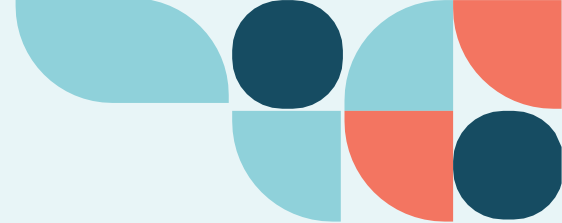




# Annual Governance Statement 2024/2025 (DRAFT)



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# Introduction



Local authorities in the UK are required to publish an Annual Governance Statement (AGS) along with their Statement of Accounts. The AGS reports publicly on an authority's compliance with its own Code of Corporate Governance, which is based on the good governance principles defined by the CIPFA/Solace Delivering Good Governance in Local Government Framework (2016)

**The purpose of this AGS is to:**

1. Fulfil the statutory requirement to conduct a review of its system of internal control and publish an AGS at least once every financial year
2. Explain how the Council's governance arrangements operate and the controls the Council has in place to manage the risk of failure to deliver planned outcomes.
3. Demonstrate that there is a sound system of governance by setting out how the Council has monitored and evaluated the effectiveness of its governance arrangements.
4. Outline our progress in 2024/25 and indicate further actions to improve delivery for 2025/26



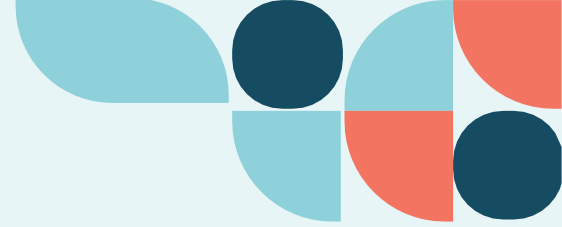
# **Opinion on the level of assurance provided by the Council's governance arrangements**



The outcome of the review of the Council's governance arrangements is an opinion on the effectiveness of those arrangements. The Council has considered the findings of the review to assess whether its governance arrangements are fit for purpose in accordance with the governance framework. While the Council's governance arrangements are adequate, there is more that the Council can do to ensure it delivers its planned outcomes effectively.



The 2024/2025 review has highlighted some governance issues, and the Council is developing a plan to better identify and resolve weaknesses in its internal control systems. The Council is also committed to continuous improvement of its governance framework. To support this, the Code of Corporate Governance will be reviewed in 2025 and will take account of the new CIPFA Guidance. The Council continues to be supported by CIPFA to review the process for producing the Annual Governance Statement and taking account of revised guidance.



The Council is satisfied that it has adequate governance arrangements in place. However, we have identified some actions that need to be taken in order to address some weaknesses identified in the review.

We will monitor and review the implementation and operation of these actions as part of our annual review.



**Councillor Tom Hunt**  
Leader of the Council

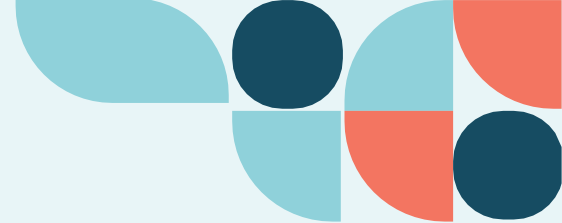


**Kate Josephs CB**  
Chief Executive of  
Sheffield City Council



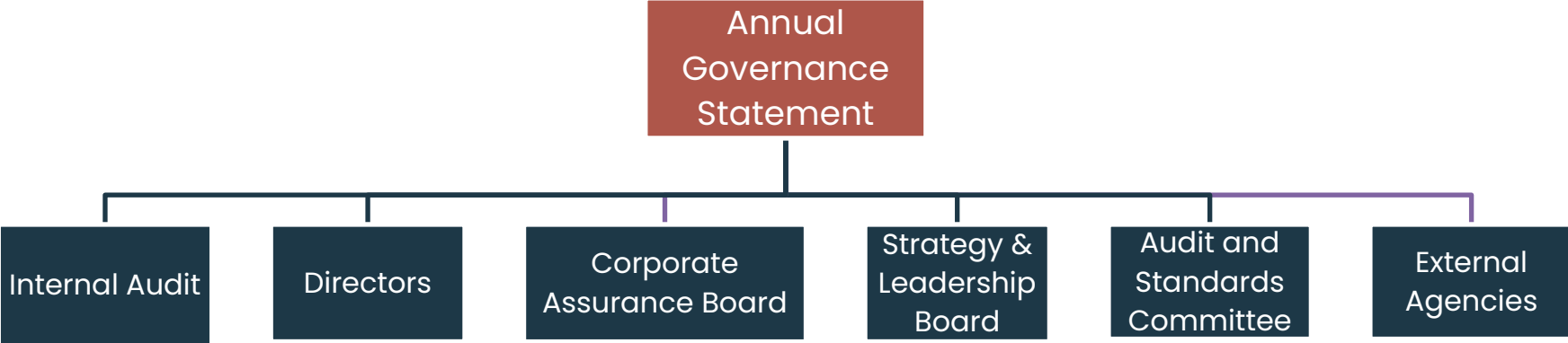
# **Effective Governance and Internal Control**





The Council is responsible for ensuring that it has a sound system of governance and internal control. This is underpinned by the Council’s Code of Corporate Governance.

The Council has a legal duty under the Accounts and Audit (England) Regulations 2015, to review the effectiveness of its governance framework on an annual basis. This review is informed and supported by the work of internal auditors and senior managers, as well as external auditors and other review agencies and inspectorates. This review informs the production of the AGS. Verification occurs through the structures summarised below.





# **Inputs to the Annual Governance Statement**



- **Internal Audit** provides an independent review of the Council's internal control systems and works closely with the Council's external auditors, KPMG.
- **Directors** give written assurance that they are achieving compliance in key required areas. This is via:
  - **Directorate Leadership Teams** – through inputs in the draft AGS
  - **Corporate Assurance Board** – through a process of check, challenge, and inquiry on the form and content of the AGS
  - **Strategy Leadership Board** – through a process of review and discussion of the draft AGS.



- The **Audit and Standards Committee** scrutinises the work undertaken by Internal Audit. The Committee is also responsible for promoting high standards of conduct by Members, overseeing the Members' Code of Conduct, and considering complaints where a Member may have breached the Code.
- During the year, the Council has been inspected by several **external agencies**, including an ICO Audit. Their reports have been scrutinised to identify issues to ensure that appropriate corrective action is implemented.



