

WESTMORLAND AND FURNESS COUNCIL

ANNUAL GOVERNANCE STATEMENT 2024/25

1.0 Introduction

The Annual Governance Statement is a review of the Council's activities to ensure it is carrying out its functions effectively. There is a strong link between effective governance and effective service commissioning and delivery. This Annual Governance Statement is a balanced reflection of the governance environment in operation within the Council for 2024/25.

2.0 Scope of Responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We need to make decisions for future generations and not just in the short term.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs (incorporating the system of internal control), facilitating the effective exercise of its functions, and arrangements for the management of risk.

The Council approved and adopted its first Local Code of Governance in September 2023 (which remained in place for 2023/4 and 2024/5), which was consistent with the principles of the CIPFA / SOLACE Framework "Delivering Good Governance in Local Government" (2016). A copy of the Local Code is available on the Council's website or can be obtained on written request from democraticservices@westmorlandandfurness.gov.uk.

The Local Code of Governance is reviewed annually by the Council's Standards and Governance and Audit Committees to ensure it remains relevant, effective, comprehensive and up to date. Reviews were carried out in 2024. This statement explains how the Council:

- Complies with the Code
- Identifies any areas of weakness and, where appropriate, has an action plan to address these
- Meets the requirements of regulation 6(1)(b) of the Accounts and Audit Regulations 2015 (the requirement for the Council to produce an Annual Governance Statement).

3.0 Purpose of the Governance Framework

The governance framework comprises the systems and processes for the direction and control of the Council and its activities through which it accounted for, engaged with, and provided support and leadership working with communities. This has enabled the Council to monitor the achievement of its strategic objectives and to consider whether those objectives led to the delivery of appropriate, cost-effective services.

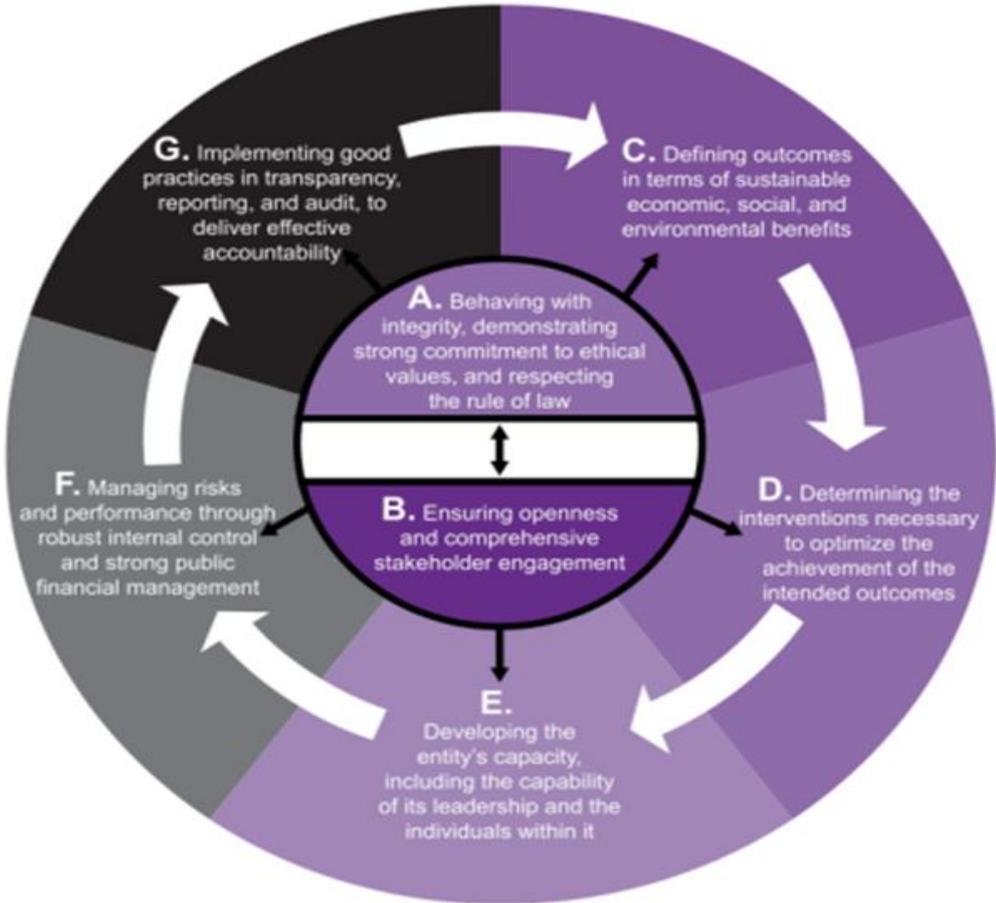
The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework, described below, has been in place at the Council for the year ended 31 March 2025 and up to the date of approval of the Council's Annual Statement of Accounts.

4.0 Principles of Good Governance and the Governance Framework

The Good Governance in Local Government Framework (2016) has seven core principles with supporting principles within them. Commitment to this ensures that good governance is dynamic and part of continuous improvement within the Council. As a new authority, Westmorland and Furness Council has established arrangements to ensure this commitment.

The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound, inclusive and informed decision making and that there is clear accountability.



The Council's Code sets out 7 key principles:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the intervention necessary to optimise the achievement of the intended outcomes
- E. Developing the Council's capacity including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Behaving with Integrity

The Council has adopted a Constitution which has been the subject of an Annual Review in 2024/25 with engagement with Directorates and Members, it has also been regularly reviewed throughout the year, with five reports being presented to Full Council. It is treated as a living document. Members and Officers adhere to the Nolan Principles leading a culture that acts in the public interest. Our Council values further demonstrate this commitment embedding this in everything we do. Members and Officers have ensured that protocols in the Constitution and other relevant statutes, regulations and guidance were both followed and led to transparent, ethical and legal decision making. This ensured effective accountability and strong financial management. Examples include:

- Employee / Member Protocol adopted as part of the Constitution and reviewed annually by the Standards and Governance Committee
- Adoption of the Code of Practice for Statutory Officers

Effective training has been delivered to all Westmorland and Furness Members and Town and Parish Councillors. Training delivered includes content on the respective roles of members and officers, the member code of conduct, membership of outside bodies and effective chairing skills.

The Employee Code of Conduct is reviewed and updated on a regular basis to ensure that it remains effective. Managers are responsible for bringing the Code to the attention of their staff (through induction, training, and instruction) and to take appropriate action if an employee fails to follow the Code.

The Code includes a requirement for members and officers of the Council to declare any conflicts of interest and/or gifts or hospitality, which should be formally registered. The Good

Governance Group chaired by the Chief Legal and Monitoring Officer, attended by Corporate Management Team and wider officers, agreed and communicated that gifts and hospitality requirements must be assessed, declared and recorded with processes in Directorates now in place. The Council has acted in accordance with the published annual Pay Policy Statement.

A comprehensive programme of Employee Engagement is in progress, which since April 2023 has included three formal staff surveys, regular Q&A sessions with the Chief Executive and other Directors, a whole staff 'Expo' events were held on 17 April 2024 and second 'Expo' was held on 10 June 2025 and most recently a number of in person Leadership Events to help embed our organisational vision and values, and promote effective two way communication.

Across the Council, there is a requirement for officers in professional roles to work in accordance with their own professional standards, as set out by their relevant regulatory body. For areas such as Social Care, professional supervision is in place and if 'Fitness to Practice' concerns are raised, the Council will act in accordance with those procedures, alongside the duties it has as an employer.

Work is underway to help continually embed the Council's Values through inclusion in HR and OD policies and processes, induction programmes, wider change programmes and service redesign, along with continual promotion in regular communications. The People Plan 2024 - 2027 has several actions in this regard and they are regularly discussed with recognised Trade union colleagues to embed a culture around the values and behaviours expected.

Demonstrating Strong Commitment to Ethical Values

The process for dealing with complaints against members is set out in the Council's Constitution in line with the Localism Act 2011. The Council's external website provides a way for members of the public to log complaints or concerns regarding elected members. All complaints submitted were subject to initial review by appropriate officers with additional information requested as required.

An Independent Person and Standards and Governance Committee are in place to review any complaints regarding members and to promote high standards of conduct and observance of the Members' Code of Conduct.

Given the transition to a new Council, some ongoing issues needed to transfer into Westmorland and Furness Council from the four legacy councils. To ensure all were resolved as soon as possible, interim capacity was invested to resolve legacy complaints alongside any new ones with a total of 31 complaints (largely Town and Parish Council) reviewed and resolved by the end of March 2025.

From an Officer perspective the Council's Disciplinary Policy and Procedure helps to promote good employment relations alongside ensuring fairness and consistency in the treatment of individuals. If there are any matters of concern relating to Statutory Officers of the Council, an independent person process is in place.

The Council's equity, diversity, and inclusion (EDI) arrangements aim to build a culture of trust and respect for all putting equality at the heart of our decision making and procedures. In March 2024 we released our first Statement on Equity, Diversity, and Inclusion, which included the first set of Equality Objectives for the Council, as well as a two-year Action Plan, outlining the

workstreams that will support us to achieve these objectives. Our Equality Objectives are, establishing our internal processes and procedures, understanding our workforce and understanding our communities. A Council wide EDI Network chaired by the Assistant Chief Executive is overseeing progress against the action plan, with performance updates being provided quarterly to Cabinet. This network is supported by EDI Action Groups in all Council Directorates, as well as a Member's Special Interest Group on EDI, and an external Westmorland & Furness DEI Partnership group.

We have now overhauled the process by which we complete, process, and manage Equality Impact Assessments (EIA), to increase both the volume and the quality of impact assessments being completed. We have moved the assessment template online to make the completion process easier, we have published additional guidance and training on how to complete EIAs along with a suite of supportive information on the kinds of impacts to consider, and we have linked EIAs to a central dashboard to be able to monitor all assessments being completed across the Council.

This is an important change towards effectively embedding EDI in the organisation, making sure that we recognise the challenges for people with protected characteristics, provide the best possible service and opportunities for all service users of Westmorland and Furness Council.

We have also launched a new EDI Learning Hub for all Westmorland and Furness Council officers and elected members to access. The EDI Learning Hub includes a wealth of information around EDI generally, but it is also broken down by each protected characteristic and additional characteristic group identified by the Council, ensuring that colleagues have access to further information, resources, training, and links to useful organisations across each of these areas. The learning hub also supports the other training and education we offer to staff at the Council, including a mandatory Equity, Diversity, Inclusion, and Belonging eLearning module that all new colleagues must complete on arrival (and every 3 years), and other bitesize learning modules on areas like unconscious bias, psychological safety, and having difficult conversations in the workplace.

An updated self-assessment against the Local Government Association Equalities Self-Assessment Framework will be carried out in 2025/26. Throughout 2025/26 we will begin the process of developing what the next stage of our EDI work will look like, including reviewing and refreshing our Equality Objectives.

Equality also features highly in discussions with recognised Trade Union colleagues working with Council Officers to aim to ensure fairness across all services and teams.

The Council's Audit Committee agreed the Confidential Reporting (Whistleblowing) Policy and the Council has received 6 confidential complaints in this year, with 5 ongoing demonstrating a positive culture within the Council and a confidence of staff to raise concerns. The Confidential Reporting (Whistleblowing) policy is on the Council's website. In addition an Anti-Fraud, Bribery and Corruption Policy / Strategy was in place in 2024/25 which was approved by the Audit Committee on 10 June 2024. The Council's Standards & Governance Committee has set up a sub committee to review and update the Whistleblowing Policy.

Respecting the Rule of Law

The Chief Legal and Monitoring Officer is responsible for ensuring the lawfulness of decision making with the responsibilities of this post clearly outlined within the Constitution. The Monitoring Officer ensured that the Council acted within legal and statutory requirements throughout 2024/25. There were no successful Judicial Review cases against the Council in this year. This was achieved through the daily provision of frontline legal advice to Council services, the active participation of the Monitoring Officer within the Corporate Management Team (CMT) and the active participation of Legal Services in the preparation and consideration of legal implications arising from reports for decision, including officer decision records.

The Golden Triangle of Head of Paid Service, Section 151 Officer and Monitoring Officer agreed to adopt the Code of Practice for Statutory Officers. They met weekly. Legal officers attend departmental management team meetings and monthly business partnering meetings.

Respecting the rule of Law and legal advice is essential to effective decision making and this requires further training and embedding for Officers across the Council. The Chief Executive issued an instruction in this regard in November 2024. The Chief Legal and Monitoring Officer has delivered further sessions on officer report writing and decision-making including officer key decisions, officer delegated decisions and operational decisions, and these are mandatory for CMT and SLT. Sessions were held on 5 and 13 March 2024 and 31 March, 3 April and 10 April 2025 with further sessions planned for 10 July, 19 August, 30 September, 13 October, 18 November and 8 December 2025.

