

# Warwick District Council

## Annual Governance Statement 2025/26

### Executive summary

***This statement continues to be monitored and updated until the completion of the 2025/26 audit and final accounts being signed. Changes are reported accordingly.***

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

It cannot be overlooked that there was a need for the Monitoring Officer to issue a report prepared under Section 5 of the Local Government & Housing Act 1989, regarding the application of the Second Homes Council Tax Premium by the Council, during this year and there are actions from last year's statement that need to be acted on.

It is our opinion that Corporate Governance, along with supporting controls and procedures, remains strong for the Council and appropriate controls and reviews are implemented when minor governance issues occur. We recognise that good governance requires a culture of continuous improvement and challenge, and we will continue to seek improvement and will be self-critical in doing so to ensure we uphold the highest possible standards of good governance.

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

Councillor Ian Davison  
Leader of the Council  
*Date*

Christopher Elliott  
Chief Executive  
*Date*

## Assessment of effectiveness

The Council has an adopted Local Code of Corporate Governance which needs to be reviewed and updated, to reflect the 2025 revisions to the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)" ('the Framework'), as identified by the 2023/24 Corporate Governance Audit.

The Council has an adopted Constitution in place which provides a robust framework for operation within the Council, and, during 2025/26, the Council commissioned an external peer review of the Constitution to look for any areas where this could be improved further. The Council is also reviewing the Employee Code of Conduct to establish whether this can be simplified for easier understanding and interpretation.

The assessment required the completion of assurance statements from each Chief Officer at the Council on the individual governance steps they undertake within their specific roles.

The Council has a well established Risk Management Policy, that sets how the Council; will identify, assess and manage risks; report risk and support risk management.

The assessment also considered the audits undertaken during the last year by the internal audit team, along with the outcomes, recommendations and actions resulting from them. There is also an annual corporate governance audit which focuses on a different theme or aspect of governance each year as an appropriate check and challenge to the governance within the Council. The Audit and Risk Manager's Annual Report and Opinion for 2025/26 has concluded that, in overall terms, the Council has an effective internal control and governance environment.

The assessment was also mindful of the performance and complaint reports made under the Council's Performance Framework and the comments and recommendations from the Council's Scrutiny Committees, including their annual reports to Council and minutes of Audit and Standards Committee.

The Council has adopted Codes of Conduct for Employees and Councillors, the latter of which follows the adopted LGA Model Code of Conduct.

The Council has a wholly owned company Milverton Homes Ltd which, in turn, owns 50% of a Joint Venture (Crewe Lane LLP) in partnership with Vistry Homes. The Council has appointed directors to Milverton Homes and holds a quarterly shareholder forum to hold both Companies to account. The Council also has shares in Sherbourne Recycling limited, shared with seven other partner Councils, that regularly reports to the Council's Overview and Scrutiny Committee on performance, with its governance arrangements monitored and reviewed by the Head of Neighbourhood Services.

The Council has an adopted Corporate Strategy up to 2030 and Service Area Plans for the years 2026/27 and 2027/28. Performance monitoring of these plans is undertaken by the Overview and Scrutiny Committee.

Housing Scrutiny Committee is established to review and challenge the progress in respect to ensuring compliance for safety under the Social Housing (Regulation) Act and overall view on the operation and delivery of the Housing Investment Plan and the HRA. They provide assurance on the delivery of this to Cabinet (as the responsible body) on behalf of the Council. It has been subject to its own peer review by the LGA this year and received this feedback from the peer, Cllr Alyson Barnes, Leader, Rossendale Borough Council (LGA Housing Scrutiny Peer Review) , "*Housing Scrutiny*

*has made meaningful progress since the initial regulatory judgement. The Housing Scrutiny Committee has begun to embed more effective practices, with noticeable improvements in documentation, officer engagement, and member scrutiny”.*

The final opinion on the review has been considered and assessed in consultation, through the following steps:

- Internal peer review by the Audit and Risk Manager and their Team;
- Internal check and challenge by the Senior Leadership Team;
- Informal review by the Cabinet, Group Leaders and the Chairs of Audit and Standards, Overview and Scrutiny and Housing Scrutiny Committees; and
- Formal consideration by the Audit and Standards Committee for their endorsement.

## Where governance needs to improve

The review of the governance of the Council and the information set out above has identified that there are a number of areas that could be improved upon within the next twelve months. These would be considered and prioritised alongside the work of Local Government Reorganisation but presented an opportunity to embed good governance within the new authority, that will represent the administrative area of Warwick District from April 2028.

The first priority should be to resolve the outstanding actions from previous Annual Governance Statements as follows:

- Review of Code of Corporate Governance 2023/24
- Pensions Regulator Referral
- Regulator for Social Housing Referral
- The annual audit of Corporate Governance covered a review of the policies that the Council has in place. This highlighted that a number of policies were out of date and needed to be reviewed and updated

The latest positions on these outstanding actions are appended to this statement for transparency. These should also be reported to the Audit and Standards Committee.

