did not provide for an allowance to be paid to co-opted Members. Therefore, the Independent Members Remuneration Panel has recommended that Council approve the payment of an allowance for co-opted Members. If approved by Council at its meeting in July, a further recruitment exercise will be undertaken.

Development areas identified in 2024/25 review	Progress Achieved
<u>ionCorporate Peer Challenge</u> The Council identified the need to ensure effective implementation of the recommendations arising from the Local Government Association Corporate Peer Challenge. While the Peer Review had provided a positive and constructive assessment, the issue recognised the importance of maintaining momentum and ensuring that identified improvement actions were embedded and delivered. The issue highlighted the requirement for ongoing review and external challenge to assess progress made against the Corporate Peer Challenge Action Plan. This included engagement with peer reviewers to reflect on progress, evaluate early outcomes and learning, and provide further feedback on the Council's response to the recommendations. Overall, the issue emphasised the need to ensure that the findings of the Corporate Peer Challenge continued to inform organisational learning, strengthen governance arrangements and support continuous improvement across the Council.	Work has been ongoing to implement the recommendations of the Corporate Peer Challenge and ensure they are embedded and delivered. A follow-up review by the Corporate Peer Challenge Team was undertaken in June 2025, to assess the progress made with implementing the recommendations which were categorised under the following headings. • Financial planning, management and resilience • Transformation • Oversight and accountability • Leadership of Place Of the thirteen recommendations made by the Corporate Peer Challenge, four were considered to be making good progress or completed, whilst nine were being addressed but required further work. The recommendations from the Corporate Peer Challenge have since been brought into the Corporate Improvement Plan, to provide the Council with a single set of recommendations and actions from various external reviews. This will assist in facilitating a co-ordinated approach to their implementation to avoid duplication and ensure their successful delivery.

Development areas identified in 2024/25 review	Progress Achieved
Adult Social Care – Care Quality Assurance Process The Care Quality Commission (CQC), the independent regulator of health and social care in England, conducted an inspection of the Council's Adult Social Care services in March 2025. The assessment aimed to evaluate the Council's performance, assure the CQC and the Department of Health and Social Care of the quality of care in Halton, and identify any areas for improvement. At the time of preparing the 2024/25 Annual Governance Statement, the outcome of the inspection had not yet been reported. The Council however committed to responding promptly to any required actions and addressing any governance issues that may arise from the inspection.	The Care Quality Commission (CQC) published their report in July 2025, with Halton's Adult Social Care Services receiving an overall rating of Good. The report highlighted considerable strengths in the services being provided. It provided a number of areas for improvement grouped under four themes as follows. • How the Council works with people • Providing support • How the Council ensures safety within the system • Leadership An Improvement Plan has been developed based upon the CQC's recommendations and is being implemented.