Ongoing clarity and embedding of a good governance culture for officers and members across Westmorland and Furness is a continual process, to ensure early involvement and inclusion of all the relevant professionals to assess level of involvement and workload based on risk and prioritisation. This will ensure the Legal Team and other professional teams can prioritise resources to provide timely advice to support good decision making or prioritise additional resources. More detailed information regarding actions and mitigation are contained within the Council's Strategic Risk Register which is now considered quarterly by Cabinet as well as Directorate and operational risk registers managed in services.

The Action Plan highlights actions we intend to take to improve our work under Principle A.

The Director of Resources (Section 151 Officer) has the statutory responsibility for the proper administration of the Council's finances and the proper administration of financial affairs of the Council. Financial governance was underpinned by the Council's Finance Procedure Rules (FPRs) in the Constitution. Each year, the s151 Officer carries out a review of financial arrangements against the CIPFA Statement on the Role of the Chief Financial Officer which confirmed that the Council's arrangements complied with the requirements.

The Constitutional Review Working Group has reviewed, and Full Council has agreed, updates to the Constitution in 2024/25. In 2024/5, Full Council considered constitutional updates at meetings in May 2024, September 2024, November 2024, January 2025 and March 2025. The Chief Legal and Monitoring Officer has invited individual Directors to meet to discuss any proposed amendments to the Constitution. The Directors' Local Scheme of Authorisation and Leader's Scheme of Authorisation have been updated and are on the website. A Governance SharePoint and Corporate Communication Plan are also in development to further assist in

sharing key documents to embed governance in everyone's business. Training has also been provided on the use of the ModGov system in order to maximise the efficiency and effectiveness of decision making using our available technology.

Legal, Finance, Human Resources, Health and Safety and Risk Management advice was provided at all key Council meetings and is included in all reports whether Council, Cabinet, Committee, or delegated decisions. As part of the Council's desire to continuously improve its arrangements work is ongoing in 2025/26 to further embed and incorporate additional factors to enhance good decision making.

The Good Governance Group, chaired by the Chief Legal and Monitoring Officer, and attended by key senior officers across multiple disciplines, was well attended throughout the year, with clear Governance Terms of Reference in place and regularly reviewed. It is recognised that there is a need to build on the good work already done and continue to embed good governance across the Council. The Good Governance Group has met frequently throughout 2024/5 and has recently changed its agenda format so that it is now structured around the seven principles of good governance.

Compliance with transparency requirements is good and ongoing with further improvements planned during 2025/26 including the development of an action plan identifying any gaps and omissions. In the year 2024/5, 82 officer decision records and 50 officer key decision records were published. Our Action plan seeks to ensure that this continues.

Following Local Government Reorganisation, adherence to the Inter Authority Agreement (IAA) with Cumberland Council has ensured collaboration and delivery of services to ensure business continuity, ongoing safe and legal service delivery with regular monitoring through the Joint Executive Committee and Joint Overview and Scrutiny Committee.

During the year formal reviews have been undertaken of the role of the Council's Chief Finance Officer and the Head of Internal Audit (HIA) and the Audit Committee against the respective CIPFA statements, which concluded there was a high level of compliance.

The Council has established key overview and scrutiny committees for corporate overview, communities and environment, adults and health, and children and young people. In addition, the Council acts as host authority for the Cumbria Police Fire and Crime Panel and shares the chairing and management of a Joint Overview and Scrutiny Committee with Cumberland Council to consider issues related to interim hosted and shared services. All committees meet formally four times a year, with informal review and briefing activity regularly in place between meetings. The 2024/25 Scrutiny Annual Report was presented to Full Council in May 2025 and provided an overview of scrutiny activity over the course of the year. An effective call-in has taken place this year. The Chief Legal and Monitoring Officer gave a presentation as an invited speaker at the Annual Conference of the Centre for Governance and Scrutiny.

The Council organised a number of officer and member workshops to consider effective scrutiny and best practice; this resulted in the production of a Scrutiny Protocol which has now been implemented across the Council's scrutiny committees. The Cabinet considered a report from Scrutiny for additional capacity to strengthen the Scrutiny function due to concerns about resourcing. CMT agreed to the recruitment of 2 additional scrutiny officers for 2025/26. Our Action Plan ensures we continue to deliver and embed effective Scrutiny.

Principle B – Ensuring openness and comprehensive stakeholder engagement

Openness

All relevant Council business was conducted in public unless legislation and the public interest test deemed it appropriate for it to be considered in private. Agendas for meetings and committees are published in advance, with minutes and a full calendar of Council meetings published on the Council's website. All reports and decisions taken at Council meetings are published, including the professional and technical advice received, unless they were required to be considered in private. All Executive Decisions taken by Officers under delegated powers are published to ensure compliance with the requirements of the Transparency Code, there have been previously different legacy Council practices on this and we now have a Westmorland and Furness Council approach. Information is published in accordance with our Publication Scheme.

Monthly meetings with Group Leaders are in place with Senior Officers meeting Elected Members of the Cabinet, Opposition Group and Scrutiny Chairs regularly to ensure Elected Members are formally briefed on both strategic and operational business of the Council.

Our public participation scheme allows members of the public to ask questions, make statements and present petitions at meetings of Full Council, Cabinet, Locality Boards and Planning and Licensing Committees. Between the 1 April 2024 and 31 March 2025 there were a total of 148 attendees speaking under the public participation scheme, with around 63% of the attendees speaking at a planning committee meeting.

The Council has arrangements in place to process requests for information under the Freedom of Information Act (FOI), Environmental Information Regulations (EIR) and UK General Data Protection Regulation / Data Protection Act 2018 (referred to as 'Access to Information legislation'). Arrangements include a process to consider Internal Reviews as required by legislation. The Senior Information Risk Owner (SIRO) Annual Report for 2023/24 reported that only 52% FOI and EIR request were processed within the 20-day statutory deadline with April 2024 also showing poor FOI and EIR processing at 44% within timescale. For 2024/25, an Information Governance Harmonisation Group requested by the Director of Enabler Services (SIRO) was introduced to progress an improvement plan. This has had a positive impact and whilst year end performance data is still being quality assured and may change slightly, provisional draft year-end 2024/25 performance has improved significantly for FOI & EIR with 79.53% of the 1,427 FOIs received processed within timescale (including 93.3% for Quarter 4 so without the poor start of April 2024 data performance would be 87% for the full year). The Information Commissioner's Office has confirmed they are satisfied that Westmorland & Furness Council has met the compliance requirements, and the practice improvement notice has now ended, and the Council has been invited by the ICO to be a case study as an exemplar of good practice to improve performance in a short space of time.

The Council has transitioned its approach to dealing with complaints (including Ombudsman complaints) from the legacy procedures and policies of the previous Councils into a suite of single policies for Westmorland and Furness Council. It was recognised that a Corporate Customer Complaints and Compliments policy and Customer Charter was needed, and these were approved by Cabinet in October 2024. 995 complaints have been processed in 2024/25 with 85.62% processed within timescale. The Council received 1128 MP enquiries and processed

74.64% within the target timescale, with a new MP enquiries policy introduced and new system implemented.

In 2024/25 the Information Governance Team processed 174 Data Subject Access Requests (SARs) that were received from individuals that have a legal right to request all information held by the Council. These requests are often voluminous and time consuming to identify and retrieve the records and data held; collate into a pack; assess the information and redact information relating to third parties not permitted to be shared; and then release the data to the requester. Of the 174 Subject Access Requests received, 162 were processed within the statutory timescale, achieving a 93% performance and exceeding the statutory target of 90%. Quarter 4 performance was 96% between January and March 2025 only.

The Director of Enabler Services is the Council's statutory Senior Information Risk Officer (SIRO) and chairs weekly SIRO meetings supported by two Deputy SIROs (the Chief Legal and Monitoring Officer leading Data Protection and Records Management governance and the Assistant Director ICT who leads ICT and Cyber Security governance matters) and two Calidicott Guardians covering both Adult and Children's Services.

The Council's Senior Information Governance and Data Protection Officer is the single point of contact for liaison with the Information Commissioner's Office regarding compliance with the Freedom of Information Act, Environmental Information Regulations and UK General Data Protection Regulation / Data Protection Act 2018.

Engaging with Stakeholders

We have collaborated to maximise the potential of our partners across the community, business, public sector and third sector. We have worked in partnership, both within our own place boundaries and also within Cumbria and the wider region, particularly with our two Integrated Care Boards and other key anchor organisations. We are also committed to widening and deepening the relationship with our Parish and Town Councils as important delivery partners.

Following Local Government Reorganisation, 38 hosted services were agreed through the Inter Authority Agreement (IAA) between Cumberland and Westmorland and Furness Councils, with Service Level Agreements with the Police, Fire and Crime Commissioner. The Joint Disaggregation Programme manages the disaggregation of these services through the governance arrangements and engagement with key stakeholders. The Programme disaggregated 25 services by 31 March 2025, with overview of long-term hosted services to support performance monitoring and service improvements. There are still 5 services to be disaggregated and there are 15 long term hosted services. A Joint Executive Committee with clear terms of reference was established to make these decisions with Cumberland Council. The functions now extend to the former Local Enterprise Partnership economic functions (re-launched as Enterprising Cumbria).

The Council has established clear channels of communication with all sections of the community and stakeholders, ensuring accountability and encouraging open consultation. The Council has a series of dedicated e-newsletters that people can subscribe too, has active social media accounts and a twice-yearly resident's magazine which is delivered to homes throughout the Council's area. This includes information about key Council services as well as information about the Council's budget.

Media enquiries are dealt with promptly following agreed protocols. Stakeholder mapping and communication is part of normal service delivery both at a corporate level and within services and projects. The Council has also established a robust approach internally to communications to help ensure that factual information about the Council is provided to staff with the added benefit of supporting staff to be effective advocates for the Council and help dispel misinformation.

The Council recognises the value of strategic and key partnerships and that these can change over time as partnerships are updated or amalgamated. Currently there is not an up-to-date register of strategic and key partnerships. This register could include key information in terms of key objectives, any funding provided to or from the partnership, who attends from the Council, meeting frequency, consideration of any potential financial or other risks for the Council and exit strategy. In addition to developing the register, it has been identified that it would be useful to review existing Company, Partnership and Trust Governance.

A review of Companies in which the Council has a legal interest, and partnerships will take place in 2025, and this is covered in the Action Plan. Through the Health and Wellbeing Board we have worked with partners to develop and agree a new Joint Health and Wellbeing Strategy for Westmorland and Furness, with a supporting action plan. The strategy and action plan set out how the Council and its partners intend to work together to improve health and reduce health inequalities. Members of the community and partner organisations contributed to the development of the strategy and action plan via public surveys, workshops and individual meetings. Health and Adults Scrutiny Committee also had the opportunity to review and shape the final strategy and action plan, prior to their sign off by the Health and Wellbeing Board.

The Health and Social Care Act established Integrated Care Systems (ICSs) on 1 July 2022, covering all of England. Westmorland and Furness Council is a member of two systems, Lancashire and South Cumbria (LSC) and North East and North Cumbria (NENC). ICSs are formed by NHS organisations and upper-tier local councils in that area and include the voluntary sector, social care providers and other partners with a role in improving local health and wellbeing.

Within each Integrated Care System there are Integrated Care Boards, Integrated Care Partnerships and Place Based Partnerships. An Integrated Care Board (ICB) is an NHS organisation that is responsible for planning health services for their local population. Westmorland and Furness is represented on the Integrated Care Board for LSC, but not NENC.

An Integrated Care Partnership (ICP) is a statutory partnership between all upper tier local authorities within the ICS and the Integrated Care Board. It must develop a long-term strategy to improve health and social care services and people's health and wellbeing in the area. Westmorland and Furness is represented on the ICP in both ICSs.

The Council is a member of two place-based partnerships, South Cumbria (within the L&SC system) and North Cumbria (within the NENC system). The specific priorities of each place-based partnership will vary depending on the vision and goals agreed locally by partners.

The Council has regular formal and informal engagement with recognised trade unions who work with the Council on behalf of their members to support delivery of the priorities of the Council Plan and deliver the best services possible to the people of Westmorland and Furness,

within the available resources. The Council works closely with recognised trade union colleagues through established governance arrangements and a programme of meetings of the Council Joint Consultative Group (JCG), the Corporate JCG, Directorate JCGs, various Health and Safety Committees, Management of Change and Culture Development Programmes and other informal meetings on matters of employee interest. The collaborative working arrangements have been particularly welcomed as Trade Union representatives have provided important support in helping continue to deliver services during the transition and stabilisation period following local government reorganisation. Governance arrangements for health and safety have been maintained throughout the year at Council wide and directorate levels.

