

CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT (AGS) 2024/25

1 The Annual Governance Statement

- 1.1. Part 2 of the Accounts & Audit (England) Regulations 2015 requires local authorities to prepare and publish an Annual Governance Statement (AGS), and the subsequent CIPFA/SoLACE publication *Delivering Good Governance in Local Government Framework* (2016) requires local authorities to: be responsible for ensuring that:
- their business is conducted in accordance with all applicable statutes, regulations and policy;
 - public money is safeguarded and properly accounted for; and
 - resources are used economically, efficiently and effectively to deliver agreed priorities and benefit local people.
- 1.2. The Council's Section 151 Officer is responsible for the preparation of the AGS and for its submission to elected members for approval, via the Council's Governance and Audit Committee (G&AC).
- 1.3. In the AGS the Council:
- acknowledges its responsibility for ensuring that there is a sound system of governance (section 2).
 - summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment (section 2)
 - describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year (section 3)
 - reports on any significant governance issues identified from this review and provides a commitment to addressing them (section 4)
 - reports how the Council has responded to any issue(s) identified in previous year's governance statements (section 6)
 - provides an opinion as to whether as to whether the governance of the authority was fit for purpose during the year ended 31 March 2025 (2024/25) and up to the date of approval of the statement of accounts (section 7).
- 1.4. This year's AGS builds on last year's statement and the development of improved governance arrangements at the Council, following the Best Value Notice issued by the Department for Levelling up, Housing & Communities (DLUHC) in February 2024.

- 1.5. As set out in section 4 of this report, many aspects of the Council's financial management arrangements also required improvement, and it will take until at least 2026/27 for all the identified changes and developments to come to full fruition. Progress is being made and in February 2025 the Council was notified by the Ministry of Housing, Communities & Local Government (MHCLG, and formerly DLUHC) that based on the progress reports made to the department, a 'Best Value Notice' would not be reissued when the previous notice ceased on 28 February 2025.

2 The Governance Framework

Purpose of the Governance Framework

- 2.1. The Council's governance framework comprises the systems, processes, cultures and values by which the Council is directed and controlled and activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2. The framework aims to ensure that in conducting its business the Council:
- operates in a lawful, open, inclusive and honest manner;
 - makes sure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
 - has effective arrangements for the management of risk; and
 - secures continuous improvements in the way that it operates.

The Governance Framework

- 2.3. The governance framework sets out how the Council operates to demonstrate compliance, ongoing improvement, and commitment to maintaining the highest ethical standards and levels of governance. The governance framework as it is described in this document is based on the CIPFA/SoLACE publication *Delivering Good Governance in Local Government Framework* (2016), and has been in place at Bradford Council for the year ended 31 March 2025 and up to the date of approval of the statement of accounts. The framework sets out seven core principles for good governance, summarised below:



- 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 interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performing through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

The Constitution of the Council

- 2.4. The Constitution is a key part of the governance framework. It was approved at Annual Council on 17 May 2022 and provides a framework for decision-making in accordance with legal requirements for the discharge of the Council's roles and functions. This includes the framework of delegation within which the Executive and regulatory committees take decisions to discharge the Council's executive and regulatory functions, subject to the examination of several Overview and Scrutiny Committees. Full Council, the Executive and committee members are collectively responsible for the decisions they make, and the decision-making arrangements are designed to be open, transparent, and accountable to local people.
- 2.5. A full review of the Constitution to ensure compliance with best practice started in late 2023 and is currently ongoing. A report prioritising the areas to consider first was approved at CMT in July 2024. Council standing orders and scrutiny arrangements are a major element of the review and have been consulted on with group leaders, overview and scrutiny chairs and the Constitution working group, and Governance and Audit Committee consideration is set for 26 June with a view to taking to full Council thereafter. Changes to standing orders are wider in scope than originally envisaged in the light of the Council's financial situation and procedural issues arising at several recent Council meetings. Other constitutional changes such as changes to corporate parenting panel and introducing a shareholder committee for oversight of external companies are in

progress and should be completed during 2025/26. The changes arising from implementation of the Procurement Act 2023 are now embedded in the Council's Contract Standing Orders that form part of the Constitution.

