



Horsham  
District  
Council

# Annual Governance Statement 2025/26

**April 2026**

This statement continues to be monitored and updated until the completion of the 2025/26 audit and changes are reported accordingly.

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# Executive Summary

**Before final approval and publication, the Annual Governance Statement (AGS) will be reviewed by the authority's external auditor in accordance with the Code of Audit Practice issued by the appropriate national audit body. The auditor will consider if the AGS has been prepared in accordance with the Governance Framework and is consistent with the auditor's knowledge of the authority. Amendments and updates will be reported accordingly prior to final approval.**

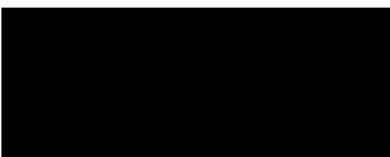
Horsham District Council (The Council) conducts its business in accordance with the law, regulations and proper standards and it protects public money from waste, extravagance, or misappropriation. The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way it provides its services, focusing on economy, efficiency, and effectiveness. We are required to report publicly how the Council has complied with its governance arrangements, including how they have operated over the course of the year and if any improvements are required.

The Chief Internal Audit Officer issued an audit opinion of reasonable assurance for the financial year 2025/26

It is our opinion that Corporate Governance, along with supporting controls and procedures, remains strong for the Council and appropriate controls and reviews are implemented when minor governance issues occur. We have put in place an action plan (Appendix E) to increase officer awareness and reduce the frequency of this type. For 2026/27, the action plan includes embedding awareness of cyber security and data breaches, continuing work on procurement process and completing a post constitution implementation review to assess its effectiveness.

We recognise that good governance requires a culture of continuous improvement and challenge, and we will continue to seek improvement and will be self-critical in doing so to ensure we uphold the highest possible standards of good governance.

Signed on behalf of the Members and Senior Officers at Horsham District Council.



Leader of the Council



Chief Executive

# Our assessment of effectiveness

Horsham District Council approved and adopted a Local Code of Corporate Governance on 22 March 2017. This is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA), and Society of Local Authority Chief Executives (SOLACE) Framework for Delivering Good Governance in Local Government. The Local Code of Governance underwent a full review in 2025/26, The Audit Committee were asked at [the meeting of 18 March 2026](#) to consider the robustness of the Code and the Leader of the Council approved the code on 3 June 2026. The Annual Governance Statement is consistent with [the May 2025 Addendum to Delivering Good Governance in Local Government](#). Residents and businesses can find a copy of the Local Code on our [website](#). This statement explains how Horsham District Council complied with the Code during 2025/26 and how it meets the requirements of regulation 6(1)(b), the Accounts and Audit (England) regulations 2015 that require all relevant bodies to prepare an Annual Governance Statement.

## The Governance Assurance Framework

Horsham District Council has a Governance Assurance Framework (Appendix C) in place for the year ended 31 March 2026 and up to the date of the approval of the Annual Report and Statement of Accounts for the 2025/26 financial year.

The Council's Governance Framework (The Local Code of Governance; Appendix B) explains how the Council controls and manages its services and strategies to deliver the Council's aims and objectives.

The core principles of the Council's Governance Framework are:

- A. Integrity; Ethical Values; the Rule of Law.
- B. Openness; engaging with institutional stakeholders; engaging with individual citizens and service users.
- C. Defining Outcomes including sustainable, economic, social, and environmental benefits.
- D. Determining and planning interventions; to ensure delivery of intended outcomes.
- E. Developing the capacity through leadership and other individuals.
- F. Managing data, risks, and performance; robust internal control; strong public
- G. financial management.
- H. Delivering accountability through good practice in transparency, reporting and audit.

## Corporate Governance, visions and objectives.

The [Council Plan](#) outlines the Council's vision, aims and objectives and aligns these with its Governance Assurance Framework. The Council approved its Council Plan on [11 October 2023](#) and covers the period 2023 - 2027.

- The Council aims to deliver high quality services that meet the needs of the local community. This is set out in the Council Plan for Horsham, which is the core of the Council's purpose and vision and defines the Council's key priorities and strategic aims.

- The Council Plan is underpinned by an Annual Plan and is supported by the Medium- Term Financial Strategy and the Council's [annual budget](#) to ensure the implications on the Council's finances are considered when the objectives are set.
- Progress towards the Annual Plan is reported at the [Finance and Performance Policy and Scrutiny Committee](#).
- The Council's performance management framework includes Key Performance Indicators associated with the Annual plan alongside key operational indicators. Performance of key indicators is reported to the Senior Leadership Team, the Cabinet Leads and to the [Finance and Performance Policy and Scrutiny Committee](#).
- Every report submitted to the Cabinet or regulatory committees outlines how the recommended action helps to achieve one or more of the Council Plan priorities.