# **Governance Issues Identified in 2024/25**

# Executive Director Discussions



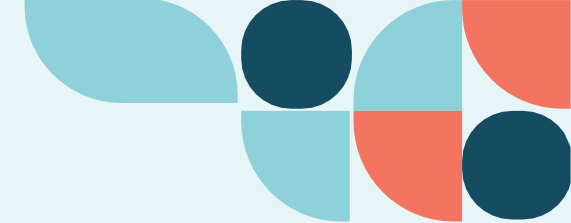
In May 2025, discussions took place with individual Executive Directors, and the Assistant Director for Legal Services, to explore what themes of concern may exist for Executive Directors around governance activity within their areas.

The **Executive Director for City Futures** highlighted an ongoing review into the governance of regeneration projects, aimed at ensuring a consistent approach among projects. Capacity within the planning service was discussed with progress being made through a 10 month action plan.

The **Executive Director for Operational Services** focussed on governance around commissioning and procurement, and the need for capacity, effective and early planning for contract renewal and the commencement of procurement activity. Separately, he was looking into decision-making on capital programme items – ensuring that they were timely, and programmed.

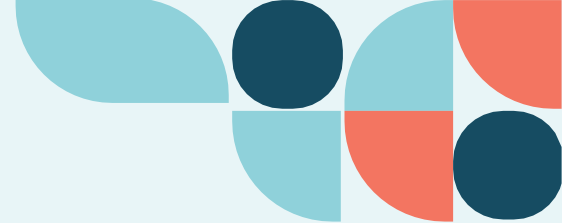
The **Director of Public Health** discussed a need to further develop the complaints handling framework, and to refresh business continuity plans. He has initiated a Governance and Information Group within the directorate to oversee governance and information management activity.

The **Strategic Director for Childrens Services** described the issue of the currency and quality of Education and Care Plans, which is elsewhere described in this report.



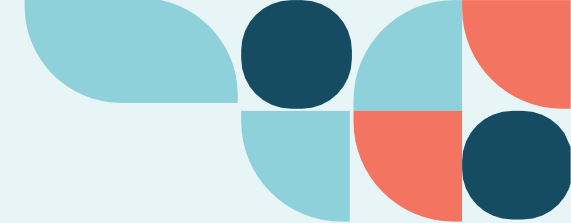
The following governance issues were identified in 2024/25 and the proposed actions to address them, are set out below.

Governance issue	Details of risk	Proposed action and update
<b>RECORDS MANAGEMENT</b>  <b>Retention and Disposal Schedules are not present or not routinely applied</b>	Despite significant work on the Corporate Retention Schedule, many older electronic systems and storage solutions only offer manual destruction functionality, if at all with risk of breach of statutory requirements. The issue is exacerbated by the Council holding a significant volume of paper records and resources to manage and dispose of these has not been available. The Council has looked to automate retention policies for its electronic records within Microsoft 365 (M365), but capacity to implement these arrangements remains an issue.	<p>Retention policy automation is in the exploratory stage with IT, progressing based on capacity and training. The awareness of risks from legacy records and lack of retention schedules has grown, with several successful pilot projects completed.</p> <p>The M365 programme has appointed Data Stewards in each service area to support training on deletion and disposal. M365 Champion Leads will soon start a project to enhance records management during the transition from OneDrive to SharePoint. Without a dedicated records manager, these leads are critical for reducing records and improving staff awareness on proper handling.</p> <p>New systems must include destruction functionality to prevent unnecessary retention. The Strategy Leadership Board has tasked M365 Lead Champions with creating a five-year Data Management Strategy to address historical files, as Children's Services estimate 12 years to clear their legacy records.</p> <p>The council has appointed a Chief Data Officer who is working with Entec to develop the Data Strategy and is currently working on developing a data catalogue and data quality framework.</p>

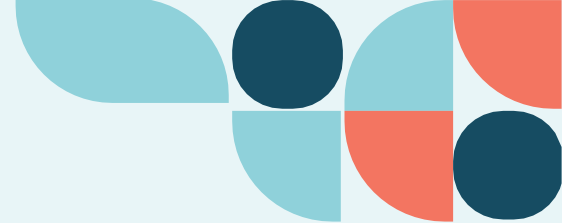


Governance issue	Details of risk	Proposed action and update
<b>PFI PHASE 1 EXPIRY PLANNING</b>  <b>The transfer of the current PFI's from the delivery model to the normal BAU operations by Council managed schools and Academy Trusts was not progressing as required.</b>	<p>Internal Audit undertook a review of the process for management of the process for the transfer of the schools in phase 1 of PFI, to BAU when the contacts end in August 2026. The NISTA recommends a 7-year programme for the transfer. This PFI had been reviewed by NISTA and were classed as amber in 2021 had not been addressed. At the commencement of the Audit in March 2025 the programme team were just been formed and little progress was evidenced at this time.</p> <p>Key elements reported as critical to the success of the project that were not in place at the time of the review were:</p> <ul style="list-style-type: none"><li>• Lack of a detailed project plan and terms of reference.</li><li>• Lack of a multi-disciplinary team to deliver PFI Phase 1 expiry, including budget.</li><li>• Lack of independent professional building surveys and grounds to clearly understand any work needed.</li><li>• The project board had not been established.</li><li>• Lack of a risk register, with associated mitigations.</li><li>• Accurate updates should be provided to the Corporate Risk Management Group.</li><li>• Lack of engagement with the Schools.</li></ul>	<p>The new Senior Responsible Officer had been appointed, and the core team was in place.</p> <p>At the time of the discussion meeting documentation and a schedule of meetings was in progress that should address many of the findings.</p> <p>Another review of this area is planned for the autumn of this year, and it is envisaged that many of the issues will have been addressed.</p>