Cabinet approved the Council's Annual 2024/25 Health, Safety and Wellbeing Policy Statement and 2023/24 Health, Safety and Wellbeing Report at its June 2024 meeting. During 2024/2025 the Council has continued to ensure a strong focus on embedding a strong health, safety and wellbeing culture where everybody is expected to be actively engaged and take personal responsibility for themselves and others. The Council recently launched a campaign which will focus upon a different area of health and safety, over a 12-month period, to help raise awareness and embed a strong culture of health, safety and wellbeing across all of our services. A recent internal audit report, Phase 2 which was a follow up review of the Council's Health and Safety governance arrangements maintained the positive 'reasonable assurance' opinion.

Engaging with Communities, Individuals and Service Users

The Council has a commitment to put communities at the heart of everything it does and this is articulated in the Council Plan as confident, empowered and resilient communities; where the Council will work closely with the residents and businesses it serves to enable them to shape their own destiny and thrive; building strong links with Town and Parish Councils (TPCs) and keeping local service centres and effective local representation and a thriving voluntary, community, faith and social enterprise sector (VCFSE) are critical.

To enable this to come to life, working alongside the VCFSE sector, residents and TPCs, the Council is committed to become a community powered Council and community conversations are underway with the focus on what we can do together to make things better. The Community Power Strategy was approved by Cabinet in July 2024 and work is now underway to embed this strategic approach. A delivery plan has been developed which has phases of work up to 2027. This will continue to evolve and will be developed for years 3-5 (i.e. 2027-29). Priorities include community focussed organisational structure, awareness raising, engagement and training, community focussed pilots that enable evaluation which effectively informs future development, partner mobilisation and testing, learning and evidencing.

The Council's delivery framework also has communities as one of its 10 themes, with a mission statement that specifically wants the voices and choices of local communities to be heard through local participation. To achieve this, we have stated that what success will look like will be that *"our three Locality Boards play a key role in animating and supporting local community action, working with parish and town councils to achieve positive change"*. The Council's Constitution includes a requirement for these three Locality Boards *"...to promote close working with our communities."* Each Locality Board (LB) has its own mechanisms to enable community teams to work with elected members as part of their community leadership role, to achieve

locally identified priorities. These include use of LB funding, workshops and working groups. For example, in Eden locality-based place action groups are being used for this.

A delivery action for this year is also to *“Work with our councillors on our three Locality Boards to support them to implement their Locality Plans, bringing together the public, private and voluntary sectors to work in partnership, maximise their potential to make a difference locally and contribute to our community power agenda.”*

As part of the Council’s approach to ensuring that this is in place, through the governance structure agreed during Local Government Reorganisation, an area working model was introduced with three Locality Boards established supported by Community Development Teams. The aim of this approach was to support Members in their roles as community champions and to provide a greater opportunity for people to influence and shape the things that matter to them in their communities. This also aimed to bring together communities, town and parish councils and wider partners in a locality and help ensure that local knowledge and insight informs the Council’s development and decision making. This Model has continued to develop and has fed into Place Based Programme discussions with different activities and models being explored and implemented such as the Place Action Groups (PAG) across the Eden Area. These Groups bring together Elected Members, Town and Parish Councils, communities and groups across the PAG area. These hyper local models receive limited funding from Eden Locality Board, and work to agree and deliver local priorities.

The three Community Development Teams are each led by a Senior Manager Communities (Area Manager). This role of the Area Manager is extensive and in its broadest terms is as a convenor of place, working with Locality Boards, supporting Boards and Members to deliver their priorities, contributing to varied local partnerships and having a central role in choreographing Council activity at a local level. Individual Community Development Officers work at a very local level, having detailed knowledge of and connections with community assets such as people, groups, facilities and services within an area, and understand many of the opportunities and issues in the area. They help facilitate partnership working following an Asset Based Community Development model, which is a foundation for Community Power.

Another key element of the community powered Council approach is the Council’s commitment to listening to the voices of people with lived experience and co-production where appropriate. This approach continues to develop and can be seen through work such as shaping and developing the Poverty Programme, work with Team Barrow in relation to co-designing the Social Impact Fund, and work looking at the future of the Coronation Hall in Ulverston and Penrith Town Hall. Alongside this, community officers have continued to support local Members and maintain a constant dialogue with local communities leading to direct interventions and projects targeting real local priorities. Relationships with Town and Parish Councils continued to be developed, with dedicated newsletters being produced, and engagement sessions held over the year with more planned, for example on community transport, assets of community value and nature recovery over the coming months.

Equally, the Council have commissioned a voluntary organisation with specialist knowledge to establish a lived experience network for people experiencing domestic abuse. This informs the commissioning of domestic abuse services. The Lived Experience Network is undertaken by Women's Community Matters sometimes also referred to as the DA Survivors Network.

A variety of opportunities and channels for stakeholders to engage with the Council form part of the Council's Way of Working and operating model. The Council has established a consultation hub online which enables people to find and participate in consultations.

Westmorland and Furness Council has its own housing stock of over 2,500 properties. A quarterly Housing Matters Newsletter is issued to each home to inform tenants of what is happening with Council housing and support available in the local area and annually there is a customer satisfaction survey published. There is also a very active Facebook page for housing news and people regularly engage with this to share their views around improvements for the future. This is in addition to the Tenants Forum which meets regularly to influence and shape Council policy and practice.

The 2024/25 Budget and the 2024-2029 Medium Term Financial Plan was approved by Cabinet and Council following a public consultation exercise with 588 responses received including from key stakeholder groups such as Trade Unions, Parish and Town Councils and Cumbria Association of Local Councils (CALC), third sector organisations and businesses and the LEP. A response was also received from Corporate Overview and Scrutiny Committee.

In December 2025 Cabinet agreed a new Consultation and Engagement Strategy which reflects the Council's direction of travel to increasingly working in community powered ways, the requirements of the Law, and to ensure that the public are informed when we make decisions that affect our communities and future generations.

People who use Adult Social Care Services

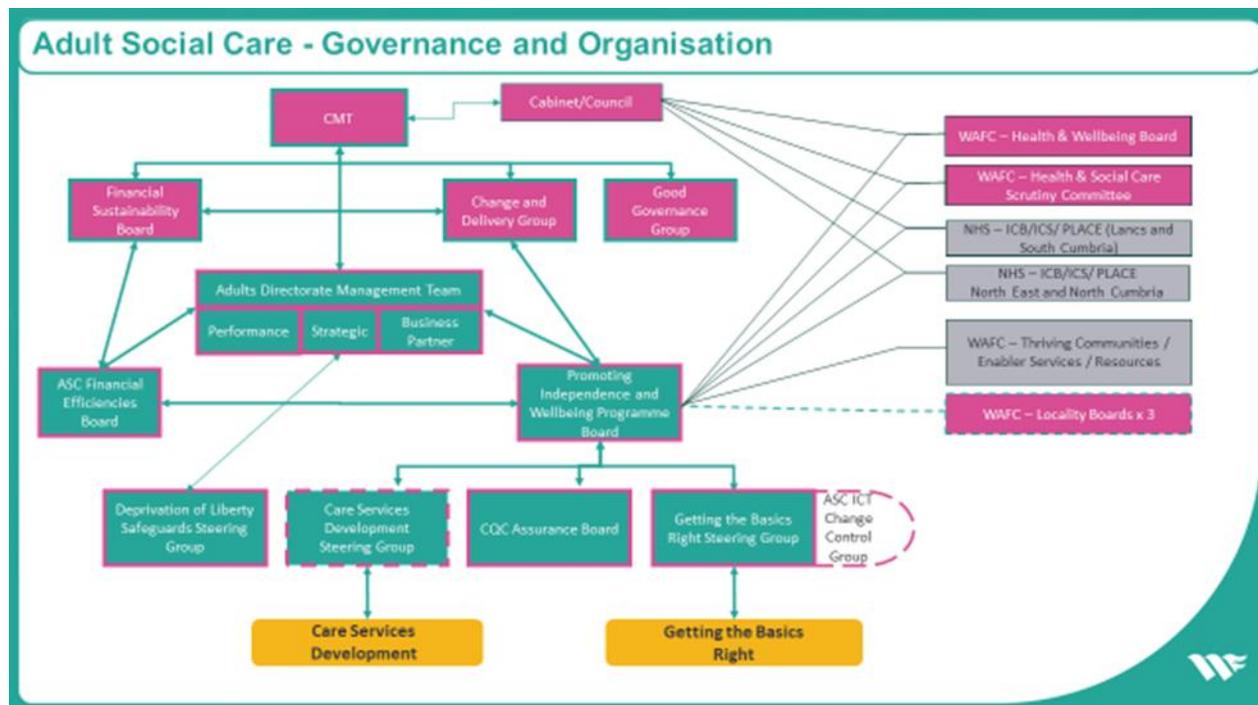
In our pursuit of becoming a community powered organisation, and the importance of effective engagement with our communities, we also recognise that within communities there are people who, because of their needs and circumstances, may require a more person-centred approach to engagement and meeting their needs. The core purpose of Adult Social Care is to provide safe, effective, high quality and value for money services to older, disabled and vulnerable people and carers in need of care and support, and in doing so deliver the Council's statutory duties and responsibilities under relevant legislation including the Care Act 2014, Mental Health Act 1983 and Mental Capacity Act 2005.

The service has more than 6,000 open cases and provides on-going, individualised, care and support services to more than 4,000 people at any given time.

Support provided can range from practitioner support only to very costly and intensive packages of care. For example, ASC currently support an individual who requires the support of 4 carers at all times to meet their needs. This is a jointly funded package of care with the NHS in excess of £700k per annum.

The Council has a duty to meet an individual's assessed eligible care needs, regardless of budget position, with nursing care funded by the NHS.

Adult Social Care Governance



Adult Social Care Assurance

Westmorland and Furness Council underwent a CQC assessment of how the Council meets the needs of adults in terms of its duties under Part 1 of the Care Act, during 2025. The outcome of the assessment is awaited.

Westmorland and Furness Care Services is one of the largest in-house care providers in the country. All these services are currently rated as ‘good’ by CQC.

Safeguarding Children

In line with Working Together 2023 Westmorland and Furness Council has in place its own Children Safeguarding Partnership WFCSP. The Partnership is a statutory requirement and the expectations, roles and responsibilities between the three lead safeguarding partners (LSP), i.e., LA, Police and Health accountable officers are in place. In addition, the WFCSP has included education as part of the LSP arrangements. All associated working groups have terms of reference, meeting schedules, work plans and published governance frameworks on the WFCSP website.

Principle C – Defining outcomes in terms of sustainable, economic, social and environmental benefits

Defining Outcomes

The Council's values are Ambitious, Inclusive, Outcomes focused, Collaborative, Responsible, Needs - led and Ecologically aware. These are captured in our Council Plan and Delivery Framework. Our six strategic priorities set out in the Council Plan are Climate, Communities, Customers, Economy, Culture, People and Workforce.

The Council agreed a Delivery Framework for 24/25 based on 10 mission statements and has Equity, Economy and Environment as three cross-cutting themes. This document defines the outcomes that the Council wishes to achieve and makes the commitment to delivery of social, economic and environmental benefits for our residents. The Delivery Framework builds on the Council Plan that was agreed in 2022 and works within the parameters set out in our Medium-Term Financial Plan. The Delivery Framework for 2024/25 identified 101 specific actions that the Council would carry out to support delivery of the 10 missions. For 2024/25 the Council also introduced a new Performance Management Framework based on the 10 missions. Quarterly performance reports during 2024/25 have therefore been directly linked to the Delivery Framework and have provided an up-date on progress against the 10 missions. This quarterly reporting has included an overall narrative against each mission noting any specific highlights or areas of concern, together with performance against a series of KPIs for each mission and tracker up-dates against the 101 delivery actions. The approach taken during 24/25 has allowed for closer alignment between the outcomes we want to achieve and how we hold ourselves to account on performance in delivering for our communities.

We have agreed our capital strategy, asset management strategy, carbon management strategy and community asset transfer policy and disposal policy all geared to ensuring we maximise value for money across our assets. These documents describe and measure what we are doing. They go hand in hand with our target operating model which explains how we will work – putting communities first, making our services simple to access, quality delivery, efficient back office and supported by the right technology and data and assets. The operating model provides a consistent framework that will help embed new ways of working that encourage efficiency, continuous improvement, and clear focus on meeting the needs our residents, businesses, and communities.

Numerous new policy documents have been developed in 24/25 to replace former legacy council versions and are published on the Council's website. This will help reduce the risk that policies and procedures may be out-of-date, no longer fit for purpose, do not comply with good practice, or do not accord with recent legislation, guidance or financial probity or value.