3. Review of Effectiveness

3.1 During 2024/25, the Council relied on the following sources of assurance to maintain and review the effectiveness of the system of governance:

- member scrutiny – Standards Committee; Overview and Scrutiny function; Council Executive; Governance and Audit Committee.
- management - The Corporate Management Team (CMT) has responsibility for developing the Corporate Risk Management Strategy and processes, including the communications and reporting structure for strategic risk.
- Internal Audit – Internal Audit Services examine the effectiveness of the Council's internal controls, risk management and corporate governance.
- External Audit - the Council's appointed auditors (Forvis Mazars) issue an opinion on the financial statements and a value for money conclusion as part of their work.
- external review – findings and feedback from external inspectorates include OFSTED, CQC and other agencies such as the Information Commissioners Office.

3.2 Action plans for improvement are devised and implemented in response to findings from this annual review and in response to specific recommendations from Internal Audit, External Audit and other statutory agencies and inspections.

Member Scrutiny

3.3 Four scrutiny committees (Children's, Corporate, Health and Social care and Regeneration and Environment) were in operation during 2024/25 and met on a regular basis to deliver agreed work plans. An annual report on scrutiny activity was completed and presented to the Corporate Overview and Scrutiny committee in September 2024, and adopted by Council in October 2024. The annual report for 2024/25 will go to Corporate Overview and Scrutiny Committee in September 2025 and Council in October 2025.

3.4 In April 2024 the Standards Committee approved an amended complaints procedure for responding to alleged failures to comply with the Members' Code of Conduct. The new process is now in place. No complaints were received which necessitated a meeting of the Standards Complaints sub-committee during 2024/25.

Governance and Audit Committee

- 3.5 The Council's Governance and Audit Committee is independent of the Executive, and operates to strengthen and consolidate the Council's governance arrangements and to provide the core functions identified in CIPFA's "*Audit Committees – Practical Guidance for Local Authorities*".

In 2023/24 a CIPFA review against the above Guidance reported the Committee was technically compliant, but recommended improvements including recruiting independent lay members to the Committee and annual reporting of performance. Amendments have been made to the Council's constitution allowing appointing lay members and adverts have recently been placed to recruit independent lay members with interviews scheduled for early July. .

Internal Audit

- 3.6 Internal Audit work covers both the Council and the West Yorkshire Pension Fund. Assurance is provided through periodic monitoring reports to the Governance and Audit Committee, together with the annual Internal Audit opinion on internal control, risk management and governance when this is available.

External Audit

- 3.7 The Council's external auditors, Forvis Mazars, provide assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of arrangements for securing and improving value for money. An unqualified audit opinion and value for money statement for 2023/24 was issued 27 February 2025 subject to some recommendations which are detailed in the 2023/24 audit findings report. No additional value for money key concerns have been identified that are not already included in this AGS. The opinion for 2024/25 is due by the statutory deadline of 30 September 2025. This is well before the backstop date of 27 February 2026 by which the audited accounts must be published regardless of the extent of audit work undertaken.

Inspections

- 3.8 During 2023/24, following the Local Area SEND Inspection, Bradford Council and the Integrated Care Board (ICB) were subjected to quarterly monitoring visits led by the DfE and NHSE.
- 3.9 In addition, during 2024/25, following the inspecting local authority children's services (ILACS) inspection, Ofsted undertook three further monitoring visits to review the progress made by the Bradford Children & Families Trust and the Council.
- 3.10 In November 2024, Bradford hosted a two-day Local Government Association (LGA) SEND Support visit as part of the sector led improvement approach. These assurance visits are focused on governance, leadership and service delivery. Themes of this particular visit were the efficacy of the local area partnership in

supporting young people with SEND and strategically identifying the next steps following the removal of the written statement of action and enhanced monitoring.

- 3.11 A Care Quality Commission (CQC) inspection was undertaken in April 2025 within Adult Social Care. Feedback is awaited from the report which will not be published until July.