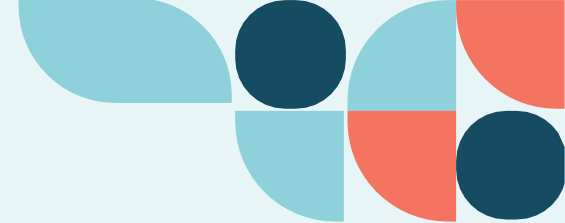




Governance issue	Details of risk	Proposed Action and Update
<p><b>EXCLUDED PUPILS</b></p> <p><b>Council is not meeting Section 19 of the Education Act 1996 to provide Education within six days of exclusion.</b></p>	<p>Internal Audit undertook a review of the strategy to comply with legal requirements around excluded pupils, the capacity to meet increase in demand and the management of pupil funding. Key elements reported as critical to the success of the Service that were not in place at the time of the review were:</p> <ul style="list-style-type: none"><li>• Children are consistently not provided with alternative education within 6 days of exclusion, and this can take considerably longer</li><li>• There was no formal process or approach for parents who consistently miss meetings and welfare checks, and whose children do not attend alternative provision</li><li>• Numbers of excluded pupils have doubled over the last three years, and whilst there has been examples of prevention activity there is no overarching strategy</li><li>• Due to this increase in numbers the approach to children on the waiting list for education was reactionary as there had not been the opportunity to develop a central strategy</li><li>• The published admissions policy of the Sheffield Inclusion Centre (SIC) was misleading as the Centre could not meet demand, and there was no clear Service Level Agreement between the SIC and the Council</li><li>• A review of the resources in the Exclusions Team had not been undertaken to ensure statutory duties could be met</li><li>• The Local Authority was not complying with DfE guidance to responsible for all funding transfers related to excluded pupils, and reliance was placed on SIC. This leads to lost revenue and the SIC managing large outstanding debt</li><li>• There was no clear funding strategy for the SIC, making it difficult for them to plan over a long term.</li></ul>	<p>There are a number of actions planned, most of which are underway. These include</p> <ul style="list-style-type: none"><li>• A Sufficiency Delivery Plan has been established outlining key actions for expanding the amount of available 6th Day Provision.</li><li>• Corporate Risk Register has been updated with this pressure.</li><li>• The development of an overarching strategy for Alternative Provision (which will encompass the principle of Prevention) will be led by Learn Sheffield in partnership with all key stakeholders</li><li>• The capacity at SIC has been increased by 23%</li><li>• Development of the SLA is being led on by Commissioners</li><li>• Overarching review of the current workload for both the exclusions team and the Progressions Team will take place from Easter 2025</li><li>• Work is being carried out by the Director of EYES (Early Years &amp; Education and Skills) and Head of Business Strategy to recoup funding directly from schools.</li><li>• A review of funding for the SIC is due to be carried out by the Commissioning Team in the Summer Term.</li></ul> <p>A follow up audit will be carried out in the last quarter of 2025, and it is expected that these issues will have progressed</p>



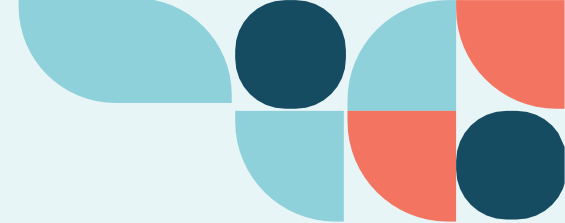
Governance issue	Details of risk	Proposed Action and Update
<b>A Primary School</b>  Concerns about Governance	<p>A routine schools audit was carried out, and Key findings were:</p> <ul style="list-style-type: none"><li>• Payment was being made to some staff that is not allowable under the national School Teachers Pay and Conditions Statutory Guidance.</li><li>• Governors were not fully declaring their business interests for inclusion in a register.</li><li>• Governors were not undertaking the relevant training.</li><li>• Payments were made without following usual purchasing procedures.</li><li>• Some staff were working from home, and there was no governor approved policy around this.</li></ul>	<p>Steps have been taken to support and strengthen the governing body and leadership of the school, and this is being actioned in collaboration with Learn Sheffield.</p> <p>The school has accepted the audit recommendations and constructive progress on implementation is underway. A follow up audit will be carried out, and it is expected that this will demonstrate the relevant actions have been put in place.</p>



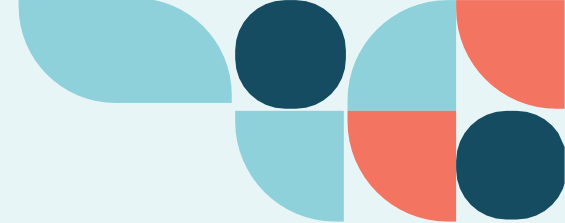
Governance issue	Details of risk	Proposed Action and Update
<p><b>CONTRACT MANAGEMENT OF SOCIAL CARE CONTRACTS</b></p> <p><b>There is no corporate contract management framework &amp; guidance</b></p>	<p>Internal Audit undertook a review of contract management of social care contracts to ensure there was a framework in place, that contract management was effective, that staff were adequately skilled and that risks were well managed</p> <p>Key elements reported as high priority and not in place at the time of the review were:</p> <ul style="list-style-type: none"> <li>• There is no corporate contract management framework</li> <li>• There is no contract management guidance specifically for Adult Social Care contracts</li> <li>• There is no standard handover process between Procurement &amp; Supply Chain and the in-service contract manager for new contracts</li> <li>• There is no training package provided to staff with contract management responsibilities.</li> <li>• None of the staff involved with contract management in AC&amp;W held qualifications in either contract management or social work.</li> <li>• The corporate risk register recorded a contract management related risk, but no mitigation strategy has been included.</li> <li>• There is no complete risk profile or register of all providers performance</li> </ul>	<p>The following action has been agreed by the Head of Procurement &amp; Supply Chain</p> <ul style="list-style-type: none"> <li>• Local Partnerships' Contract Management Pioneer Programme selected as the council's preferred framework; onboarding to complete by Sept 2025.</li> <li>• Consultation planned to develop the handover process.</li> <li>• A universal contract management standard is being established, with mandatory training by role.</li> <li>• Risk mitigation strategy report due by end of June 2025.</li> </ul> <p>The following action has been agreed by the Deputy DASS – Strategy, Governance and Workforce Delivery</p> <ul style="list-style-type: none"> <li>• Adults, Care &amp; Wellbeing (AC&amp;W) will Will review service-specific contract measures (e.g. safeguarding, outcomes) for guidance.</li> <li>• Develop a training plan covering contract management and social care standards.</li> <li>• Considering adding risk evaluation to the updated contract register.</li> </ul>