## Members and officers working together

The Council's [Constitution](#) sets out the roles and responsibilities of Members, the Chief Executive and Chief Officers. The Governance Committee leads on changes to the Constitution including the scheme of delegation.

The Leader, Cabinet Members, and Chairmen and Vice Chairmen of standing committees receive briefings from senior management on a regular basis and Members receive training as part of the induction process. The Member Development Framework 2025/26 and Member Development Programme for 2025/26 was approved by [Cabinet on 19 March 2025](#).

The Council operates the Cabinet Executive Model. A [Governance Peer Review](#) was undertaken in January and February 2024, and the results were fed into the 2024/25 action plan for implementation. A follow up review was held on 4 December 2024.

A full review of the Constitution was led by the Monitoring Officer during 2024/25, culminating in a revised Constitution, which was adopted by [full Council on 2 April 2025](#). In addition, throughout all this, the operation of the Constitution has been under constant review by the Monitoring Officer to ensure that its aims and principles are given full effect.

During 2025/26 the [Finance and Performance Policy and Scrutiny Committee](#) and the [Communities and Place Policy and Scrutiny Committee](#) carried out their work through the whole Committee along with Task and Finish Groups and no standing sub-committees.

The Council participates in a number of partnerships with other local authorities. In particular Revenues and Benefits, Building Control, Internal Audit and Procurement. Partnership arrangements for Building Control ended during 2025/26.

## Values and high standards of behaviour

The Council has incorporated in its [Constitution](#) a Member Code of Conduct and an Officer Code of Conduct. A register of declared interests is held for officers. All officers are required to submit an annual declaration as well as all officers making declarations when needed. Officers refreshed their declarations in January 2026. Additional declarations are also made by all officers working on any of the major projects. All officers are sent a six-monthly reminder to review and update their

declaration, if required.

Members' Registers are available on the Council's [website](#). Members review their registers annually. In addition, Members declare conflicts of interests as a standard item on the agenda for each Committee meeting. Members ensure that if there are changes to their interests that the Monitoring Officer for the Council is notified of these changes. The Standards Committee promotes and maintains high standards of conduct by Councillors and has the power to investigate and take decisions on code allegations. The Council has appointed two Independent People in accordance with the Localism Act 2011. The Council has one Parish Representative who is expected to attend the Standards Committee.

As part of an ongoing Organisational Development Programme to ensure we have employees with the right skills, behaviours and attitudes, the organisation has developed core values of 'customer focus', 'achieving excellence' and 'our people'. The performance management process for staff requires a minimum of four recorded performance and development discussions each year. A staff survey was completed in December 2024 and this was used to form the Organisational Development programme for 2025/26.

The culture of the organisation sets the foundation for the prevention of fraud and corruption by creating an environment that is based on openness and honesty in all Council activities.

The Council has the following policies and procedures in place which aim to prevent or deal with any instances of fraud, dishonesty, or malpractice.

1. Counter Fraud Strategy and Framework
2. Anti-Money Laundering Policy
3. Whistleblowing Policy
4. HR Disciplinary Policies
5. Council's Equality Scheme
6. Information Security Policy

The Council's IT Security Officer updated the Council's Information Security Policy during 2024/25 and added a Corporate AI Policy in June 2024, which was updated in June 2025 following review. Internal intranet pages are being updated continuously to support officers, and phishing training and exercises are ongoing across the organisation.

In 2022, the Council obtained a significant Government grant for enhancing its cyber security measures in the light of increased risk levels following the invasion of Ukraine. We have spent the money implementing an improved backup solution for the Council's IT Systems.

## **Taking informed and transparent decisions and managing risks**

The Council's Risk Management arrangements are reviewed for effectiveness by the Audit Committee to ensure the process is embedded in the culture of the Council.

All Heads of Service are responsible for implementing strategies at departmental level ensuring adequate communication, training and the assessment and monitoring of risks.

All officers are responsible for considering risk as part of everyday activities and provide input to the risk management process. Each Directorate Management Team reviews their service risks each quarter and each Project Team their Project Risks no less than once a quarter. An officer-

led Risk Management Group reviews the corporate risk register quarterly before it proceeds to the Senior Leadership Team and the [Audit Committee](#) for review. Six-monthly refresher training sessions are in place for all risk owners and action officers.

The Chief Internal Auditor provides an annual opinion on the Council's governance arrangements, risk management systems and the overall control environment in their end of year report to the Audit Committee. For 2025/26 the Chief Internal Auditor has issued an opinion of Reasonable Assurance.