Management Assurance Questionnaire (MAQ) Process

- 3.12 The Council has historically conducted an annual self-assurance process for tier 4 officers (Heads of Service level) to confirm their compliance with key governance issues and the Council's Code of Corporate Governance. The process targeted different aspects of the governance framework, with responses reviewed by Directors in support of their subsequent assurance statements. Whilst comprehensive in coverage, the process was lengthy and resource intensive.
- 3.13 For 2024/25 the MAQ process has been streamlined to obtain more rapid assurances regarding compliance with the Code of Corporate Governance and to highlight any significant governance issues arising in 2024/25 and to date. This has been achieved by using shorter more focused questionnaires and restricting circulation to the Council's Directors and Assistant Directors in consultation with their senior management teams (i.e. tier 4 officers). These were followed up by meetings between the Head of Internal Audit, Risk & Insurance and the Council Risk Manager with Departmental Management Teams to review the responses and clarify the governance issues arising.

Review of CIPFA Financial Management Code

- 3.14 CIPFA's Financial Management Code was first published in 2019. The Code provides guidance for good and sustainable financial management in local authorities which also provides assurance that resources are being managed effectively.
- 3.15 A self-assessment against the Financial Management Standards set out in the Code was carried out by Finance Managers in 2023. No significant concerns were raised although subsequent reviews have challenged the validity of these conclusions as shown in section 4 below.
- 3.16 CIPFA are due to undertake a review of the Council's compliance with the Financial Management Model in Autumn 2025 as part of its on-going support to the Council. The findings from this review will inform future financial management planning.

Information Governance

- 3.17 The Council liaises closely with the Information Commissioner's Office in reporting and disclosing information security risks and incidents, to ensure it discharges its duties under the Data Protection Act 2018.
- 3.18 An annual report is presented by the Senior Information Risk Owner (Strategic Director Corporate Resources) to the Governance and Audit Committee on the

Council's performance against key IG performance indicators, which identified that in 2024/25:

- the Council received 1,654 Freedom of Information (FOI) requests and 249 Subject Access Requests (SARs), compared to 1,550 FOIs and 248 SARs the previous year.
- the Council has recorded 222 data security incidents relating to personal data breaches, compared to 239 the previous year.
- 88% of all Council employees with IT access completed mandatory IG training requirements, which equates to a marginal increase of 1% from the previous year.
- 6 complaints relating to the Council's handling of FOI requests were made to the Information Commissioner, 3 of which were upheld. This compares to the previous year when 27 complaints were made of which 5 were upheld.

Complaints

- 3.19 The Council addresses complaints under the Council's complaints policy and procedure and statutory complaints legislation. Complaints can be escalated to the Local Government and Social Care Ombudsman.
- 3.20 In 2024/25, the Local Government and Social Care Ombudsman provided decision notices to uphold 26 complaints out of 34 investigated, issuing recommendations for the Council to remedy fault and make symbolic payments to reflect the injustice caused to the individuals involved. 114 (77%) of the total number of complaints that were escalated to Ombudsman (148) were closed without any further investigation due to the Ombudsman finding no evidence of fault, injustice or maladministration and being satisfied with the Council's complaint handling.
- 3.21 An annual report is presented to the Governance and Audit Committee on the Council's complaint handling performance and measured against key performance indicators relating to complaints responded to in time and upheld rates. Upheld complaints are scrutinised for common themes and root causes which are then reported to individual services and departments as lessons learned and service improvement recommendations.
- 3.22 In February 2024, the Local Government and Social Care Ombudsman produced a Complaint Handling Code for all local councils in England under the Local Government Act 1974, (s23-12A). Complaint handling will be measured against the Code from April 2026. In 2024/25 the Council set out a plan to adopt and embed the code into its own complaints handling processes to ensure:
- complaints are responded to effectively and fairly;
 - learning from complaints is used to drive service improvements;
 - a positive complaint handling culture is created.