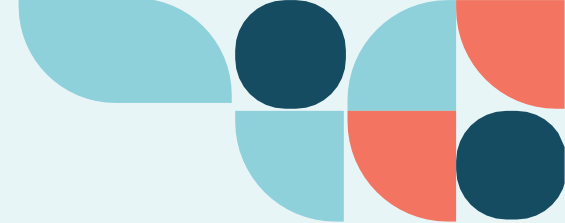
# **Governance Issues 2023/24: Update**



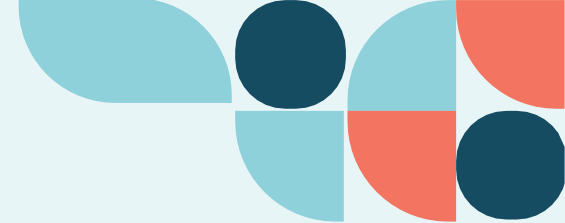
Governance issue	Details of risk	Proposed Action and update
<b>DATA PROCESSING DOCUMENTATION</b>  <b>The Record of Processing Activities (ROPA) is not kept up to date</b>	The Council has not adequately documented its data processing activities, lacks comprehensive records, and has insufficient resources to ensure compliance with this GDPR mandate.	<p>The NHS requires the Council to self-assess performance against the National Data Guardian's 10 data security standards, including GDPR compliance. This includes 26 mandatory and 10 recommended requirements. Adult Social Care currently self-assesses annually against the 26 mandatory requirements and plans to assess against the 10 recommended ones next year. Children's Social Care may also consider a self-assessment to support GDPR compliance.</p> <p>The ROPA in Adult Social Care is up to date and updated as new processing occurs. Two other directorates are actively reviewing their ROPA, but significant work remains in others to update historic entries.</p> <p>Information flows into and out of the Council are vital to GDPR compliance, with contracts and Information Sharing Agreements evidencing lawful processing.</p> <p>When a new DPIA is approved, services are asked to return their ROPA commentary for manual update by the Information Management officer. The information Management Team is exploring automation to link the ROPA with the DPIA library, allowing services to maintain their own records. A PowerApp is also being considered to help link contracts with GDPR governance, the ROPA, and DPIAs.</p>



Governance issue	Details of risk	Proposed Action and Update
<b>DATA PROCESSING</b>  <b>Not processing data requests – Freedom of Information (FOI) and Subject Access Requests (SARs) within legal timescales</b>	<p>The ability to respond to SARs within timescales was impacted by year-on-year increase in demand. In 2018/19 an average of 41 SARs was received each month. In 2024/25 this has increased to 118 SARs.</p> <p>Investment in technology and recruitment to meet this demand has not been addressed.</p> <p>Whilst there has not been a significant increase in FOI requests, there has been an increase in their complexity. With limited resource and inadequate technology to case manage requests, meeting compliance targets is difficult. Services are not actively publishing datasets and other recorded information, which would reduce demand. In addition, poor records management means there is swathes of information that is past its retention period. As such, the 95% target set by the Information Governance Board (IGB) is not routinely met.</p>	<p><b>Subject Access Requests (SARs):</b> The backlog has been reduced to cases from August 2024 in Children’s Social Care. A new staff member has been recruited to process Adult SARs, and HR SARs.</p> <p>Specialised software has been procured to expedite the collation, bundling, and redaction of large records, supporting backlog reduction. A revised Target Operating Model (TOM), reviewed by PwC, recommends increasing disclosure staff to further reduce the backlog and sustain compliance. The TOM is in final revisions before submission.</p> <p><b>Freedom of Information Requests (FOIs):</b> The backlog has been reduced by three quarters, to cases from September 2024 onwards. The TOM will address staffing and technology gaps.</p> <p>A PowerApp for FOI management, with enhanced reporting and visibility of request statuses, is in final testing and will go live this summer. Redaction software has also been procured to improve response times.</p> <p>The team has increased staff training, improved learning resources, and streamlined processes, with plans to continue long-term. More data is being published on platforms like Data Mill North, ArcGIS, and FAQ pages, reducing the need for information requests by signposting requestors.</p>

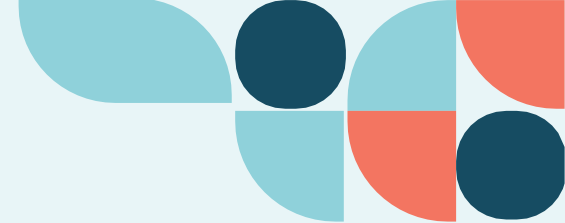


Governance issue	Details of risk	Proposed Action and Update
<b>Completion of Personal Development Reviews (PDRs), Supervisions, Mandatory e-learning and Code of Conduct forms is low</b>	Despite attempts to streamline the process over the years, there remains lack of evidence to support returns on Conflicts of Interest, Gifts and Hospitality and mandatory learning (inc. Fraud Awareness training). Additionally, PDR and routine supervisory conversations with staff are not evidenced.	<p>Responsibility for compliance sits with managers. The People Team have worked with managers to streamline recording and make improvements aimed at improving compliance. This includes new PDR forms, simplified recording as well as the Human Resources (HR) Systems &amp; Performance Team creating a workaround that enables reminders to be sent at the correct time pending the supplier fixing the HR modules.</p> <p>Regular reminders are sent to complete the necessary recording in these areas, yet compliance remains low. We need to continue to monitor and urge Directors to take responsibility for their own performance. HR dashboards are being developed to make these compliances more visible to Directors. It is the intention for mandatory training, PDR completion rates and completion of code of conduct forms to be reported to Corporate Assurance Board on a quarterly basis starting from end of Q1 2025.</p>
Governance issue	Details of risk	Proposed Action and Update
<b>Establishment Controls are not consistently applied and there is poor Workforce Development Planning.</b>	Due to the HR & Payroll system not being kept up to date the Establishment is out of date and not reflective of the staffing.	A joint exercise was carried out between HR and finance to cleanse and align establishment information, this included updating cost centre information, reporting lines and structures. The changes are now complete. Annual establishment checks have been introduced with manager sign off to confirm accuracy. Training and guidance will be built into induction processes to ensure all managers are aware of their responsibilities. A new automated Resource Control Form is being built that will ensure all establishment changes that have a resource ask are approved both by HR and Finance Teams prior to being signed off at directorate level. An automated solution is being explored to integrate HR and finance information. Within the new draft People Strategy there is a specific focus on strategic workforce planning and the new operating model of the People team will ensure strategic resource management and establishment and agency costs are proposed workforce performance measures.