Having stabilised the organisation in 2023/24, we embarked on a more ambitious Council-wide change agenda in 2024/25 to help improve how services are organised and delivered and move us towards our target operating model. The programme aims to build our critical infrastructure, improve key services and unlock the benefits of becoming a unitary council. Our intention is to make our services more efficient, more effective, and simpler for residents, businesses, communities and visitors to access.

The formal change programme for 2024/25 included six organisational wide programmes covering resource optimisation, culture, community power, customer and digital, technology, and data. Getting these things right has impact across all our services. They are critical for

improving our productivity. Alongside these we are focusing on four priority services - planning, waste, adult social care and children's services. These have been chosen because of the benefits to be realised through integration of services from the four legacy councils (planning and waste) or because of the financial significance and need to focus on improvement because of splitting what were previously county level services (adult social care and children's services).

New Internal governance arrangements were established in April 2024 to oversee delivery of the Change Programme through the creation of a Change and Delivery Group and Programme Assurance Board. Additionally, a Financial Sustainability Board was established to enable the Council to deliver long term strategic financial planning to support effective decision making, budget development and longer-term financial sustainability and organisational resilience.

Change is a constant in local government. That's a big challenge, but it is also an opportunity. Local Government Reorganisation has been an unsettling experience at times, but it has also given us the chance to think and do things differently. We now want to maximise our potential as a unitary council to improve our efficiency and effectiveness and work with residents in different ways to provide excellent services. We want to do this in a way that is distinctively ours – something we are referring to as 'Doing it the Westmorland and Furness way'. This is about using our Council vision and values to drive what we do in a way that we can afford over the long term. This is the journey that we started on 1 April 2023, and we know it will be a long and difficult one to get to where we want to go with the need to continue to review capacity particularly within Enabling Services to deliver the Council Change Programme alongside business as usual service delivery demands. This is reflected in our Action Plan.

In our first year we focused on stabilisation; bringing together services, teams, systems, and processes – helping us move from four organisations to one, not just legally but operationally and culturally too. Our Change Programme in 2024/25 started to tackle some of the more complex tasks, but these aren't finished yet. A lot has been achieved, but it will take more time to get our foundations fully in place. We have closed the change programme for 2024/25 and a closure report with lessons learned has been produced.

As we move into year three, we have aligned our Annual Plan with the priorities that are to be delivered in 25/26 to support organisational change. Internal Governance arrangements for 25/26 have been refined building on the lessons learned in 24/25. This includes CMT operating as a programme board once a month focusing on the delivery priorities that are in the Annual Plan. A Design Assurance Group has also been introduced with the purpose of supporting the delivery priority programme and to help embed the operating model.

We need to manage that process of change in a way that minimises confusion and maximises improved efficiency and effectiveness. We can't afford to waste time and energy when the task ahead of us is so big. Alongside change we also have a responsibility to be financially sustainable so understanding how we work within our financial envelope as well as maximising productivity and collaboration will help ensure we deliver improvements and demonstrate value for money.

To help guide us, we have our operating model design principles. They provide a simple description of how we want our services to work and the key principles that should underpin the decisions we make about how we do things. Our operating model is there to keep us all on the same track, and when applied with our vision and values, this forms our route map for 'Doing it the Westmorland and Furness way'. As well as creating that route map for all services to guide

their change journey, we have decided that change in some services is a particular priority, or especially complex, and needs additional organisational support through the Programme Management Office.

The services in the 2024/25 'Change Programme' are priorities for different reasons. Some are cross-cutting and will benefit all services, like data and intelligence, resources and customer and digital services, some are about embedding new ways of thinking and doing, like community power and organisational culture, that reflect our Council vision and values. Others are about driving service improvement, like in adult social care and children's services, or using the opportunity of unitary status to provide a better and more efficient service, like in planning and waste services where, in each, four legacy services will become one.

The Council is developing its 'Benefits Realisation' approach which will help to clearly identify savings and benefits (financial and non-financial) to support the Council's overall financial sustainability.

The Council has adopted a People Plan to ensure that priorities continue to be appropriately resourced. The 2024-2029 People Plan was approved by Cabinet on 30th April 2024 and will support the Council Plan priority of having a 'confident, empowered and inclusive workforce'. Our Action plan highlights the need to ensure that the People Plan is fully costed and that the needs are considered as part of the financial planning process.

The Assistant Director of HR and OD has put in place effective regular monitoring of delivery through the People Plan Delivery Plan, monitored through the Culture and Organisational Development Programme. The Culture and Organisation Development Delivery Team meets monthly to report on progress of key priorities, which is then reported, along with risks, issues, and benefits, bi-monthly through to the Culture Steering Group and monthly to the Change and Delivery Group. The Culture and Organisation Development Programme is listening to the voice of the workforce through the staff surveys.

This ensures that the People Plan and Culture and Organisational Development remain linked, and focus is needs-led and appropriate to the organisation, its workforce, and communities at all times. It also ensures that the development of the Westmorland and Furness Council culture is led by the organisation, with support from the HR and OD service.

The Council Capital Strategy and Asset Management Strategy ensure that capital investment supports the delivery of the Council Plan priorities and that services identify and are supported to have available to them fit for purpose assets to deliver their services from. It is recognised as a new Council that understanding our initial asset base has been the first task and then working with services to understand and identify the future needs for their areas is the second task. This forms part of the resource optimisation programme within the change programme.

Sustainable Economic, Social and Environmental Benefits

All Council decisions, including investment decisions, consider a range of factors including economic, social and environmental benefits.

For 1 April 2024, the Council has developed and approved a Social Value in Commissioning & Procurement Statement. The purpose of the statement is to set out the approach the Council is going to take to look beyond the financial cost of contracts, to ensure the goods, services,

utilities and works procured can, so far as possible, improve the economic, social, and environmental wellbeing of Westmorland and Furness. In addition to explaining why, the statement also explains how we will capture and monitor social value in contracts – which has formed the basis for critical work streams in the Commissioning & Procurement Service, and outcomes will be reported in April 2026. The social value principles, as set out in the strategy, are further developed in both the Procurement and Commissioning Strategies, which were agreed by Cabinet in April 2024.

The Procurement Strategy sets out the approach we are going to take working in partnership with internal and external stakeholders to ensure that procurement is carried out in an ethical, social and environmentally responsible way. With an annual spend of over £340 million on the purchase of goods, works, services and utilities, the Procurement Strategy is important in shaping the way we approach procurement activity, whilst maximizing our opportunities to contribute to the economic, environmental, and social gains in the local region. Working with, and through providers is vital to address the challenges associated with sustainability and addressing the three pillars of equity, economy and environment.

The different approaches to procurement from sovereign councils was not uniform and the decentralised model means that there has been varying degrees of oversight. The approval and implementation of the Procurement Strategy started to pull the different practices into one place – allowing a comprehensive framework we can build upon thereby developing a mature and transformative procurement service. It is, has been, and continues to be, a steep learning curve. The Council has a long-term plan, and for 2024/25, the focus was on delivering the implementation plan for the Procurement Strategy and embedding the changes because of the Procurement Act 2023.

The Council's contracts register is a live and evolving document and work is ongoing to ensure completeness, transparency and automation.

Work continues with colleagues across Procurement and Legal services to embed the new legislation, ensuring we have processes and proformas in place to support the new ways of working. The impact of the changes to the legislation is incremental and continues to be monitored. The Contract Procedure Rules in the Constitution have been amended and approved (March 2025) to support the legislative changes.

The Commissioning Strategy, again a first for the Council, supports the vision to be an innovative and effective commissioning organisation, with access to vibrant and sustainable markets whilst maintaining positive relationships with providers. The strategy introduced the purpose of the Commissioning Cycle and how this supports the decision-making process and the importance of planning when making commissioning decisions.

We are working on improvements to contract management and procurement; these were highlighted by External Audit and our Action Plan reflects the work already completed and work underway.

Working in partnership across the Council or with partners, in the planning phase, commissioners can get a sense of what needs to be done and what levers to include to add

value. With scarce resources, it is important when commissioning that we have clearly defined outcomes and take account of our commitment to reverse biodiversity loss, any potential adverse impact on climate change, supporting our vision for achieving carbon net zero, any impact on the equality of opportunity for all to live an active and healthy life and support for a growing economy, providing people and businesses with access to, and developing a good range of diverse work opportunities. Following the approval of the Commissioning Strategy by Cabinet the focus for 2024/25 has been the development of an implementation plan.

The Council took significant steps towards a more sustainable future with the agreement of Parts One and Two of its new Climate Change Action Plans. The plans outline the direction and intention of the Council to address climate change and create a greener, healthier, more resilient Westmorland and Furness. The Climate Action Plan is a five-year plan and includes steps to reduce the Council's carbon footprint, encourage active travel and invest in nature.

Our environment positively impacts on health, wellbeing and economy and together we build our resilience to climate change and take action to reverse biodiversity loss and to achieve carbon net zero.

As a place, Westmorland and Furness will achieve carbon net zero by 2037 and the Council will be an exemplar organisation. We will have a thorough understanding of local habitats and biodiversity in our area and the proportion of biodiverse land increases over time, underpinning nature recovery.

We recognise that we have limited direct control over the majority of carbon emissions in our area. Where we do have control, we are committed to reducing emissions to zero as soon as possible. A key value of the Council is collaboration, and when it comes to climate change and nature recovery, it is essential that the Council works in collaboration with key partnerships and communities. For those areas outside of our direct control, we will work proactively with partners to support Westmorland and Furness to become net zero by 2037. Key partners that we are working with include Cumberland Council, Lake District National Park Authority, Yorkshire Dales National Park Authority, Borderlands Partnership and Cumbria Wildlife Trust.

Effective Engagement with Individuals and Services Users

The Council has recently approved a Consultation and Engagement Strategy at Cabinet in December 2025

Report templates and delegated decision making include consultation and engagement feedback.

Community engagement is imperative in all departments to maintain quality services that meet the needs of local people and adapt for the future. Westmorland and Furness Council is the Responsible Authority for the Cumbria Local Nature Recovery Strategy and is leading on the coordination of community engagement to support biodiversity in the Council area according to the locally led identification of needs and priorities, including a series of facilitated meetings and webinars, before, during and on completion of the Strategy, targeting certain communities and demographics in our area.

Regular communication and engagement takes place with our workforce on varying and appropriate initiatives and topics, including Trade Unions, Staff Network Groups and the Change Champion network. Views and constructive feedback are sought from these groups and taken into consideration ensuring an inclusive approach across all groups and services in the organisation. This ensures we are working collaboratively with our workforce and that they have a voice in achieving our vision.

The June 2024 staff survey results have shown continued improvement in a number of areas compared with the June 2023 baseline results. Successes are celebrated and challenges identified with openness and transparency to aim for further improvement or sustainment when the next staff audit is completed in 2025.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

Planning and Determining Interventions

Full Council adopted the Council Plan and Delivery Framework in April 2024 setting out our priorities and how these will be delivered in 2024/25 and included 101 specific delivery actions under the 10 missions. The Council has made a clear statement of the Council's aims and will use this as a basis for service planning. Service plans of varying levels have been created across the Council, some much more detailed than others. The Strategy, Data and Insight team support and help embed the annual service planning cycle across the Council.

In April 2024 the Change Programme governance was put in place. A Change and Delivery Group (Officers) and Programme Assurance Board (Lead Members and Statutory Officers) has been established to drive delivery of change and provide strategic oversight of the Change Programme. Business cases and benefits realisation plans will be developed for the Change Programme to ensure the programme's strategic objectives are met and agreed benefits are delivered. A closure report has been produced for the 2024/25 Change Programme and a number of changes introduced for 2025/26 as a result of lessons learned. A key change for 2025/26 is the introduction of the Design Assurance Group.

Additionally, the Financial Sustainability Board was used to enable the Council to undertake long term strategic financial planning, support effective decision making, budget development and longer-term financial sustainability and organisational resilience. During 2024/25, this group helped support the development of the MTFP for 2025/26 to 2029/30.

Where it is required (legally or otherwise), consultation will be undertaken with the public and service users to obtain their views on specific issues. This will be considered as part of the decision-making process.

There are a variety of arrangements and meetings in place for members, officers or both, to monitor ongoing and emerging issues, consider strategic risks and agree actions required. The CMT meets weekly, the Senior Leadership Team (SLT) meets monthly, supplemented by regular individual meetings of the Chief Executive, Directors and Statutory Officers. Golden Triangle meetings are in place for key statutory officers of the Chief Executive, Director of Resources (Section 151 Officer) and the Chief Legal and Monitoring Officer. Regular meetings, outside of

formal committee meetings include monthly Cabinet briefings, Informal Cabinet, Director and Portfolio meetings, Shadow Portfolio meetings and Group Leader meetings in place.