## **Engagement with local people and other stakeholders.**

The Council works hard to communicate its aims for the District. It conducts a wide range of service specific surveys to ascertain the views and needs of its residents. The Council consults with Parish Councils and in February 2026 started a series of four area meetings with Parish Councillors. It is a leading partner within Community Safety and Health and Wellbeing Partnerships, linking statutory and non-statutory agencies to provide a coordinated approach to delivery of the programme across the District. The Council works with voluntary and community sector partners to ensure effective provision of community engagement activities across the district. These partnerships share feedback from their own stakeholder consultations.

These groups help the Council to assess the priorities of different sections of the community that have different needs, particularly surrounding grants and funding, Parish Councils and areas that need targeted service delivery. Compliments and feedback received are monitored and an annual report to the [Finance and Performance Policy and Scrutiny Committee](#) detailing the number, nature and the outcomes of complaints made to the Local Government & Social Care Ombudsman (LGSCO).

## **Wholly owned bodies**

The Council owns 100% of a housing company, Horsham District Homes Limited, which owns 100% shares of a holding company, Horsham District Homes (Holdings) Limited.

The Council's Director of Communities, the Head of Housing and Community Services, the Head of Property and Facilities and the Head of Finance and Performance are directors of Horsham District Homes Ltd. This company builds domestic dwellings.

The Council's Director of Communities, the Head of Property and Facilities, the Head of Housing and Community Services, and the Head of Finance and Performance are directors of Horsham District Homes (Holdings) Ltd. This company lets and operates owned or leased domestic dwellings.

Full Council approves funds for the companies to operate. These are loans and equity within the development company. Full Council considers any land disposals to the development company that trigger Secretary of State sign-off requirement. The Cabinet reviews each individual development business case and approves the allocation of S106 commuted sums funding to enable the property holding company to acquire the built units from the development company.

# Where our governance needs to improve

The Council's governance framework includes decision-making processes set out in the Council's Constitution, together with rules and procedures. The Council operates the Cabinet Executive Model.

Mechanisms for maintaining and reviewing the effectiveness of the Council's governance arrangements throughout the year are in place and include:

- The Council comprises 48 Members and, as a whole, takes decisions on budget and policy framework matters as defined by the Constitution, including deciding on the aims and objectives of the Council as set out in the Council Plan and other decisions that are reserved in law to be taken only by the Council.
- Two Policy and Scrutiny Committees ([Finance and Performance](#) and [Communities and Place](#)) are able to scrutinise the decisions of the Cabinet and maintain an overview of Council activities which includes monitoring performance management.
- The Cabinet is ultimately responsible for considering overall financial and performance management.
- Annually the [Finance and Performance Policy and Scrutiny Committee](#) consider a report providing an overview of complaints made against the Council to the Local Government and Social Care Ombudsman.
- The Governance Committee meets as and when required and reviews governance with regards to the reviewing and revising of the Council's Constitution.
- The Audit Committee meets quarterly to review the Council's risk management and control arrangements. It also reviews the Council's Treasury Management and Investment Strategies and has delegated authority to review and approve the statutory financial statements and consider reports from the Council's external auditors.
- The role of the Director of Resources (as Chief Financial Officer) includes stewardship and probity in the use of resources and performance, extracting best value from the use of those resources. The Chief Financial Officer complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government. This post also fulfils the statutory roles of Money Laundering Reporting Officer and Senior Information Risk Owner.
- The Head of Legal and Democratic Services (as Monitoring Officer) has a duty to ensure that operations are carried out lawfully. This post also carries out the statutory Data Protection Officer role.
- The Head of Paid Services (Chief Executive Officer) includes ensuring the best advice is available to it at all tiers and ensuring the efficient and effective implementation of the council's programmes and policies across all services and the effective deployment of the authority's resources to those ends.
- An annual internal audit plan is developed, in consultation with senior managers, which outlines the assignments to be carried out and estimated resources. The audit plan is sufficiently flexible to enable the Orbis Partnership Internal Audit team to respond to changing risks and priorities of the organisation.

## Minor Governance issues during the year.

The minor issues identified during 2025/26 included:

- Some waste contract and workshop supplier improvements were identified at the depot. A programme to address this has been developed and will be implemented during 2026.
- Animal Welfare Licensing was identified as having potentially non-compliant inspections due to the certification of the officers implementing this function having expired. The certification issue has been resolved, and a programme of inspections has been implemented to ensure compliance. An internal audit of this area of concern has been requested to confirm that compliance is being achieved. The audit is scheduled to begin in March 2026.
- Building control external audit noted minor contraventions - actions required were completed by the 11 February 2026 deadline. Correspondence from the auditors on 13 March 2026 confirmed that the matter was now concluded satisfactorily.
- An internal audit review is presently being undertaken of the Housing Company governance arrangements to ensure accountability in decision making, reduction in legal risk (so that any identified issues can be resolved by the company directors) and conflict of interest.
- File sent to an incorrect email address containing some bank details and names. The email was deleted by the customer who had brought it to our attention. It was reported to the ICO who came back with some reminders of best practice to check before sending.
- An incorrect Planning mail merge process sent an email with over 200 email addresses that were not blind copied. Further training has been provided.
- A procurement process was undertaken by Property on the Capitol Theatre roof at pace to meet the crucial reopening dates for the theatre. Some of the risks during that process were not managed as robustly as they could have been. The contract value was below the threshold at which a full procurement exercise is required under the Procurement Act, but consultation with the local Procurement team was limited. Only tacit approval was obtained for the procurement exemption. There were delays in issuing the final written contract. A subsequent modification to the contract did not have sufficient oversight by senior managers, as set out in the Council's Procurement Code.
- Grant payments to voluntary groups in 2025/26 were not as set out in the Council budget paper appendix B. However, this was because improved governance and application processes had not been reflected in the budget process.
- Following a tender exercise only one quote was received for consultants to undertake a Leisure and Wellbeing review and an exemption was not formally approved prior to the commencement of the related procurement.
- Revenues and Benefits misclassified a list of recently turned 18-year-olds indexed under deaths, resulting in six letters being sent out relating to their death rather than potentially offering them a student discount. Action was immediately taken to mitigate the error but resulted in one upheld complaint.
- Internal Audit identified minor breaches in Building Security which were rectified in year.

Appendix E sets out the Council's action plan for 2026/27 to address key areas.

# How we have improved our governance arrangements in 2025/26

The 2024/25 Annual Governance Statement included an action plan for 2025/26. Progress against the risks identified is reported in Appendix D. The following improvements to the Governance Framework were recognised during 2025/26:

- Implement the new Constitution, which was adopted by Council on 2 April 2025.
- Training sessions delivered to both members and officers following the adoption of the Constitution.
- Review following the implementation which (i) assessed the effectiveness of the Constitution and its operation, and, (ii) identified where further changes were required to compliment best practice and enhance operational efficiency.
- Procurement Regulations have been embedded across the Council and Procurement Act training has been delivered to appropriate officers. Ongoing training plan is in place.
- An independent member of the Audit Committee was appointed during the year.
- Member Development Framework and Programme for 2025/26 devised and approved at Cabinet on 19 March 2025 and implemented in 2025/26.
- Key Performance Indicators: work undertaken to fully align to Annual Plan in 2026/27. Reviewed at Finance and Performance Policy and Scrutiny Committee and Cabinet.
- Additional six-monthly refresher risk training introduced for all Responsible and Action Officers.
- The Council has completed a self-assessment against CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government. This confirmed a high-level conformance, subject to minor actions, which were reported to Audit Committee on 10 September 2025.
- The Council's Housing Strategy was updated and published following a partial assurance in 2024/25; 2025/26 audit resulted in a substantial assurance.
- Alcohol licencing recorded a partial assurance in 2023/24; improved processes led to a substantial assurance in 2025/26.
- A new dashboard was added to the Human Resources report to the Senior Leadership Team.
- The Local Code of Governance was reviewed to give a more comprehensive code providing stronger evidence of the Council's alignments to the principles of good governance.

# Forward look on governance

The Council recognises that Good Governance is found in continuous improvement and looks to identify where governance may need to change or develop in future. Over the coming years we will be monitoring and improving governance to support Good Governance in the following areas, which we consider to be a risk to the organisation's governance arrangement.

As the Council moves into a period of change, following the announcement of Local Government Reorganisation, we will continue to closely monitor the impact on our arrangements. This will include monitoring recruitment and retention, to ensure service delivery is not impacted. Key roles will be monitored, and performance management metrics will be used to monitor any impact of service delivery. Governance arrangements will need to be implemented, and data sharing agreements drawn up to support the Council in being ready to form part of the Unitary Authority.

Artificial Intelligence (AI) is a growing risk across the public sector, due to the need to increase efficiencies within the workforce and the acknowledgement that AI will be used by others who work with the Council or are stakeholders. The fast-moving pace of generative AI presents additional risks and governance needs. This includes the environmental impact of using AI, as well as data risks, including data integrity. The Council will continue to monitor the risks and remediate where necessary. Cyber security risks are increasing, with recent attacks on other Local Authorities. AI can create more authentic looking phishing e-mails, so that attacks are becoming more sophisticated and harder to spot. The Council will continue to monitor the risks and remediate when necessary. Business continuity plans will need to continue to be robust to minimise the impact of a Cyber-attack when it occurs.

The Council had a Corporate Peer Challenge in February 2026. The report was received 17 April 2026 and responses to the issues raised will be included in the Corporate Peer Challenge action plan.