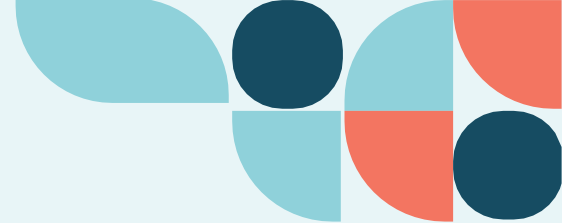


Governance issue	Details of risk	Proposed Action and Update
<b>Human Resources Policy and Practice</b>  <b>Many of the council's HR policies need updating, streamlining and review to ensure they are in line with best practice and meet the needs of a modern workforce and employer</b>	<p>Concerns relating to equal pay around the Council's current job evaluation scheme were raised in Autumn 2023. An independent, external review was undertaken to look into the Council's scheme, its processes and its data, and to identify where changes should be made.</p> <p>Some policies did not reflect legislative changes or Advisory, Conciliation and Arbitration Service (ACAS) best practice guidelines. Any work will be broad given the number of policies in place and the interdependencies between them and prioritisation is necessary.</p>	<p>As a result of the independent review, a programme of work known as the Sheffield Role Review Programme (SRRP), has been established to develop a new job evaluation system and policy in partnership with Trade Unions to ensure these potential disparities are addressed and make the process better for the future. As part of the SRRP, the Council is also working with Trade Unions to address possible cases of historical inequity in pay.</p> <p>A new role has also been created and recruited to, which focuses on the update and creation of People Policies. The Policy Manager came into post in August 2024 and all statutory updates have been completed. Policy Review is an on-going process, where appropriate trade union consultation and workforce engagement will also be required. There will be a full communications plan associated with the launch of the new policies, alongside management and trade union toolkits to ensure they are understood and embedded in the organisation.</p>

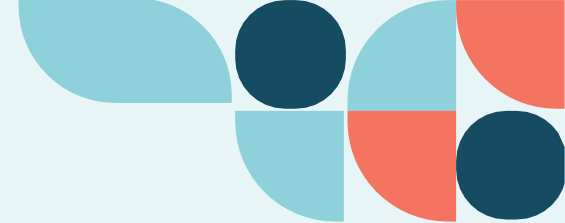




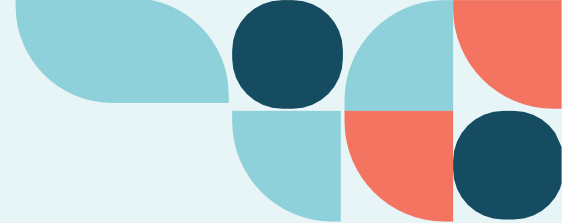
Governance issue	Details of risk	Proposed Action and Update
<b>Council Tax – Care Leavers</b>  <b>Council Tax liability and exemptions for Care Leavers has historically been subject to a post 18 moratorium but recovered post 25. Our Internal Audit function identified concerns regarding the inconsistency of awareness and approach across services.</b>	An internal audit identified that there could be operational inefficiencies, errors and complaints, potentially resulting in under-recovery of debts and increased administrative burdens. This included inconsistency with general Local Authority practice and Government guidance. To mitigate these risks, the Council must ensure clear policies, staff training, and accurate record-keeping to promote fairness, efficiency, and adherence to guidance.	<p>The Council, through its Finance and Performance Committee has now approved a policy on Council Tax applying to future care leavers, and in relation to existing care leavers, debts will be written off. This provides a clear and consistent framework to Care Leavers and those administering Council Tax that will be implemented from April 2025.</p> <p>Internal Audit have conducted a follow up audit and verified that 2 of the 4 recommendations have been successfully implemented. These relate to establishing the revised policy. Two outstanding recommendations regarding documenting the new processes are to be put in place by September 2025</p>



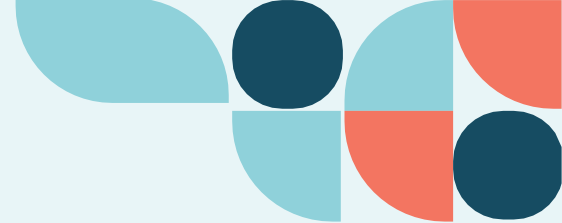
Governance issue	Details of risk	Proposed Action and Update
<b>Debtors' Refunds</b>  <b>Our Internal Audit Team reviewed refunds made by the Council and identified that the policy is out of date, we overpaid due to inconsistency in deducting exists debts before refunds were issued.</b>	<p>Refunds had increased due to more citizens making payments for services in advance, and the different systems in use caused inconsistencies that lead to overpayments as well as unrecovered debts.</p> <p>The report identified the need for policies to be reviewed to reflect practice changes, and a plan to be in place for a standard process across the Council.</p>	<p>The remedial work is ongoing and updates to the Financial Regulations will be conducted as part of the annual review process. All related policies and processes will be revised and updated to reflect revised Financial Regulations.</p> <p>Internal Audit are currently in the process of completing a follow up audit in this area.</p>



Governance issue	Details of risk	Proposed Action and Update
<b>Appointeeship and Deputyship</b>  <b>This relates to where the Council manages client monies where individuals are unable to do this themselves – There were not clear processes and part of controls of division of duties, system related issues, and a need to implement recommendations from the Office of the Public Guardian (OPG).</b>	The risks arising from lack of clarity around roles and processes, could lead to inaccuracies and inefficiencies in managing deputyships, as well as the potential for non-compliance with standards and regulations governing the management of deputyships and their funds.	<p>The majority of the actions have been completed, most of those still outstanding are progressing.</p> <p>Arrangements for peer reviews and case file audits are still pending as are the local improvement plans for banking and the case management system, that are yet to be developed.</p> <p>A follow up audit in January 2025 found 7 recommendations still in progress, including 2 high priority, with a final implementation in Summer 2025.</p>