Completing the Voreda House project was a key priority for the Council and has delivered modern energy efficient office accommodation in the Eden area. An independent 'Lessons Learned' review was undertaken by the Council's Internal Audit team, with the findings and lessons learned reported to CMT in May 2024. Whilst the review identified some positive aspects and arrangements in place it also identified a significant number of lessons learned. A management response was produced which recognised that arrangements should be monitored to ensure they were being complied with and remained fit for purpose. The report and management response were considered by the Council's Good Governance Group and were made publicly available at the end of August 2024.

The legacy councils, and now the new Unitary Council, have received various large amounts of grant funding to deliver a variety of projects and activities across the Council's area. Some of these will span several years and will involve various directorates. The Council has established an Internal Funding Delivery and Assurance Group, attended by key officers, to support the Director of Resources in their Section 151 role in relation to assurance on externally funded activity.

During 2023/24 Corporate Performance Reporting focused on a set of indicators inherited from the four legacy councils, grouped broadly under the priorities identified in the Council Plan. This allowed continuity of oversight of key metrics in the Council's first year of operation. Cabinet considered a report quarterly, with oversight provided by the Corporate Overview and Scrutiny Committee. A revised approach to performance reporting was developed for 2024/25. A new Performance Management Framework was agreed at the same time as the Council Plan Delivery Framework for 2024/25. This introduced a new approach to performance management with a revised set of metrics and direct alignment with the missions and actions in the Council Plan Delivery Framework. Our Action Plan reflects further actions regarding performance management.

Delivering best value and value for money, is a legal requirement and is key to the new Council and as part of this the Council has produced a Productivity Plan. We are clear about who we are, where we are going, with productivity at the heart of our approach and critical to us achieving our goals. Like most councils we are walking a fine line to ensure the continuation of essential services and achievement of a balanced budget. In this scenario, efficiency and productivity gains are not just desirable but essential. There is a need to understand what benchmarking the Council currently uses, what regional, national and statistical neighbours comparators are used and what needs to be developed to support our approach to demonstrating value for money.

Budgets and risks are regularly reviewed in line with our corporate framework and are monitored and regularly reported on, with clarity of leadership and accountability in place.

Optimising achievement of Intended Outcomes

The 2025/2030 Medium Term Financial Plan (MTFP), Capital Programme and 2025/26 Revenue Budget was approved by Full Council on the 27 February 2025. The Director of Resources (Section 151 Officer) has put in place effective monitoring and internal controls to ensure spend is aligned to Corporate Priorities and the Delivery Framework, together with the Change programme priorities of Waste, Promoting Independence, Wellbeing, Planning and Children's

Services. This to ensure that a balanced budget was delivered. The budget is monitored on a quarterly basis and reported to Cabinet.

The Financial Sustainability Board has representation from each directorate with a remit of supporting the organisation to deliver longer term financial sustainability and organisational resilience. Chaired by the Director of Resources (Section 151 Officer), the board enables a wider understanding of the Council's resources, Value for Money judgements and wider eco system of resources and opportunities available to the Council.

Once the annual budget and MTFP is approved directorates are responsible for managing service delivery within the budgets agreed whilst also having an ongoing responsibility to identify potential savings and identifying known pressures, growth areas and/or capacity growth requests. These are reviewed by the finance team for accuracy and deliverability and discussed at CMT before the proposals are discussed informally with Cabinet and through discussion and debate a proposed balanced budget is proposed by Cabinet to Council. As part of the overall process the principles of the budget proposals are consulted on.

The Council has adopted a People Plan to ensure that priorities continue to be appropriately resourced. The implementation plan for the People Plan is being further developed and costed, and where required additional investment will be highlighted as part of the budget setting process and where financially sustainable further investment may be supported.

Through the delivery of the Social Value Statement for commissioning and procurement the Council is looking to capture and manage added value in contracts. This could include those providers and services that are supporting our ambition to be carbon net zero by 2037, or those that are supporting new business creation or actively supporting the economy to thrive through increasing the number of apprenticeships.

We are focused on improving how we are measuring social value in contracts to hold us accountable and improve our decision making around contracts and commissioning plans. We have set out in the statement how we intended to embed social value in procurement and commissioning and for 2024/25 and 2025/26, this continues to be an area we are prioritising as we mature as a Council. During 2025, we will be reporting on the impact we have had in delivering social value in contracts for 2024/25 and setting targets for 2025/26.

Our Action Plan recognises that we have areas to focus on regarding financial sustainability.

Principle E – Developing the Council's capacity including the capability of its leadership and the individuals within it

Developing the Council's Capacity

The Council is responsible for approximately 1,200 land and building assets (excluding social housing and highways). Many of these assets are needed to deliver services in the future, but some are no longer fit for purpose, not suitable for future service delivery or are duplicates resulting from the merging of previous councils under LGR.

For the financial year 2024/25 the focus of the Capital Strategy was to continue to deliver against the respective Capital Programmes of the legacy councils and embed the project

management and methodology agreed at the Council's inception. A new Capital Strategy was adopted in F/Y 2024/25 presenting the approach to developing and delivering a 5 year fully funded Capital Programme 2024-29.

The Capital Strategy sets out how the Council proposes to deploy its capital resources effectively to achieve its corporate and service objectives. It determines the process for retaining and maintaining properties in the asset base and how capital projects are included in the Capital Programme in a rational and objective manner to support delivery of the Council Plan vision. The Capital Strategy is key to supporting the long-term investment decisions made by the Council and enabling the delivery of the Council's ambitions. It is a key strategy document and forms part of the Council's revenue, capital, balance sheet and reserves planning.

In a challenging financial environment, the Council must use all its resources efficiently and effectively. In June 2024 Cabinet approved a Strategic Asset Management Strategy (SAMS) which sets out how the Council will manage its assets over the next five years. The SAMS consists of three elements: an overarching Policy, a working Strategy, and a working Action Plan, which is split into 3 separate parts – Strategic, Operational and Service Improvement Plans.

The Council uses a Computer Aided Facilities Management (CAFM) database, "Concerto", to record details of all building assets (other than housing stock). Good progress is being made on populating the Concerto database, but it is recognised that this needs to be fully populated as soon as possible to ensure all data is available to support future assessments of the suitability of the Council's estate.

The Council has adopted a Corporate Landlord Model in the main where responsibility for the management and maintenance of an asset is transferred from the service area to the corporate property team. This model is seen as best practice across local authorities and was used by the legacy county council and is now being rolled out to legacy district buildings to cover the whole estate in 24/25 – 25/26.

Despite resourcing challenges in the capital programme team, deliverability of the revised capital programme in 2024/25 was good with a forecast £89 million and there is a regular review of the profiling of the capital programme each quarter to manage expectations and ensure the delivery of the schemes is realistic. Capacity within the capital programme team has increased during 2024/25 but there is still a pressure between delivering existing schemes and developing new schemes.

The Council has a good understanding of the need to maximise the use of its limited resources for the benefit of its residents and the area it serves. This is sometimes best achieved through working in partnership with other councils or other bodies where services are most efficient and effective where organisations work together. The short timeline for local government reorganisation led to the need for some services to be 'Hosted' by either Westmorland and Furness Council or Cumberland Council so that delivery was not impacted while capacity was built up to allow the individual services to be disaggregated. It is known that additional resources will be required to deliver the full disaggregation of the legacy county council ICT estate to each of the two new unitary councils and the Cumbria Fire & Rescue Service. It is accepted that some services that need to be operated between the Council and Cumberland Council are better delivered on a Cumbria wide footprint. The Council recognises the benefits

that partnership working can deliver but also understands that partnership risks need to be managed appropriately.

Employees are one of the Council's key resources in delivering services. As outlined earlier, the Council understands the need for a 'confident, empowered and inclusive workforce'. During April 2024 the 2024-2029 People Plan was approved by Cabinet. Arrangements are in place for regular monitoring of delivery through the People Plan Delivery Plan (Year 1), as part of the Culture and Organisational Development Programme. A Year 2 People Plan Delivery Plan will be developed for 2025-2026.

Developing the Capability of the Council's Leadership and Other Individuals

The Council has set out a clear statement of the respective roles and responsibilities of Council, Cabinet, Committees and individual Members through the Constitution. The Statutory Officers required by legislation are correctly reflected in the Constitution and appointments have been made to these posts including the Chief Executive (Head of Paid Services), Chief Legal & Monitoring Officer, Director of Resources (Section 151 Officer), Director of Public Health, Director of Children's Services and Director of Adults Services.

On the 14 March 2025 the previous Director of Resources (Section 151 Officer) left the Council, and the Assistant Director of Finance (Deputy Section 151 Officer) acted as interim Section 151 Officer until the 31 May 2025, reporting to the Chief Executive. The other elements of the Director of Resources role were assigned to other Directors on a caretaking basis. The new Director of Resources (Section 151 Officer) started with the Council on the 1 June 2025.

On the 31 December 2025 the previous Chief Executive retired from the Council, and the Director of Resources (Section 151 Officer) acted as interim Chief Executive until the 11 January 2026. The new Chief Executive started with the Council on the 12 January 2026.

A Councillor / Officer Protocol is in place which governs the relationship between officers and Members and is considered good practice and training has been provided on this so that it is understood.

Officer and Leader's Schemes of Delegation are in place and regularly reviewed. The Constitution provides clarity around responsibility for decision making across the various functions and includes a requirement for decisions to comply with the relevant procedure rules. Efforts are made to ensure decision making is approached in an open and transparent way. The Chief Legal and Monitoring Officer has delivered Decision Making training to approximately 300 officers and attendance included Assistant Directors. For 2025/26, there is a plan to ensure this training becomes mandatory in the same way as health and safety and information governance training.

A successful member survey was carried out in November 2023, and an approach of "You said we did" has been adopted with the survey results being used for example to hold a very successful Member Day in November 2024. This was for all elected Members. Officer representatives from all services areas were available to offer support and guidance to Members. Members were provided with key information.

In its first year the Council agreed a Member Development Strategy to equip Members with the skills required to be effective community leaders. The Strategy set out the Council's commitment to supporting its Members to deliver flexible, responsive, and quality services for its residents and recognised that ongoing success relies on elected Members having the confidence and skills to be effective in their roles.

Between April 2024 and March 2025, we delivered a successful Member Development programme, providing mandatory and non-mandatory training and briefings to all Members. Training and development opportunities offered by the Local Government Association and North-West Employers were also promoted to Members. The Council carried out its first Members survey in December 2023. Feedback on the training and development was positive with 86.2% of respondents saying that it had met its objectives and was well delivered.

A cross-party Member Development Steering Group is in place and is very effective. It monitors and reviews the Member Development Strategy to ensure that development is Member led and is accountable to the Council. Councillors' personal development plans have been undertaken, the feedback from which has been used to inform the Member Development Programme for 2025/26 and has informed the new member development strategy. The Council has agreed to apply for the Member Development Charter in 2025/26.

The Staff Induction process comprises a suite of seven core essential learning modules that all staff must complete; Information Security and Data Protection, Health, Safety and Employee Wellbeing, Equality, Diversity, Inclusion and Belonging, Climate Change / Carbon Literacy, Customer Service, Prevent, and Basic Safeguarding. New members of staff are all invited to attend the Your Welcome induction event, which was launched in September 2023 and continues to provide an important consistent base learning and overview of the Council, its vision, values, services, place and benefits to staff from the outset of their employment with us. Not only is this information useful for their role, the induction acts as a welcome event to set the team spirit for Westmorland and Furness Council and the '*Together we Will...*' Brand for our one team approach.

Let's Talk was introduced in November 2023 for all staff as an ongoing employee to manager conversational tool with formally documented annual review and this continues to be reviewed and embedded within the organisation.

A 360-degree feedback programme for CMT and SLT senior officers has been introduced, as a learning organisation officers have welcomed constructive feedback. A comprehensive programme of Employee Engagement is also progressing well, which since April 2023 has included 3 staff surveys, regular Q&A sessions with the Chief Executive and other Directors, a whole staff 'Expo' and most recently a number of in person Leadership Events to help embed our organisational vision and values and promote effective two way communication.

In April 2024, the People Plan was launched to support the Council Plan's vision of a 'Confident, empowered and inclusive workforce'. The People Plan describes how the workforce will achieve the vision and priorities for Westmorland and Furness Council and will be reviewed annually to ensure it reflects our priorities, values and the ever-changing world of work. Within the People Plan, there are three themes; 'Attract and retain a talented workforce', 'Create a culture of engagement and wellbeing' and 'Developing our people and achieving great outcomes'. The People Plan Delivery Plan sets out our priority actions for the year with key measures and impacts which include focusing on ensuring health, safety and wellbeing as a top priority.