Corporate Investigations

- 3.23 In 2024/25, the Council's Corporate Investigations Unit (CIU) received 307 allegations of fraud, theft or other financial irregularity and, following an internal triage process, investigated 227 (74%) of these.
- 3.24 During the same reporting period, the CIU detected or prevented 180 instances of fraud, theft or other financial irregularity with an approximate total value of £323,035. This equates to an average value of £1,795 per case.
- 3.25 Of those 180 investigations where instances of fraud, theft or other financial irregularity were found in 2024/25, 138 (77%) were prosecuted or offered an alternative to prosecution sanction.
- 3.26 Of the total fraud prevented and detected (£323,035) £126,083 was actual recoverable financial loss (raised with the Council's debt recovery team) and £192,924 was notional loss from recovering properties subject to tenancy fraud, preventing the misuse and abuse of Disabled Persons Parking (Blue Badge) and cancellation of Clean Air Zone (CAZ) exemptions. The remaining £4,028 was a prevented loss in relation to CAZ exemption.

Statutory and Strategic Leads

- 3.27 The AGS is reviewed by the Council's Statutory Officers Group (consisting of the Chief Executive, Director of Finance / s.151 officer, and Director of Legal & Governance / monitoring officer) and the Corporate Management Team (which includes the statutory officers and Strategic Directors) before being presented to Governance & Audit Committee for review and approval to be signed by the Leader of the Council and the Chief Executive Officer.

4 Significant Governance Issues in 2024/25

4.1 The Chartered Institute of Public Finance and Accountancy and the Auditing Practices Board set out areas to consider when determining what may be considered a significant governance issue, as follows:

- the issue has seriously prejudiced or prevented achievement of a principal objective;
- the issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in a significant diversion of resources from another aspect of the business;
- the issue has led to a material impact on the accounts;
- the issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation (e.g. an external auditor's public interest report);
- the issue has resulted in formal action being taken by the Director of Finance and / or the Monitoring Officer.

4.2 Para 3.7.4.3 of the CIPFA/SoLACE Delivering Good Governance in Local Government: Framework (2016) publication states that the Annual Governance Statement shall relate to the governance system as it applied during the financial year for the accounts that it accompanies. **However, significant events or developments relating to the governance system that occur between the reporting date and the date on which the statement of accounts is signed by the responsible financial officer shall also be reported.**

4.3 Where an authority is in a group relationship with other entities and undertakes significant activities through the group, the review of the effectiveness of the system of internal control shall include its group activities. The Council's group entities have identified and considered in this section of this report as follows:

- Bradford Children and Families Trust Ltd;
- Bradford Live;
- New Choices (Bradford & District) Ltd.

4.4 The Council's annual governance review for 2024/25 has also included the governance arrangements relating to West Yorkshire Pension Fund, as set out in section 5.

Best Value Notice

4.5 The Council's governance arrangements were reviewed by CIPFA in September 2024 to assess progress against the Best Value (BV) Notice issued 29 February 2024 by DLUHC. The BV Notice was a formal notification that the Department had serious concerns regarding financial resilience and control, as well as capacity to transform both the Council and the Bradford Children and Families Trust (BCFT).

4.6 In response to the BV Notice the Council set up an independent Improvement Advisory Panel comprising seven members with expertise covering local government, finance, children's services and the private sector to act as a challenge and support mechanism to the Council on its improvement journey, and to monitor the changes and improvements made. The panel met initially in August 2024 and monthly thereafter. It has also been asked by the Council to review the improvement plan and comment on the pace in accordance with its terms of reference. The plan is focused on:

- delivering the Council's key objectives;
- securing the medium-term financial position and
- implementing the recommendations from the CIPFA review.

The panel has reported quarterly to the Chief Executive and half yearly to the Council as a whole with reports issued in October 2024, January 2025 (half yearly report) and April 2025:

- in its half yearly report in January 2025 the panel commented that the Member and Officer leadership of the Council has shown an awareness of the depth of the challenge to restore financial stability and the extent to which cultural change is required across the Council not only in relation to financial and resource management but also to modernise and transform services. The Panel does not underestimate the enormity of the challenges but is encouraged by the commitment of the leadership of the Council and the progress made to date.
- in its report in April 2025 the panel reported positively on work on:
 - financial sustainability
 - structure capacity and capability
 - work within the Trusts
 - improvement plan and culture
 - growth strategy

4.7 Since the BV Notice was received significant progress has been made to address the issues identified, and recently Ministers have been reassured as to the Council's capacity to comply with the Best Value Duty under the Local Government Act 1999. CIPFA undertook a second review in September 2024 which was used as the basis of a progress report made to MHCLG (formerly DLUHC). Government notified the Council in February 2025 that it would not be reissuing a BV Notice to the Council based on the progress made during 2024. It is very rare for a Council to move out of such arrangements in such a short time which reflects positively on the significant efforts being made to improve the council.