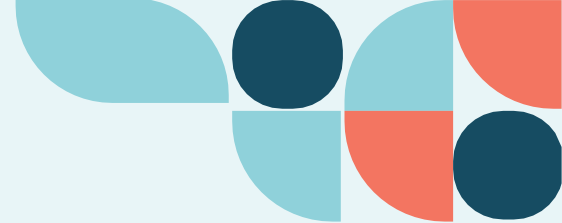
Governance issue	Details of risk	Proposed Action and Update
<b>Procurement of contracts in Parks and Countryside Service</b>  <b>Internal Audit identified some weaknesses in the procurement of business contracts for suppliers and works carried out in the Parks and Countryside Service.</b>	The audit identified issues in the robustness of procurement process and maintaining information on contracts, lack of financial monitoring, the need for staff awareness and training on procurement and risk management.	<p>All recommendations from the audit are underway and are expected to be achieved by the target dates. This includes the development of a contracts, leases/licenses register, that will form part of wider plans for a central Contracts Register.</p> <p>Training on procurement/risk management tendering will be in place, whilst work on debt management involving routine identification, management and reporting of debts is in place.</p> <p>The Follow up Audit was completed in June 2025, with all actions complete.</p>



Governance issue	Details	Update
<b>Performance Management Framework not in place or not being followed</b>	There were issues in implementing the Performance Management Framework in that measures were not reviewed annually, and routine reporting was not taking place. A review of the operating model for Performance Management had been stalled whilst changes were made to the senior officer structure.	<p>The organisation now operates under a corporate Performance and Outcomes Framework, aligning outcome measures with Council Plan priorities. These measures are reported quarterly to the Finance &amp; Performance Committee and Strategy &amp; Leadership Board. The Performance &amp; Delivery Board reviews off-track outcomes monthly, and an annual report goes to the Strategy &amp; Resources Committee.</p> <p>Measures are reviewed at least annually for relevance. Directorates must develop secondary measures supporting outcome metrics through a 'golden thread' approach, ensuring alignment with the Council Plan at both Committee and Directorate levels.</p>

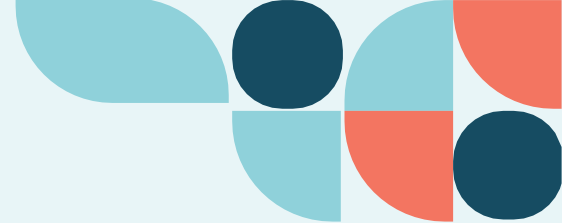


# Timeline of Governance Issues



The timeline below shows when governance issues were identified and resolved. It also identifies issues that are ongoing.

Governance issue	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Status
Personal Development Review (PDR) completion rates are low	✓	✓	✓	✓		✓	x	Resolved
Completion rates of mandatory learning need to be improved		✓	✓	✓	✓	✓	x	Resolved
HR Policies and Practice				✓	✓	✓	x	Resolved
Establishment controls tasks are not consistently applied				✓		✓	x	Resolved
Retention Schedules are not present or routinely applied		✓	✓	✓	✓	✓	✓	Ongoing
Code of Conduct forms not being completed consistently		✓	✓		✓	✓	x	Resolved



Governance issue	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Status
Council Tax – Care Leavers						✓	✓	Ongoing
Debtors’ Refunds						✓	✓	Ongoing
Appointeeship and Deputyship						✓	✓	Ongoing
Procurement of contracts in parks						✓	x	Resolved
PFI Phase 1 Expiry Planning							✓	Ongoing
Excluded Pupils							✓	Ongoing
Primary School							✓	Ongoing
Contract Management of Social Care Contracts							✓	Ongoing

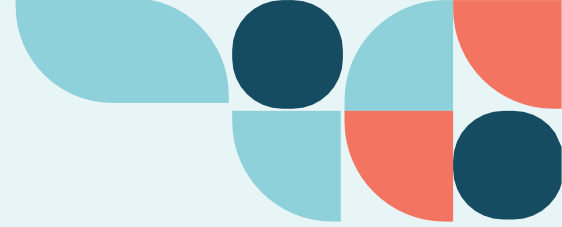




# Developments in the Council's governance arrangements in 2024/25

The Council's Governance Framework needs to evolve to consider the changes taking place across the organisation. During the year 2024/25, several initiatives had an impact on the control assurance mechanisms

# Internally Led Developments



## Emergency Responsiveness

Business Continuity improved in 2024/25, supported by new staff and the appointment of a dedicated Service Manager. This added capacity has strengthened the Emergency Planning Shared Service's (EPSS) ability to deliver training, enhance response arrangements, and increase council-wide engagement. Early 2025 saw the start of work to update policies and develop a central database to support emergency response at all levels.

Emergency Planning also benefits from an additional joint committee, providing stronger governance. Monthly EPSS highlight reports track progress, while a recent cross-council debrief has led to a formal report addressing key challenges in communication and preparedness. Upcoming AGS findings and the internal audit in 2025 will help shape further training and support across the council.

## Finance and Performance Committee

In support of its role on providing oversight of performance, Finance and Performance Committee has continued to develop the performance framework and in 2025 will report back on further work it has done to strengthen how this is reported

## Audit and Standards Committee

The annual standards report was presented to the Audit and Standards Committee at its meeting on the 27 March 2025 and gave an overview of the work it had carried in 2024. This report was approved at Full Council on 9 July 2025. <https://democracy.sheffield.gov.uk/ieListDocuments.aspx?CId=154&MId=9705&Ver=4>

## Street Tree Inquiry

The Council received this year an independent investigation report undertaken by VWV solicitors arising out matters relating to Street Tree Dispute. Although the events predate this AGS period, the recommendations, which were accepted in full form the basis for the Council to strengthen its governance. An action plan to implement those recommendations was agreed by the Finance and Performance Committee on 21 July 2025. <https://democracy.sheffield.gov.uk/mgAi.aspx?ID=38699>

## People Strategy

A **new draft People Strategy has been developed** with a vision to create a safe work environment where our workforce has the skills to be productive, inclusive, supported, agile, and healthy, enabling them to handle any challenges and support our communities and customers. The strategy has 3 areas of focus (1) future ready workforce and leadership (2) Belong, Thrive and Succeed and (3) Smart, Simple, Strong brilliant essentials, which together sets the vision for how Sheffield City Council will attract, develop, support, and retain a future-ready workforce from 2025 to 2028.

It aligns with the Council Plan and the Future Sheffield transformation programme, ensuring people are at the heart of delivering high-quality public services. It provides a vision that enables everyone to be their best for the people of Sheffield building a skilled, inclusive, agile, and healthy workforce.

## Equal Pay

The current Equal Pay Strategy was introduced in 2010 and needs updating. Pay is currently set based on evaluations made in 2010.