Our Ways of Working was launched in April 2024, providing guiding principles on how we will work to achieve our priorities, aims and objectives. Based on a 'needs-led' approach with principles that underpin a modern, agile work style for staff, putting the customer and our communities at the heart of everything we do.

In July 2024, our Culture and Organisational Development Programme was launched, which will see the embedding of our values through a variety of ways including Values-Based Recruitment, and the desired culture we wish to achieve, utilising our Change Champion Network as a voice of the workforce to help us achieve change required.

Recruiting staff with the key skills needed to deliver our services and support transformation is a key part of delivering success. During 2024/25 the volume of recruitment continued to be significantly higher than an established council and this, and resource challenges in the HR team, following disaggregation of the hosted service, meant that recruitment was taking longer than normal. Action has been taken to improve this including the development of a Westmorland and Furness dedicated Careers website, further investment in the HR Resourcing Team, simplifying and streamlining the recruitment process, ensuring compliance with DBS regulations and attracting candidates utilising digital platforms and market supplements. Between April 2024 and March 2025, we have had 769 new starters, some of whom are brand new employees to the Council, some TUPE transferred into the council, and some secured a new or different internal role, but this demonstrates the scale of progress to maximize capacity as a new council. At end April 2025 we have a workforce (excluding schools) of 3,690 headcount and 3,044 full time equivalents.

Principle F – Managing risks and performance through robust internal control and strong public financial management

Managing Risk

The Westmorland and Furness Council's 'Risk Management Framework' 2023-26 remained valid during 2024/25 and is currently in the process of being reviewed.

The Framework document provides an overview of the operating Risk Management arrangements and responsibilities for risk across the Council. It is intended to raise awareness of the overarching principles of risk management and to assist officers, at all levels, in applying sound risk management principles and practices across their areas of responsibility. It is also relevant to Members in their capacity as 'decision makers' and to Cabinet and the Audit Committee in respect of their responsibilities for overseeing the Council's register of strategic risks as well to provide assurance of the effectiveness of the risk management arrangements.

Grant Thornton's Annual Audit & VFM Report for 2023/24 outlined the Council's compliance with good governance and the effectiveness of risk management arrangements and concluded the Council had demonstrated some good practise relating to risk management in its first year of operation. Improvement areas were identified to help embed the risk approach further and these were included within the Risk Management Improvement Plan for 2024/25.

One of the VFM audit recommendations was to shift oversight and ownership of the management of strategic risks and the quarterly risk report from the Audit Committee to Cabinet. From Q2 2024/25, Cabinet members have taken a great interest and have challenged some of the detail around the risk management process contained within the Risk Management Framework document. We are currently working through these changes with the Finance portfolio holder and wider Cabinet members, with a view to issuing a new Risk Management Framework document in 2025/26.

The Risk Management Improvement Plan 2024/25 included reporting the Quarterly Risk Reports to Cabinet from Q2 2024/25. From Q2, the quarterly Finance, Performance and Risk Management reports are now written in a more integrated way to ensure Cabinet have a full picture of the overall financial status and corporate performance against the Council plan priorities defined in the Council Plan Delivery Framework 2024/25.

Within the Strategic Risk Reports we now make links between the Strategic Risk and the key Council Plan Delivery Framework theme; a new section was added to the Risk Register Template to allow this to be documented against each risk.

It was also agreed that a risk assurance report would be provided twice a year to the Audit Committee providing assurance around the effectiveness of the risk management arrangements. The first Risk Assurance Report was issued to the 11 March 2025 Audit Committee.

We also committed to deliver Risk Management Training for Cabinet and Audit Committee members as well as all members and Zurich delivered this session in October 2024. Once the Risk Management Framework has been finalised for 2025/26 and made accessible online, further training will be provided to officers, Directorate Support Managers and an e-learning package developed for use by all Council staff.

The Risk Owners Group (ROG) continued to operate throughout 2024/25, with quarterly virtual meetings being held. The aim of ROG is to provide challenge on each strategic risk, prior to the quarterly strategic risk register being presented to CMT and Cabinet.

Annually, the Group oversees the refresh of the strategic risk register by evaluating the ongoing relevance of the risks to the delivery of business as usual as well as the corporate priorities and the changing needs of the Council. All new or emerging strategic risks are identified during this review and as they arise during the year.

On 4 April 2025, a Risk Workshop took place with the Risk Owners Group members as well as the Directorate Support Managers to initially identify those strategic risks still relevant to BAU & the Annual Plan delivery priorities for 2025/26 and to identify any new risks relevant to the year ahead or beyond. The output of this workshop will provide the basis for further discussion with CMT and Cabinet to clarify all the relevant strategic risks in time for reporting the Q1 Strategic Risk Register at the Cabinet meeting on 9 September 2025.

From Q1 onwards, strategic risks will continue to be reviewed on a quarterly basis by the Risk Owners themselves, the Risk Owners Group, DMTs, CMT and Cabinet. The strategic risk profile and quarterly performance will also be shared bi-annually as part of a Risk Assurance Report to the Audit Committee.

During 2024/25 risk management training was delivered to members, managers and partner agencies.

In April 2024, Zurich Resilience solutions supported the delivery of a Risk Management workshop with the Council and NHS partners in relation to a shared *Whole System Flow Programme*, specifically addressing urgent and emergency healthcare. In October 2024, Zurich provided risk management awareness training to Cabinet and Audit Committee Members. In February 2025, Zurich supported the delivery of a 2-day foundation training course in Business Continuity Management for Board members and lead officers including the Directorate Support Managers.

The Senior Risk Officer has also provided risk management training and support to Cabinet members in November 2024, DMT's throughout the year and more recently has provided support to the Delivery Programme in April 2025.

Once the Risk Management Framework has been revised for 2025/26, the Senior Risk Officer will develop an e-learning package for all staff that reflects the refreshed content of the Risk Management Framework and guidance documents.

A Risk Appetite workshop was delivered by Zurich Resilience Solutions with Corporate Management Team on 4th February 2026. A Risk Appetite Statement will be developed and will inform the agreed levels of tolerance and the risk assessment criteria for 2026/27. This will ensure the Council develops appropriate risk mitigation strategies and systems of control. Our Action Plan captures further work being carried out on risk.

Managing Performance

During 2024/25 Corporate Performance Reporting focused on a set of indicators aligned to the 10 missions in the Delivery Framework. This included a series of KPIs for each mission as well as specific delivery actions for the Council to help achieve the outcome for each mission.

Council decisions are based on relevant, clear objective analysis and advice, highlighting the implications and risks inherent in the Council's financial, social and environmental position. The standard committee report format includes the need for commentary on the link to Council Plan Priorities, the outcome of any consultation, consideration of alternative options, financial, legal, governance, human resource, wellbeing and health and safety implications and risks. Commentary is also required on any, equality, diversity, climate and biodiversity Implications.

The Scrutiny function is in place and roles and responsibilities clarified for an effective scrutiny function, for Members and officers. There are also 4 scrutiny committees in addition to a joint overview and scrutiny committee with Cumberland Council, all of which have agreed programmes of work. Adoption of the Scrutiny protocol and scrutiny delivery plan. A review of the scrutiny function in 2024/25 identified a resource deficiency that was constraining the effectiveness of scrutiny. As a result of the review, two additional policy and scrutiny officers were appointed.

Robust Internal Controls

The 2024/25 Strategic Risk Register for Westmorland and Furness Council included 18 strategic risks relevant to the operation of the Council. Strategic risks continue to be reviewed on a quarterly basis by the Risk Owners themselves, the Risk Owners Group, DMTs, CMT, and Cabinet (and Audit Committee on a bi-annual basis).

All Directorate Risk Registers were in place during 2024/25. Additionally, risks relevant to the delivery of Services or the delivery of specific programmes of work are logged in the relevant service plan, programme, project, contract, or commissioned service risk registers and managed locally within the relevant Service area or function.

In response to a VFM audit recommendation, the quarterly risk register report was formally reported to Cabinet from Q2 2024/25 alongside the Finance and Performance Management reports. From Q2 onwards, finance, performance and risk leads have been reviewing and reporting improved integration of these three areas of organisational performance, and we will continue to improve on this during 2025/26.

In addition, the first bi-annual risk assurance report was presented to the 11 March 2025 Audit Committee to consider the status of the current risk management arrangements and to provide assurance of the ongoing management of the most significant strategic risks.

Also, specific Strategic Risk deep dive presentations are provided to Audit Committee where a deeper understanding of the risk, risk controls and their effectiveness is required. During 2024/25, a deep dive was requested around the area of workforce recruitment and retention and a follow up session held at the 9 June 2025 Audit Committee.

A policy framework has been adopted to address the risks of fraud and corruption including a Counter-Fraud, Bribery & Corruption Policy / Strategy and a Confidential Reporting (Whistleblowing) Policy. As part of the Council's counter fraud strategy Internal Audit undertook a fraud risk assessment during 2024/25. This was reported to the Audit Committee in February 2025 and highlighted that the key fraud risks for the Council, even after mitigating controls were considered, were cyber fraud and social care direct payments. Internal Audit's 2025/26 audit plan includes work on cyber security and social care direct payments. To mitigate the cyber security risks with appropriate controls, the AD ICT and Director Enabler Services (SIRO) commissioned a 100% independent IT Health Check of all 4 of the legacy Council ICT estates rather than the usual smaller % sample check. This 100% check was deliberate to fully understand the ICT estate at a time of major change. The checks resulted in a comprehensive action plan that was completed in Q3 2024/25 and on 21 February 2025, the Council achieved Cabinet Office Public Service Network (PSN) annual compliance for the whole council as a compliant single ICT estate. The fraud risk assessment is being updated for 2025/26. The Council has been involved in the National Fraud Initiative (NFI) with matches currently being followed up. Although, the Council does not have a dedicated counter fraud officer there are sufficient resources in place to respond to any areas of concern raised with the Council. An annual fraud report for 2023/24 was presented to the Audit Committee in March 2025 and the 2024/25 report was presented to the Audit Committee on 14 September 2025. A fraud audit plan is in place for 2025/26.

Our Action Plan captures the work taking place relating to internal control.

The Council has an in-house internal audit team headed up by the Group Audit Manager (Head of Internal Audit). The Council reviewed its Internal Audit arrangements against the CIPFA Statement on the Role of the Head of Internal Audit and has confirmed continued compliance with the requirements.

The Internal Audit Annual Report and Opinion of the Head of Internal Audit for 2024/25 was considered by the Audit Committee on 9 June 2025. The Head of Internal Audit's Annual Opinion is a key contributor to the Annual Governance Statement and has been considered when preparing the Annual Governance Statement. The Group Audit Manager (Head of Internal Audit) was able to provide the second highest 'Reasonable' assurance over the effectiveness of the Council's arrangements for governance, risk management and internal control for 2024/25. The Group Audit Manager (Head of Internal Audit) was also able to provide a declaration of conformance with the mandatory Public Sector Internal Audit Standards (PSIAS).

The Group Audit Manager (Head of Internal Audit) highlighted in the Annual Report that significant improvements had been seen in the timeliness of income postings in 2024/25.

Improvements had been seen in 2024/25 with bank reconciliations for e5 being readily available and evidence reconciliations had been done each month for Barrow. However, there was still a need to ensure that reconciliations are done on a timely basis and are signed and dated by the preparer and reviewer. The one that hadn't improved related to the Eden locality, where no bank reconciliations were produced in 2024/25 although this has now been addressed.

It was recognised by the Group Audit Manager (Head of Internal Audit) that a new Internal Audit Manual was required. Work on this progressed in 2024/25 and will be completed in February 2026.

An Audit Committee with an independent Chair is in place, and it is responsible for providing the Council with its findings, conclusions and recommendations concerning the adequacy and effectiveness of the governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions. The Audit Committee produced an annual report and a review of its effectiveness for 2024/25. This confirmed that progress has been made against the improvement areas identified in 2023/24 with some still to be addressed in 2025/26.

Managing Data

As a newly formed Unitary Council, Westmorland and Furness Council committed to building a clear strategy and sustainable framework for information governance across the organisation as a key corporate priority. Information security arrangements were in place as a day 1 requirement when the new Council was established on 1 April 2023 and these arrangements continued or were further embedded during 2024/25. Continuous review, and improvement to the information governance internal controls, supports the management of strategic risk and is demonstrated in the quarterly risk reports with regular reviews to take account of constantly changing threats and risks. The Data Strategy was considered by Cabinet on 16 July 2025.

Ahead of the vesting day transition, the Director Enabler Services formed a Senior Information Risk Owners (SIRO) Group of key officers including Caldicott Guardians for Children's and Adult's Services to ensure strategic level leadership with regular reporting to the Corporate Management Team and Cabinet portfolio holders on progress.