4.8 The latest CIPFA report highlights that the senior management team and the Executive are fully aligned to the strategy and are involved in the delivery of the recovery plan. However the CEO and the Leader have made it clear to internal

staff and external partners and key stakeholders alike, that there is a lot of hard work to do to return the council to a sound and sustainable financial position.

4.9 Core to the recovery is a clear recognition that the council has to do things differently. It has to manage its way out of the financial situation it finds itself in and this requires:

- consistent leadership from the top;
- support from the Executive;
- a senior leadership team who are truly aligned to the strategy and are purveyors of the key messages to their management teams and staff;
- a recognition that key partners, including the Trust, have a material role to play in the council's recovery;
- a clear programme of work focused on identifying savings for 2025-26;
- a clear medium term programme of reviewing all key aspects of council services, with a critical focus on challenging how things are done along with a real understanding of what things cost;
- an embedded sense of challenge within those who are responsible for discharging services in that they understand and can challenge "value add" from "non-value add" resulting in processes and activities that can be discontinued thus designing a new portfolio of services for the future to support the emergence, design and delivery of a new operating model for the council;
- separation of (true) transformation from service improvement.

4.10 Providing an effective response to issues highlighted in the BV Notice through the improvement and transformation planning process remains a key priority for the Council and a key component of future annual governance reviews. The second CIPFA report recognised the very good progress the Council has made and also drew attention to further work to be done during 2025/26 and beyond which the Council is pro actively addressing:

- developing a new vision and outcome-based plan for the Council based on changes established via its organisational and cultural development work;
- prioritising improvement activity to align with its new plans and ambitions;
- focusing organisational development on the key transitional activities to help it develop its future target operating model;
- continuing to exert strong financial control through expenditure control panels and the BBERT group and promoting the positive sharing and solutioning of financial issues and pressures;

- improving accountability for those who fail to meet savings targets whilst ensuring progress/performance monitoring is suitably robust to enable in-year slippages to be resolved;
- continue the improved working with the Bradford Children's and Families Trust to deliver agreed savings targets;
- aligning the capital programme to the Council's new ambitions;
- assess the outcome of the review of companies and respond appropriately;
- use the Council Plan refresh as an opportunity to set out the council's longer term strategic outcomes and ensure that organisational transformation activity is aligned, suitably timetabled and resourced;
- continue to review the adequacy of internal audit arrangements.

4.11 All these areas are built into the Council's improvement plan which is subject to regular monitoring and review. Further comment on progress will be included in the 2025/26 AGS.

Financial Resilience and Sustainability

4.12 Bradford faced an underlying structural deficit of £120 million as at 31 March 2025. As the council's MTFS identified, requests for support from Government will currently continue to be needed up to and including 2029-30. The Council utilised all of this additional support in order to report a balanced budget at 31 March 2025. The Council's MTFS base case has forecast a £570m 6-year deficit.

4.13 The new CEO (and interim S151 Officer) have brought focus, rigour, pace, attention to detail and a formalised set of programmatics that have set the organisation on a different course. There is a laser focus on addressing the underlying aspects of financial fragility in Bradford.

4.14 To address the exceptional financial challenges that the council has, the council is operating a seven-part financial strategy covering revenue savings, asset sales, capital programme reductions, expenditure grip and control, income generation, technical and due diligence review and selective investment all of which are having extensive positive benefits including:

- delivery of £40m of revenue savings in 2025/26;
- identification and delivery of £50m of revenue savings in each of 2026/27 to 2029/30;
- targeted capital receipts of £150m over 4 years from 2024/25 to 2027/28;
- further review and reductions in the capital programme;
- continued use of spending control panels for another 2 years to ensure a complete grip on expenditure;
- continuation of the full review of the financial management and finances of the Council;