The new strategy will reflect changes to how jobs are now carried out to ensure everyone is paid equally for carrying out equivalent roles. The best way to do this is to re-evaluate all our roles within Sheffield City Council, to ensure the process is suitable for all staff now and into the future. We are on track to start job evaluation this Summer, with the first groups being engaged by late July and a full schedule underway by late September. Trade Unions are working with us to support employees throughout.

It will take at least 18 months to review every SCC role across the Council and schools. After that, the work will begin on applying pay scales for each role.

Alongside job evaluation, we are working closely with Trade Unions to identify and address past pay inequality.

# Externally Led Developments

## Public Health Peer Review

In April 2025, we invited a Public Health Peer Review team in to consider whether we are fit for purpose to deliver against our 10-year strategy, the Fair and Healthy Sheffield Plan which is owned by the Health and Wellbeing Board. The report highlighted strengths including strong leadership, collaborative and respectful working relationships and knowledgeable, skilled staff. There were 13 recommendations made which the Public Health team are planning how to actively respond to.

## OFSTED/CQC Local Area SEND inspection

In March 2025, OFSTED/CQC conducted a Local Area SEND inspection which determined that there are widespread and/or systematic failings leading to significant concerns about the experiences and outcomes of children and young people with special educational needs and/or disabilities (SEND), which the partnership must address urgently. The local area partnership will continue to work together to ensure that children and young people are able to access timely support for speech, language and communication therapy, CAMHS for children and young people to age 25 with SEND, video fluoroscopy, EHCP's, neurodiversity and communications.

## Aldine ICO Audit

In March 2025, the ICO conducted an audit of Aldine House, Sheffield City Council's secure children's home. The audit focused on two areas: governance and accountability, and information and cyber-security. The Council received a rating of reasonable assurance in both areas. A total of 17 recommendations were made and the Council is actively addressing all the recommendations and has agreed on an action plan with the ICO.

## Regulator of Social Housing (RSH)

In 2022, the Council demonstrated its commitment to improvement by voluntarily reporting itself to the Regulator of Social Housing regarding concerns about gas safety compliance. The RSH conducted an investigation and issued a Regulatory Notice in January 2023. Following further engagement, the Regulator issued a further C3 judgement in June 2024. Since then, the Council has worked proactively and in an open-book fashion with the Regulator to improve the safety and quality issues. The lessons learned are helping to shape the Housing Transformation Programme, launching in 2025/26, which will drive long-term improvements for residents.



# **Key elements of the Council's governance arrangements**



### **Council, Leader, Committee System**

The Council represents the views of the community, and makes decisions through meetings of the Full Council, its various committees, and officers acting on authority delegated to them. The Leader acts as the principal political spokesperson for the Council, and develops the vision for the city, working with chief officers, committee chairs, and group leaders. The Strategy and Resources Policy Committee comprises 13 members and is chaired by the Leader of the council. It is responsible for taking decisions on corporate, strategic, and cross-cutting matters. Individual committees have responsibility for decisions within the ambit of their themed scope, and the Chairs are members of Strategy and Resources.



### **Scheme of Delegation**

The Council's constitution sets out decision-making authorities across the Council. It reserves some decisions to the Council or Committees and sets out the level at which officer decisions are made. Further work will be undertaken in 2025 on the Officer schemes of authorisation under the delegations.



### **Strategic Leadership Board**

SLB deals with key corporate issues and strategic service issues. It supports the Council's political leadership, providing a steer on policy issues where necessary. SLB is supported by a series of underpinning corporate boards.



### **Risk management and internal control**

The Council's risk management and internal control arrangements support the monitoring of risks and evaluation of the effectiveness of the Council's governance arrangements.



### **Scrutiny Audit**

Scrutiny activity takes place within the setting of the Policy Committees whose responsibilities include the setting of performance priorities, the undertaking reviews and scrutiny of policies and performance. The Governance Committee will consider how that can be improved as parts of its work programme. Statutory scrutiny remains in place for Health, via the Health Scrutiny Sub-committee.

Finance and Performance Policy Committee takes an overview of performance across the authority and reports to Strategy and Resources Policy Committee. It also has oversight of Capital Delivery projects and programmes.

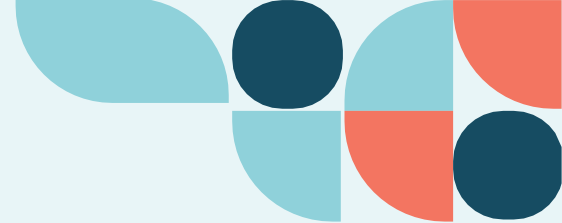
The Audit and Standards Committee oversees the Council's budget, risk management, control and corporate assurance arrangements.

A Governance Committee considers constitutional arrangements and how the Council engages with its citizens.



# Core principles of good governance

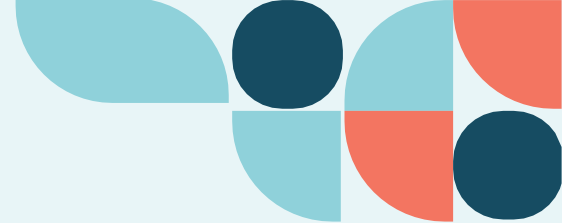




The **CIPFA/Solace Governance Framework** sets out 7 core principles of good governance. The arrangements the Council has in place to meet these core principles are set out below.

More detail on how the Council complies with the core principles is set out in its [Code of Corporate Governance](#).

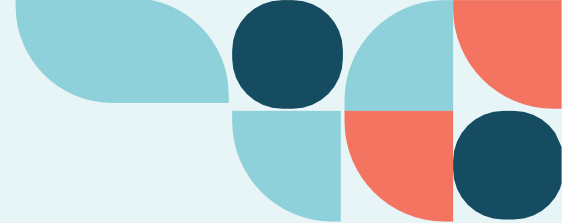
<b>PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical value, and respecting the rule of law</b>	The Council has in place appropriate policies and procedures to ensure compliance with laws and regulations, including in relation to anti-bribery and whistleblowing. The Constitution sets out the framework for behaviour, including codes of conduct for officers and members, and the statutory roles of the Section 151 Officer and the Monitoring Officer.
<b>PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement</b>	The Council actively engages with its stakeholders through formal and informal partnerships and feedback gathering exercises. It publishes decisions, including clear reasoning and explanations for those decisions. It also responds in a transparent manner to requests for information and allows public questions at its meetings.
<b>PRINCIPLE C: Defining outcomes in terms of sustainable economic, social, and environmental benefits</b>	The Council's vision reflects its purpose and intended outcomes, and this provides the basis of the Council's strategy and planning. It takes a long-term view in decision making, taking into account the sustainability of available resources, and factoring economic, social and environmental impacts into decision making.