During 2024/25 strong progress has continued to be made across several areas, including further embedding governance and monitoring arrangements to support the SIRO group, training, scheduled meetings, incident response, co-ordination of Information Commissioners Office concerns and complaints. Examples include:

- promotion of the Council's Data Breach Reporting Procedure, including internal and external Online Reporting Forms
- refreshing the Information Security & Data Protection eLearning course as part of the Council's Core Essential Learning Programme, the course includes Data Protection, Information Security, Records Management and Freedom of Information
- full compliance with Public Service Network (PSN) requirements
- completion of the NHS Data Security and Protection Toolkit (dsptoolkit.nhs.uk)

- harmonisation of the Council's Information Governance Team including Freedom of Information, Environmental Information Regulations and the UK General Data Protection Regulation / Data Protection Act (UKGDPR) 2018
- completion of the ICO UKGDPR Accountability Assessment
- creation / development of tools to manage Data Protection Impact Assessments, Data Sharing Agreement and Privacy Notices the Council Intranet
- recruitment to a key post to assist with the Council's approach to Records Management is at an advanced stage

Given the importance of effective information governance, and the scale of change being managed for the newly formed Council, the Director Enabler Services proactively requested that the Council's Internal Audit service undertake an independent audit of Information Governance within the first year of the Council. The Internal Audit review reported in April 2024 that, based on the areas examined and tested as part of the audit review, the controls within arrangements for information governance provided 'Reasonable' assurance. This is overall a positive result for the Council.

Westmorland and Furness Council is the administering authority for the Cumbria Local Government Pension Fund (LGPS). The Pension Fund commissioned Aon Ltd to undertake a high-level assessment of the actions being taken by a LGPS administering authority in relation to The Pension Regulator's cyber guidance issued in 2023, which concluded that the Cumbria Pension Fund cyber maturity score was in the top quartile when compared to other LGPS Pension Funds that had completed the assessment at that time. The implementation of the resulting action plan is being overseen by the Cumbria Local Pension Board.

The Pension Fund working with Aon Plc has undertaken an assessment of how Cumbria Pension Fund complies with the Pension Regulator's new combined General Code of Practice. The Fund is largely compliant and has developed an action plan to address areas of non-compliance.

The Fund is currently a signatory of the Financial Report Council's (FRC) Stewardship Code 2020. Following publication of the 2023/24 report, it has been successful in its application to the FRC for continuation of signatory status.

For public services to be effective, data sharing is an important requirement, however this must be done within the appropriate data protection regulations. The Council conducts Data Protection Impact Assessments and has a statutory Data Protection Officer to ensure appropriate advice guidance and standards for data protection are in place. The Council has data sharing agreements in place with key partners such as the NHS and Department for Work and Pensions as well as neighbouring Councils where appropriate. The programme of systems disaggregation successfully achieved the major separation of key ICT systems such as the Adults and Children's Social Care systems in 2024/25, a complex programme of works that the supplier had never done before, and although the project took longer than envisaged, was important to ensure the accuracy and security of data for key safeguarding systems of the Council. During 2024/25 Internal Audit reviewed the splitting of the Adult Social Care system (IAS) and provided 'Reasonable' assurance. Where ICT systems remain hosted and data is stored for both Westmorland and Furness and Cumberland Councils following LGR, then either same systems are used with separate data protection controls in place, or formal data sharing agreements are

in place between the two Unitary Councils until the time when each unitary council has its own ICT systems and data sharing agreements are no longer required.

The Council has recognised that data quality needs to be constantly improved, and Cabinet agreed a new Data & Intelligence Strategy in July 2024, following development and engagement over the preceding six months. The strategy sets out a roadmap for improving the Council's data management and analysis capabilities with the aim of helping us become a truly data enabled organisation.

The Council has been developing its Information Asset Register. This is work in progress with additional work and capacity being recruited to improve it being led by the Data Protection Officer supported by Senior Leadership Team.

Our Action Plan reflects this work.

Strong Public Financial Management

The Council's financial longer-term position was updated when the 2025/2030 MTFP, Capital Programme and 2025/26 Revenue Budget was approved by Full Council on the 27 February 2025.

The MTFP is kept under review. The monthly revenue budget monitoring cycle begins with the finance business partners review, Budget Manager review and forecast, Assistant Director review and agreement of forecast, and finally a Director review. This cycle ensures there is time for any correction, visibility of the forecasts, opportunity to challenge within directorates, and time for the finance business partners to prepare the directorate budget reports the finance business partners prepare and present a report to the Directorate Management Team meetings, this is usually where Director approval of the forecast is obtained. The directorate reports are all collated into a period-end update for the Corporate Management Team (CMT) – some periods are reported on an exceptions basis due to other pressures on the finance team in respect of year end closedown. On a quarterly basis, the update for the CMT is the formal quarterly monitoring report that is also presented to Cabinet. The quarterly report includes all revenue elements (including DSG and HRA), the Capital Programme, and earmarked reserves. Reporting has been improved through the addition of a separate report appendix to specifically monitor savings delivery.

The budget monitoring framework was established in 2023/24.

The Council operates a business partnering approach to support its financial management, recognising the value of the specialist advice and expertise that the Accountancy Team can best provide to add value to the Council. The role profiles within the business partnering team set out the relative position of accountancy services and how that works with services with staff provided with briefings and training to ensure consistency in the service provision. Business partnering includes advice, support, training, coaching, service specific knowledge such as an understanding of cost triggers and trends or income drivers. Business partners also suggest improvements and best practice / benchmarking for services to continually improve whilst also ensuring compliance with the Finance Procedure Rules and ensuring that decision-making includes value for money.

The Financial Sustainability Board has representation from each directorate with a remit of supporting the Council to deliver longer term financial sustainability and organisational resilience. Chaired by the Director of Resources, the board enables a wider understanding of the Council's resources, Value for Money judgements and wider eco system of resources and opportunities available to the Council. It also acts as a way of ensuring an early warning and consideration of emerging financial issues and pressures.

Finance Procedure Rules (FPRs) are included within the Constitution and are maintained to provide clarity over the Council's rules and arrangements to support compliance with CIPFA's Financial Management Code. The FPRs were reviewed by Internal Audit during 2023/24 and given a 'reasonable' assurance opinion with financial procedural arrangements being generally sound. A small number of recommendations were made to further strengthen the procedures and provide additional clarity.

The Council sees financial management as a key to supporting decision making and transformation of Council services. It is recognised that financial monitoring and reporting is still stabilising and evolving after local government reorganisation with scope to better align financial performance and risk reporting. To support this the Council committed to undertaking a self-assessment against the CIPFA Financial Management Code in 2025/26 and develop an action plan to address and improve areas identified. This self-assessment was presented to the Audit Committee on 3 November 2025. Progress on implementing CIPFA Financial Management Code has been included as a review in the 2025/26 Internal Audit Plan.

Principle G – Implementing good practices in transparency, reporting and audit, to deliver effective accountability

Implementing Good Practice on Transparency

The Council has recognised there is a need to improve its compliance with the Local Government Transparency Code relating to procurement cards, but this is reliant on the shared service, hosted by Cumberland Council, to have sufficient capacity to provide the information in a timely manner.

The Council publishes a Forward Plan giving notice of all upcoming Key Decisions and notice was given in advance of any formal meeting other than meetings called at short notice when notice is given as soon as the meeting is called. Decisions were published alongside supporting information setting out the background and options considered. The Council's website includes details of formal committee meetings with agendas and papers published, and available to the public, in advance of the meeting.

The implementation of the changes in the legislation through the Procurement Act 2023 will ensure that we are more transparent in the decisions around procuring goods, services, works and utilities. This includes the additional publication of notices around contracts and spend.

Implementing Good Practice in Reporting

Local government reorganisation meant the Council was required to produce and finalise any outstanding requirements relating to the 3 legacy district councils, the Statement of Accounts and Annual Governance Statement for 2022/23 for Cumbria County Council, the Statement of

Accounts for the Cumbria Local Government Pension Scheme 2022/23, and the Port of Workington accounts for 2022/23. The completion of legacy audits has been achieved.

The Audit Committee has considered and approved all of the legacy council accounts. The 2023/24 Draft Statement of Accounts for Westmorland and Furness Council were published on the 16 January 2025 and reported to Audit Committee on the 25 February 2025. The Cumbria Pension Fund accounts were fully audited and presented to Audit Committee with the Audit Findings Report. The Council's statement of accounts were disclaimed as the full audit could not be completed before the statutory backstop date for 2023/24 accounts which was set as the 28 February 2025. The time constraints of the statutory backstops mean that the auditor was unable to obtain sufficient appropriate audit evidence to state, in their opinion, whether the financial statements were a true and fair presentation and free from material error.

The Section 151 Officer signed the statement of responsibilities that in their opinion the accounts do present a true and fair view based on materiality. The Independent Chair of Audit Committee also supported the approval of the accounts.

The 'Narrative Statement' included in the relevant Statement of Accounts provides links to the Council's plans, including the financial aspects of progress made during the year. It provides a review of the Council's financial performance for the year, reference to the Council's key risks and the overall performance of Council in terms of service delivery as well as finance.

As outlined earlier, during 2024/25 the Council developed its arrangements for reporting the achievement of performance and financial targets to senior officers, and to members in meetings that are open to the public.

The Audit Committee is responsible for reviewing and approving the Annual Governance Statement and considering whether it properly reflects the risk environment and supporting assurances.

Assurance and Effective Accountability

The Council has considered the outcome of external reports and / or inspections to inform and improve practice and to learn from past experience. The Council developed plans where necessary; to respond to recommendations and these were monitored in a variety of ways.

During 2023/24, and 2024/25, this has included consideration of:

- Grant Thornton's Annual Report and Value for Money findings for the legacy councils and their potential impact on the Council's governance arrangements
- Grant Thornton's 2023/24 Annual Report and Value for Money findings for the Council
- Ofsted's inspection of Children's Services took place in April / May 2024. The Council had in place activity that focused on ensuring that as a new Council performance was maintained, services were safe and legal and engagement with staff was a key priority. This was the first Ofsted inspection of Westmorland and Furness local authority children's services since LGR, and the Council was judged overall as 'Good'. This shows an improvement on its predecessor, Cumbria County Council, which was judged as requires improvement in November 2022.

- In January 2025, the Care Quality Commission announced its intention to assess the Council's performance in relation to the Assurance Framework, a test of the Council's delivery against Part 1 of the Care Act 2014.

The Council maintained an effective Internal Audit Service which complies with the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Statement on the Role of the Head of Internal Audit 2019.

5.0 Ongoing Impact of Local Government Reorganisation (LGR)

In September 2024 external auditors Grant Thornton did a follow up of its February 2023 report on local government reorganisation (LGR) in Cumbria. It concluded that the Council had established some good practices and the foundations of good governance. It has developed strong financial sustainability arrangement which will be further strengthened by the Financial Sustainability Board. There was recognition of good progress being made on some of the improvement recommendations, but a key action of harmonising financial systems remained.

ICT Service

Local government reorganisation has created significant and wide-ranging ICT challenges but also real opportunities. The Council's ICT Strategy sets out how we are working towards a unified, future-ready Westmorland and Furness ICT service. This requires disaggregation of major county-wide systems such as the adult social care and children's social care case management systems, the finance systems and human resources and payroll system. In addition to disaggregation, bringing together the large number of Council systems and different types of infrastructure will be a key focus and ongoing challenge for a number of years. Alongside facilitating basic operational effectiveness as one organisation, standardising the ICT across the organisation and establishing the right infrastructure will allow us to deliver our digital ambitions, including enhanced self-service, process automation and safe adoption of artificial intelligence tools.

Harmonising the Council's legacy financial systems is an important part of the transition and will be more efficient in helping support monitoring and decision making. This is a complex and significant programme which requires disaggregation of the main ledger and payment financial systems and data from the shared system, hosted by Cumberland Council, and integration or retirement of legacy district financial systems, harmonisation of three different income management systems and commissioning of a single revenues and benefits system. Alongside this there are the associated reporting tools and the connectivity with feeder systems. A timeline for this programme has been developed with a project board and project team in place. By 1 April 2026 it is planned Westmorland and Furness Council will have harmonised finance and income systems in place, and by December 2026 a single revenue and benefits system, although these projects are both dependent and reliant on third party system supplier resources being available to work with the Council project teams that is resourced and in place.

The Council's overall ICT programme for 2024/25 continued as part of the 5 year strategy to implement the foundations of a robust, effective and efficient ICT infrastructure that will support the aggregation of former district ICT and disaggregate former county council ICT networks and

systems to create a single ICT environment for Westmorland and Furness as a single Unitary Council.