- investment in core functions to facilitate the recovery of the Council;
 - a review and plan for the DSG.
- 4.15 However, the situation will remain challenging year on year, requiring the delivery of revenue savings averaging £50 million. Despite the programme of measures being delivered (e.g. savings programme, asset sales, transformation to reduce the cost of services, reductions in the capital programme, review of council charges etc) the Council will require further capitalisation in future years to balance the budget. The EFS of £200 million over 2023-24 and 2024-25 was used to balance the budgets for these financial years.
- 4.16 Equally, a capitalisation direction is only an interim solution. To achieve a financially sustainable position, both the Council and Bradford Children and Families Trust will need to agree and deliver a combination of revenue savings, additional income generation and further reductions to capital spending plans. Asset disposal programmes already in place will need to become more ambitious, and reducing current borrowing levels is key to minimising interest charges and other debt costs.
- 4.17 A financial improvement plan has been developed and is now being monitored on a regular basis including by the Improvement Board also. Looking forward, a continuous cycle of identifying new savings and other measures to reduce the budget gap will need to be embedded in 2025/26 and across the Medium-Term Financial plan period to 2030.
- 4.18 As part of the financial Improvement work it should be noted that the Council is delivering all except £3m of its £48.6m 2024/25 revenue budget savings and has agreed all of its £40m 2025/26 revenue savings target.

Bradford Children and Families Trust (BCFT)

- 4.19 BCFT is now a wholly owned subsidiary company of the Council and while it functions with operational independence in respect of the day-to-day management and performance the ultimate responsibility for the company is with the Council. The Council oversees, manages and regulates the Trust in line with contractual arrangements between the Council and the Trust. The Council remains the statutory body responsible for children's services and the accountable body in relation to Ofsted inspections. The relationship between the Council and the Trust are a key area of focus for MHCLG as part of their monitoring of the Council's Improvement Plan.
- 4.20 A key area of the Council's current financial challenges was the financial position at BCFT. In 2023/24, the annual contract price agreed was £175m. For 2024/25 the contract price was set at £216.9m with a £20.1m savings commitment for the financial year. With the addition of pressure funding and inflation funding of circa £50m and £11m respectively, the 2024/25 BCFT budget is recorded at £222m.
- 4.21 Progress has continued to be made following the findings and recommendations from the CIPFA report and Best Value Notice. The Council has improved

governance and contract management arrangements with BCFT and has published an objective set of evaluation criteria for the Trust. Over the course of the financial year, changes to pensions accounting arrangements and a reduction on the usage of agency staff has contributed to a balanced budget position with minimal interventions via the Council/Trust financial change control process.

- 4.22 Governance arrangements focus strongly on the performance of the trust.
- 4.23 Operational Joint Working Group meetings are held on a monthly basis and the Strategic Joint Working Group meetings are held on a quarterly basis. These groups oversee the performance of the Trust and, when required, take action and decisions to address areas of concern.
- 4.24 A comprehensive suite of Key Performance Indicators (KPI's) are reported into both of these deliberative meetings. These KPI's are now securely established and have been reporting consistently within tolerance throughout the last financial year. Given this progress, an enhanced qualitative insight into the KPI's will be introduced which will provide valuable context to understanding the context and trends behind the indicative performance.

OFSTED inspection

- 4.25 The arrangements for Children's services continue to be monitored by OFSTED. Monitoring visits have been undertaken during 2024/25 with the results published on 16 May 2024, 12 July 2024 and 13 March 2025. During the February 2025 monitoring visit (published 13 March 2025), Ofsted noted significant progress in the timeliness and quality of permanence planning for children in care. Inspectors identified strong, child-centred leadership and noted that previous challenges and workforce pressures were being actively addressed through targeted resources and strategic planning. Positive developments were identified in the areas of kinship assessments, oversight of unregistered placements and appropriateness of decisions and that these are being effectively supported by a substantial increase in permanent staffing.

Area SEND inspection

- 4.26 In March 2024, the DFE and NHS England removed Bradford from formal monitoring due to the pace of progress made since the issuing of the written statement of action in June 2022. SEND within Children's Services continues to compare very well in the area of SEND outcomes and is currently performing in the top quartile on outcomes at Key Stage (KS) 1, 2 & 4 for Children and young people with an Education, Health & Care (EHC) Plan. Compliance rates for the completion of EHC assessments have maintained a consistent position as some of the highest in the country and current performance is around 88%.
- 4.27 There is a new embedded audit mechanism which assesses and assures the quality of EHC plans, with a focus on improving the process around timelines and amendments following annual review milestones.