During the year, there were several areas of concern highlighted:

There was a need for the Monitoring Officer to issue a report prepared under Section 5 of the Local Government & Housing Act 1989, regarding the application of the Second Homes Council Tax Premium by the Council. However, this was acted upon and remedial action taken promptly.

A concern within the Council has been the number of Internal Audit recommendations made that were either not acted on or delayed. This has been raised as an issue by the Senior Leadership Team, Cabinet and Audit and Standards Committee.

During the year the Internal Audit Team made – 292 recommendations for action across their reports. During the year 65 recommendations were subject to a deferred response time and 41 subject to further deferral(s) (i.e. one may have been deferred more than once). While these do include deferrals from the previous year/month t does provide context.

In addition, there were recommendations during the year from Internal Audit where they were not provided an update at the appropriate time to enable these to be reported to Committee. This was for 22 recommendations over 5 reports to Committee meetings. While these

were for those chased during the production of the progress reports as the figures for each month are not recorded.

There has also been the Mazur ruling and the need to respond to that to ensure the Council remains compliant with the conduct of litigation. Within the next few months, it is intended to conduct an audit of claims WDC issues through any courts or tribunals, to ensure that all are considered for compliance with the appropriate legislation.

This said, there have been improvements in the governance arrangements for the Council within the last year. Examples of this include a significant training programme for officers (and Councillors) on writing Council/Cabinet/Committee reports and the process of approval for these, Information Governance Training and implementation of the Council's revised complaints policy, along with training for this.

There has also been the introduction of the Policy Library in the Council which recognises further work to be completed in this area, including the need for a Policy Development Framework.

## Forward look on governance

There is also good work progressing in the development for management of construction projects within the Council, to provide greater assurance of the controls and risks. This will be delivered over the coming twelve months.

There is a review of the Employee Code of Conduct underway, to make it a more usable document for all parties.

There are significant and robust steps being introduced to manage the use of Artificial Intelligence within the Council, with a working group in place to support this.

However, there are risks to good governance with increased demand on officer time, including (but not limited to) work required on Local Government Reorganisation and the need to work across Councils for the safe delivery of this.

Looking ahead, there are a number of legislation changes coming which the Council will need to respond to, including the phased implementation of the Renter Rights Act, the Representation of the People Bill, statutory revisions to Planning Committees and anticipated changes to the Code of Conduct for Councillors.

The Council has a Significant Risk Register which is reviewed on a quarterly basis by the Senior Leadership Team, Cabinet and Audit & Standards Committee. This alongside Service Area risk registers will be used as tool for identifying potential Governance issues.

**WDC Annual Governance Statement 2023/24: Action Plan for Governance Issues add this to report to close off with SAP measures.**

<b>AGS Ref.</b>	<b>Governance Issue</b>	<b>Responsibility</b>	<b>Previous-reported Positions</b>	<b>Latest Position</b>
<b>4.4</b>	Review of Code of Corporate Governance	Head of Governance & Audit & Risk Manager	Audit review completed and scheduled for changes to be brought to Cabinet in September 2025	Review completed and scheduled for changes to be brought to Cabinet in July 2026
<b>5.1.4</b>	The increased requirement for oversight of procurement in preparation for the new procurement regulations (originally due to be implemented in October 2024 but now due to commence in February 2025).	Head of Governance & Head of Finance	<p>Procurement Sub-Group of SLT has been established to support the appropriate procedures and policies coming to Cabinet for consideration. Increased visibility through the Procurement Champions who have asked officers to consider how to promote this further with reporting to public meetings</p> <p>Procurement activity log is available for all Councillors via SharePoint with a weekly reminder sent on how to access this. Regular reports to Cabinet seeking procurement approval plus setting out other procurement activities underway.</p> <p>Consideration of further reporting on procurement activity reporting in parallel to the review of effectiveness of Audit &amp; Standards Committee</p>	The reporting on procurement is not a function for Audit & Standards Committee; however, performance measures have been agreed as part of the Finance Service Area Plan which is monitored by the Procurement Champions and Overview & Scrutiny Committee. This action is now complete.