It is recognised that during LGR transition formal ICT disaster recovery and service continuity arrangements varied across the four legacy councils and some had expired or not been updated. The former Eden part of the Westmorland and Furness ICT network had a significant data centre technical outage during the year, but systems were fully recovered promptly with no loss of data or cyber security concerns demonstrating that appropriate procedures, skills, capacity and third part support was in place. However, it is recognised that there is a need to finalise a single Corporate ICT Disaster Recovery Plan for the Council which is documented and refreshed regularly. The ICT Disaster Recovery Plan will feature in the 2025/26 ICT Strategy Year 2 Delivery Plan and is on track to be completed by end Q1 2025/26.

At the February 2025 Audit Committee external audit presented a report on IT and this rated several areas as high risk. These are referred to in more detail in the Action Plan.

Resources and Capacity

Cabinet receive quarterly monitoring of the revenue and capital budget, they considered the Council's 2024/25 Revenue and Capital Provisional Outturn on 15 July 2025. The revised net expenditure budget for 2024/25 was £270.276 million, net expenditure was £268.592 million giving an underspend of £1.684m which was transferred to the Financial Volatility Reserve. There were overspends in Adult Services, Children's Services, Thriving Places, Thriving Communities and Corporate Budgets. These were offset by underspends in Enabler, Resources and Treasury Management but overall the Council ended the year with a balanced position. The outturn for each directorate is covered in detail in the Cabinet report.

The 2024/25 budget included a budgeted drawdown from the General Fund balance of £2.500m, reducing it to £19.969m at 31 March 2025. Earmarked Reserves (Excluding DSG reserves) reduced from £62.677m to £53.188m at 31 March 2025.

Devolution

Following election in July 2024, the Government quickly set out its intention to widen devolution across England, giving regions more powers and decision-making over matters such as economic development, transport, employment support, planning, and housing. That summer the Council received a letter from the Deputy Prime Minister asking it to consider submitting an 'Expression of Interest' to work with the Government on a next wave of devolution.

On 30 September 2024, an Expression of Interest document was submitted to the UK Government by the Leader of the Council, jointly with Cumberland Council's Leader confirming interest in exploring devolution for Cumbria. Then subsequently in January 2025 the council applied to join the Government's Devolution Priority Programme and was accepted.

Joining the Devolution Priority Programme was not a binding decision or commitment to devolution by the Council. It kept the Council's options open to understand more about the governance and funding arrangements for the chosen area before making any formal decisions. The decision to have two unitary councils in Cumbria is unaffected by devolution.

A Government run public consultation launched in February 2025 seeking views on the proposals for Cumbria. The consultation closed on 13 April 2025, and the Council submitted a formal response setting out its position.

During the spring and summer of 2025/26, the Council continued to engage with Government on devolution proposals for Cumbria and in October 2025, both Cumberland Council and Westmorland and Furness Council gave their final consent to the Government's devolution proposals.

Subject to approval of the Order creating the Cumbria Combined Authority (CCA), it will be established in early 2026, operating for a year without a Mayor, before Cumbria's first Mayoral election in May 2027. The Mayor-led strategic authority will have a range of powers and funding not available to the two existing councils, including access to a Cumbrian Mayoral Investment Fund of £333 million over the next 30 years.

Westmorland and Furness Council, and Cumberland Council, will continue to deliver the vast majority of local government services in their areas, as they do now.

Matters raised from Grant Thornton which have been included in the Annual Governance Statement

1. Recommendations from the 2023-24 AAR

While there are some broad references to actions, the key recommendations outlined in the 2023-24 AAR are not clearly detailed. It is our view that these recommendations should be explicitly referenced, along with the proposed actions to address them.

2. Changes in Senior Leadership

Aware of significant leadership changes, including the departure of the CEO and the S151 Officer (Director of Resources). However, these changes have not been mentioned in the AGS. We believe this information should be included to ensure full and transparent disclosure.

6.0 Review of Effectiveness

Westmorland and Furness Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by those senior officers with responsibility for the development and maintenance of the governance environment and the following sources:

- External audit outcomes
- Directors Assurance Statements
- Internal audit outcomes and the Head of Internal Audit's annual opinion
- Performance and finance data, including budget monitoring
- Audit Committee
- Standards and Governance Committee reports
- Overview and Scrutiny outcomes
- Information governance performance and data
- Reports and assessments by external inspectorates and other bodies
- Good Governance Group

A governance issue arises when something has gone wrong which will affect the achievement of the Council's objectives. There is a need to respond and often recover from an issue and in financial terms, responding and recovering may add significant cost to the organisation or its processes. An issue may arise unexpectedly or may result from a poorly managed risk.

Whilst determining the significance of an issue will always contain an element of judgement, an issue is likely to be significant if one or more of the following criteria applies:

- It has significantly prejudiced or prevented achievement of a principal objective
- It has resulted in the need to seek additional funding to allow it to be resolved
- It has required a significant diversion of resources
- It has had a material impact on the accounts
- It has been identified by the Audit Committee as significant
- It has resulted in significant public interest or has seriously damaged reputation

- It has resulted in formal actions being taken by the Section 151 Officer or Monitoring Officer
- It has received significant adverse commentary in external or internal inspection reports that has not been able to be addressed in a timely manner.

These criteria have been applied to help the Council assess its governance issues in 2024/25. The Council has made significant and continued progress, however, is still in the transformation stage and, it is not unreasonable that the attached action plan includes a number of areas which will need to be addressed in 2025/26 and over future years.

Annual Audit Reports

The Annual Audit Report for 2023/24 identified three key recommendations that the Council accepted and placed into the Annual Governance Action Plan.

Key Recommendation 1

The Council should prioritise the development of its Corporate IT Disaster Recovery Plan and ensure this is approved by CMT. This should include a single list of critically ranked applications. This will ensure there is a clear plan and prioritisation of systems to restore should the need arise. The Council should test this plan in a practical exercise and refine it if needed

The ICT Disaster Recovery (DR) Plan was prioritised in the 2025/26 ICT Programme of Works and approved for implementation 15 July 2025 by both the Assistant Director – ICT (deputy SIRO – Senior Information Risk Officer) and Director Enabler Services (SIRO) following consultation and feedback from Corporate Management Team.

The ICT DR Plan assessed and identified as a positive improvement in an external ICT Independent Review, November 2025. To ensure thorough testing of the plan, 2 exercises planned in 2025/26 (one live, one desktop):

1. 6/12/2025: DR Plan tested 'live' for the full Barrow element of the Westmorland and Furness ICT estate, where a full ICT closedown and recovery process was planned, successfully completed and DR Plan reviewed. Complete.
2. March 2026: An additional cyber desktop exercise to further test wider elements of the ICT DR Plan is scheduled. Scheduled.

Key Recommendation 2

2023/24 KR2 - The Council should ensure that the finance team has adequate capacity to: prepare draft financial statements with supporting working papers in line with statutory timetables and respond to audit in a timely manner, and operate the internal financial controls and month-end close-down procedures as designed, to prevent, detect and correct misstatements or omissions in financial records Our audit of the legacy authorities that formed Westmorland took a significantly longer than planned (linked to their capacity). The impact of the disclaimer on the 2023-24 accounts means that it will not be possible to fully regain assurance and issue an unqualified ('clean') opinion on the accounts until 2027-28 at the earliest.

The draft Statement of Accounts 2024/25 was published by the statutory deadline, the internal financial controls were in operation and additional resource added (following disaggregation of these processes from Cumberland Council), all legacy audits including the legacy County Council completed with no qualifications. The movement of the 2023/24 backstop date to February 2025 from May 2025 impacted the planned audit. The effectiveness of the internal financial controls, quality of working papers, and audit response will be judged by Grant Thornton through the main accounts audit.

This Key Recommendation has been revised for 2024/25:

The Council must ensure sufficient capacity and effective procedures are in place to respond to external audit on a timely basis, and support the recovery of assurance in 2025-26, including:

- **Taking action to ensure audit evidence, working papers and assurance (on those areas where we have been unable to obtain full assurance in 2024-25) that are within the Council's remit, is quality assured prior to being collated and shared with external audit on a timely basis**
- **Where the Council is reliant on third parties and/or external specialists for evidence relating to the annual accounts, it should ensure robust arrangements are in place to allow for audit evidence to be acquired and obtained by the Council in a timely manner. This evidence should again be subject to quality assurance procedures by the Council prior to sharing with external audit in a timely manner to support concluding the audit in line with national deadlines.**

The Council has immediate plans to increase the capacity of the Technical Team that manage the annual accounts closedown and all associated procedures. The Technical Team have other duties and responsibilities, but having now experienced an audit as a unitary authority, the volume of work required and the timeframe placed upon that, means that capacity must increase. An annual refresher for the wider Finance Team takes place every March as part of our preparations – led by the Technical Team. The lessons learned from this first audit cycle will inform our focus for feedback and improvement. The issues with third parties and external specialists that have been encountered during the 2024/25 audit, and are outstanding, will be resolved ahead of the 2025/26 annual accounts closedown.

Key Recommendation 3

The Council should improve procurement and contract management arrangements by: ensuring the contracts register is updated, monitored, and used by all services; ensuring it fully meets the Local Government (Transparency Requirements) (England) Regulations 2015 legislation, particularly around P card expenditure; having sufficient capacity and capability in its procurement and contract management team to support the Council's priorities; developing a procurement pipeline to improve planning; implementing a system to monitor real-time contract performance of its significant contracts; putting in place a contract with Barrow Forward Ltd, including cost and performance validation in the monitoring of contracts.

A review of the Council's Procurement arrangements is underway. The scope of this review includes the consideration of the structure and the capacity of the Procurement team to determine whether it is sufficient to meet current demand. The final report and

recommendations from the Review are due in Q4 25/26. This review and the mobilisation of a cloud-based procurement solution which is currently being purchased is needed to inform and facilitate the monitoring of contracts including cost and performance validation.

Work is progressing to complete the Service Level Agreement, and the Lease is already in place for the Leisure Centre. A Service Level Agreement was due to be “adopted” at a meeting with Barrow Forward Limited on 2 December 2025.

New Key Recommendation 2024/25

The draft Annual Audit Report for 2024/25 identifies the continuation of the 2023/24 key recommendations around ICT disaster recovery, and procurement and contract management, and it placed a hold on the accounts audit whilst that work is performed. The 2024/25 report added a new key recommendation around the Dedicated Schools Grant (DSG) - this was raised as an improvement recommendation in 2023/24.

The Council should urgently address its increasing DSG deficit and map out a sustainable path to bringing the DSG position back into balance. The Council should update its management plan accordingly.

The final report for Delivering Better Value was submitted to the Department for Education in April 2025. The DSG management plan and mitigations have been revised with updated projections and strengthened mitigations.

£1.9m of savings have been achieved from activity so far. However, demand is still rising.

The Council continues to develop initiatives and maintain the pace of development through our SEND Improvement and better value programme. This continues the work of Delivering Better Value and includes the findings of the Ofsted/CQC SEND Partnership inspection (February 2025).

- **DSG Management plan reworked to focus:**
 - Increase accuracy
 - Monitor in-year budget 2025/26 and beyond
 - Appropriate focus on the High Needs Block with the DSG
- **Service Developments:**
 - Revised EHCP Assessment and Review service and process
 - Identifying and meeting needs earlier through Graduated Approach and SENCo network
 - Improved multi-agency planning
- **Effective Engagement with Partners:**
 - Engagement with Headteachers, established SEN taskforce
 - SEND Improvement Partnership
 - Co-production with parents
- **Increased Provision:**

- 29% increase in Special School / Alternative Provision places - opened Sandgate at The Queen Katherine School; Channelside
- Increased Resource Provision (51 places since September 2025) in place and SEND sufficiency plan in place

AGS Action Plan Progress

In June 2025 we reported to the Audit Committee the progress made during 2024/25 on the areas for improvement in the Annual Governance Statement (AGS) Action Plan 2023/24. This has been included as Appendix 1. Where issues had not been addressed, and were deemed still significant, these were included within the AGS Action Plan for 2024/25 and progress against them has been reported to the Audit Committee during 2025/26.

7.0 Conclusion

We are satisfied that the Council's corporate governance arrangements in place during 2024/25 were generally fit for purpose in accordance with the CIPFA / SOLACE Delivering Good Governance Framework 2016.

As senior leaders we recognise how critical an effective and robust governance framework is in ensuring the Council can continue to achieve its strategically agreed objectives and remain financially sustainable. We are committed to maintaining and enhancing an effective governance framework for the Council and ensuring that it can meet the challenges and opportunities arising from unitary status. The delivery of the attached action plan will key in supporting us on that journey.

J Brook

**Councillor Jonathan Brook
Leader of the Council
20 February 2026**

M Cannon

**Miranda Cannon
Chief Executive
20 February 2026**