<b>PRINCIPLE D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>	The Council considers rigorously analysed options before making decisions to ensure that outcomes are achieved, and best value is achieved. It also engages with external stakeholders to ensure that plans have the required impact. The Council ensures that arrangements are flexible to allow it to respond agilely.
<b>PRINCIPLE E: Developing the Council's capacity, including the capability of its leadership and the individuals within it</b>	The Council has established clear decision-making frameworks, including its delegations. There is clarity on roles and responsibilities for members and officers. The Council also ensures that members and officers have appropriate skills and experience to support those roles and responsibilities.
<b>PRINCIPLE F: Managing risks and performance through robust internal control and strong public financial management</b>	The Council recognises risk management as an integral part of all its activities. It maintains a risk management framework and monitors and evaluates risk management and internal control regularly. Scrutiny is also a central part of the Council's decision making.
<b>PRINCIPLE G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>	The Council is committed to communicating with the public in a transparent manner to enhance public scrutiny. It acts on recommendations made by internal and external audit and welcomes peer challenge.



# **Key aims of the Council's internal control environment**

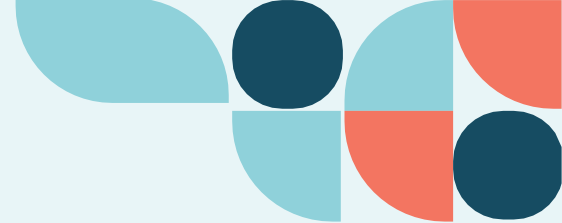


**1. Establishing and monitoring the achievement of the Council's business.**

The Council has a business planning process that aligns Service Plans with Council priorities contained in the Our Sheffield Delivery Plan and the new Council Plan 'Together we get things done'.

**2. Facilitation of policy and decision-making.** Policy Committees take appropriate decisions within the Council's budget and policy framework and scrutinise the performance of matters within their remit. Statutory scrutiny remains in place for Health, via the Health Scrutiny Sub-committee. The Scheme of delegation is documented in the Constitution.

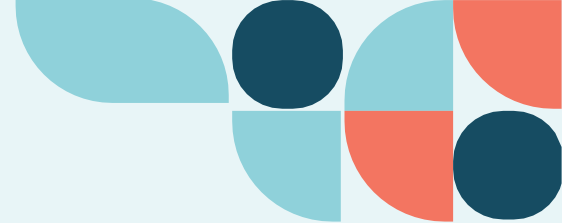
**3. Ensuring the efficient, economic and effective use of resources.** The Council needs to make well informed decisions through business intelligence to enable it to make changes to the right things, in the right way. It acknowledges that it is more important than ever to make the best use of public money and continues to ensure that it prioritises its efforts and resources for the greatest impact, by having a Corporate Delivery Plan and Council Plan setting out the vision and priorities to achieve its goals.



#### **4. Financial management of the Council.** The effectiveness of the system of financial management is informed by:

The work of Internal Audit.

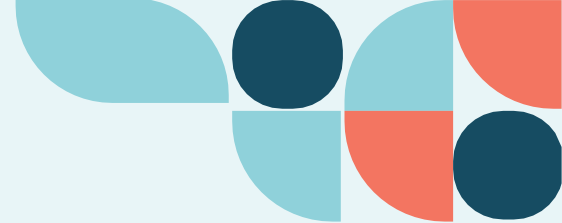
- The external auditor's Annual Audit Letter and other reports
- It's Finance Committee monitors in year spend across the organisation.
- The role carried out by the Director of Finance and Commercial Services under s151 Local Government Act 1972 responsibilities.



## **5. Ensuring compliance with established policies, procedures, laws and regulations.**

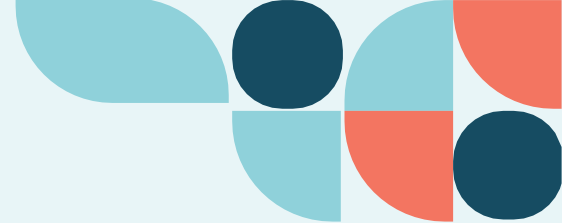
The Council has the following in place to achieve this objective:

- Procedures are set out in the Council's Constitution, including Standing Orders, Financial Regulations and Protocol, and procurement guidelines.
- The Monitoring Officer has overall responsibility for ensuring the lawfulness and fairness of decision-making and supporting and advising the Audit and Standards Committee.
- Overall responsibility for financial matters sits with the Director of Finance and Commercial Services.
- The Statutory Director of Adult Social Services (DASS) acts as a clear point of accountability, professional leadership for support to Adults, families and carers. This includes accountability for assessing local needs and ensuring availability and delivery of a full range of Adult Social Services, managing cultural change to promote independence, choice and control, promoting social inclusion and wellbeing, driving partnership working and an integrated whole systems approach to supporting communities.



## **5. Ensuring compliance with established policies, procedures, laws and regulations.**

- The statutory director of children's services acts as a single, clear professional point of accountability for the design and delivery of children's services.
- A Risk Management Framework is in place and risks are reported to the Corporate Assurance Board and Audit and Standards Committee.
- Audit and Standards Committee oversees the Member Code of Conduct.
- A Whistleblowing Policy is in place to enable employees and others to raise concerns about the Council's work.
- Services are reviewed periodically by Internal Audit and external agencies and regulators, including the Housing Regulator, Care Quality Commission, Information Commissioners Office and Ofsted.



## 6. Performance management and reporting.

- The Council's performance reporting process ensures that managers and Members have a clear picture of how the Council is performing against its objectives and targets, and whether specific projects are on track.
- Risks to delivery are escalated and reviewed.
- The Human Resources Service supports directorates to ensure that employee matters are central to the performance management of our organisation and a Board at a corporate level was established to ensure that there is clear governance.
- The Council has development programmes for managers and employees that provide a consistent approach to managing resources, including its people, and to develop employee knowledge and skills across a range of subjects.
- The Council also has a training programme in place, which is specifically tailored to the needs of elected Members in fulfilling their roles and responsibilities, including an induction and training programme for newly elected Members.