**WDC Annual Governance Statement 2024/25: Action Plan for Governance Issues**

<b>AGS Ref.</b>	<b>Governance Issue</b>	<b>Responsibility</b>	<b>Previous-reported Positions</b>	<b>Latest Position</b>
<p><b>5.1.1</b></p>	<p>The Council has made referrals to the Regulator for Social Housing and the Pensions regulator in respect of issues identified. Action plans have been set up and reported to Members.</p>	<p>Head of Housing &amp; Head of People &amp; Communications</p>	<p>Housing:                      The Council's self-referral has resulted in positive monthly engagement meetings with the Regulator of Social Housing (RSH), which have been focussed on providing the RSH with assurance that the Consumer Standards Strategy and action plan are being delivered at pace, and that the Council can evidence compliance with the Standards.                      Good progress is being made to deliver the improvements, supported by a robust governance framework which has been developed at officer, member, and resident levels, and which also includes independent sector experts.                      These groups compliment the Housing Scrutiny Committee and provide a further level of check, challenge, and support.                      Further actions are underway to strengthen officer governance even further, and a refresh of the Resident Engagement Strategy action plan is being undertaken to strengthen engagement and communication with residents.</p> <p>Pensions:</p>	<p>The Council has put in place robust action plans for both these areas. The work in respect of the Regulator for Social Housing is closely monitored by an approved governance structure.</p> <p>The Pensions Regulator Referral work is monitored and reviewed by Head of Finance and Head of People and Communications and the Portfolio Holder for Organisational and People Development is provided e updates.</p> <p>With these steps in place this action is now considered closed</p>

			<p>The Council's self-referral to the Pensions regulator has resulted in a robust, phased, action plan to address the issues highlighted.</p> <p>Support from Finance and WCC Pensions have supported the plan and processes to ensure continued communication and engagement with those affected.</p>	
<b>5.1.2</b>	<p>The increased requirement for oversight of procurement in accordance with the new procurement regulations (originally due to be implemented in October 2024 but, following legislative delays, commenced in February 2025). Updated Code of Procurement Practice and Corporate</p>	Head of Finance	<p>Training to be provided in advance of the new thresholds going live in Autumn 2025.</p>	<p>There is continued delivery of procurement training across the Council, including on contract management.</p> <p>The attendance of contract management was low, even for mandatory courses, however targets have been set for officers to attend this training and attendance has been completed. There will be continued work by the Strategic Director and Head of Finance to talk directly with those who have not completed the appropriate training and their Heads of Service.</p>
<b>5.1.3</b>	<p>The audit of Corporate Governance covered a review of the policies that the Council has in place. This highlighted that a number of policies</p>	Head of Governance and Monitoring Officer	<p>The action plan from the audit will be completed as required. Work has already begun to create a corporate library of policies and, as a result, it has been further recognised that the Council needs to define what it considers to constitute a strategy, a policy, and a</p>	<p>The Corporate Policy Library is now in place internally and needs replicating and updating on the Council's website.</p> <p>Resources within this team have been limited due to significant demand in handling Complaints</p>

	were out of date and needed to be reviewed and updated.		procedure, with this to be formally considered by Cabinet in October 2025.	across the Council and other delivery work. However, the Policy Development Framework which defines a strategy, a policy, and a procedure is now drafted and going through internal peer review, with a view to bringing to Cabinet later this year.
<b>5.1.4</b>	There are governance issues in respect of the relationship between the Council, Milverton Homes and the Joint Venture (Crewe Lane LLP) which need to be addressed in the coming year.	Head of Finance and Head of Governance and Monitoring Officer	Meetings are being arranged to discuss the issues and agree action plans by end of September.	<p>There is recognition that governance between the Council and Milverton Homes has improved significantly since the introduction of two new Council-appointed Directors to the board during 2025.</p> <p>To facilitate improved communication and transparency, a monthly meeting now takes place where performance against the business plan alongside emerging opportunities and risks is discussed.</p> <p>The relationship between the Council and Crewe Lane LLP is more complex, with the Council acting as both the 'bank' as original lender and 'customer', with a commitment to purchasing 310 affordable homes by 2028</p> <p>Monthly finance meetings are held between Crewe Lane LLP and the Council.</p> <p>In addition, the Council holds regular shareholder forums, with</p>

				<p>representation from all parties across the Council. Milverton Homes and Vistry are periodically invited to provide updates when requested. These are currently taking place on a monthly basis, with the terms of reference stating these should be held at least quarterly.</p>
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**WDC Annual Governance Statement 2025/26: Action Plan for Governance Issues**

<b>AGS Ref.</b>	<b>Governance Issue</b>	<b>Responsibility</b>	<b>Previous-reported Positions</b>	<b>Latest Position</b>
	Half year reporting of AGS action to Audit & Standards Committee	Head of Governance & Monitoring Officer	N/A	<u>These have been scheduled in the updated Committee workplan.</u>
	Response to Audit recommendations with appropriate time scales	Senior Leadership Team	N/A	This has been emphasised to all officers who report directly to a member of SLT.
	Conduct an audit of claims WDC issues through any courts or tribunals, to ensure that all are considered for compliance with the appropriate legislation	Internal Audit	N/A	A review timeline is to be discussed with the Head of Governance & Monitoring Officer and Legal Services Team