- 4.28 In preparation of future area inspection activity, a Senior Leadership group has been created with the quorum taken from the Children's services directorate, SEND senior leaders, BCFT and colleagues from health across the district. This group meets weekly to discuss and address the key themes in preparation of the Area SEND inspection, these include; governance, sufficiency, partnerships and outcomes. Central to this activity is ensuring that the School Self-Evaluation Form (SEF) is robust and co-produced alongside statutory partners and that this preparation activity is supported by a comprehensive evidence base.
- 4.29 The identified governance issues are being attended to with realignment of a single plan encompassing the Special Educational Needs & Disabilities (SEND) strategy, Local Government Association recommendations and the Written Statement of Action. This will be monitored by the Local Authority SEND Strategic Partnership Board and reported across to the Partnership Leadership Executive and Health & Well Being Board. Health checks on governance will be implemented as part of the One Plan.

Safeguarding

- 4.30 In preparation for CQC inspection, the Bradford Safeguarding Adults Board (BSAB) reviewed its terms of reference and sub-groups and implemented an annual work plan for 2024/25 to address capacity, reporting and benchmarking. Two external reviews have found safeguarding arrangements to be good and the Board are assured that all safeguarding concerns are responded to within 48 hours and most on the same day. In addition, the line management of the Safeguarding Business Unit has moved from the office of the Chief Executive to Adult Social Care from April 2025 to enhance its quality monitoring role.
- 4.31 This identified governance issue is now considered to be managed within normal operating governance arrangements and will not continue to be monitored and reported to Governance & Audit Committee through the annual governance review process 2025/26.

NHS Changes (New issue)

- 4.32 In March 2025, the Secretary of State for Health and Social Care announced the abolition of NHS England and amalgamation of functions back into the Department of Health and Social Care. This will involve the removal of duplication and around 50% of the commissioning and transformation roles involved – including in local Integrated Care Systems (West Yorkshire for Bradford). There is a risk that long-standing partnership arrangements are affected by lessened capacity for partnership working. There is also a risk that agreements for continuing healthcare (CHC) and jointly funded care packages are reviewed and have a material impact on the local authority budget and for people who will be charged for their social care. Mitigations for these risks are already in place, with local authority senior managers involved in the design of future arrangements and an individual employed on behalf of West Yorkshire councils to interface on CHC processes.

Organisational Capacity

- 4.33 Overall, the Council has the required policies in place to support the delivery of services. However, if the organisation is to be fully compliant with the range of required responsibilities in areas such as risk management, procurement, health and safety, business continuity, and information governance, large numbers of officers need to be aware of the correct processes and there needs to be capacity to deliver the associated administration, training and oversight in addition to putting appropriate and up-to-date policies in place.
- 4.34 There continue to be local and national shortages of professional, specialist and skilled staff within the employment market which has led to recruitment and retention difficulties in key posts. A further review of the use of agency workers is underway.
- 4.35 Following the appointment of the Head of Procurement in 2024 new contracting and procurement regulations have been introduced alongside plans to review and potentially re-negotiate or re-tender existing major contracts. A review of the resource requirements of the procurement service is also underway.
- 4.36 A new structure for the Finance department came into place on 1 April 2025. This includes the addition of circa 20 new posts (including two at Assistant Director level.) This is an appropriate investment in the function to ensure it is fit for purpose and able to support the delivery of the Council's transformation programme. This restructure will be key to implementing the finance improvement plan. Further restructuring is planned for 2025 in other key corporate functions including Human Resources, Legal Services, Information Technology (IT), Procurement, Estates and Transformation. HR has had an improvement plan agreed at BBERT and will shortly be submitting a Business Case for additional resource to support the transformation agenda and on key areas such as support to senior managers on service re-design, workforce development, culture and transformation to support the Improvement Plan.

Bradford UK City of Culture 2025

- 4.37 Bradford Culture Company Limited (BCCL) was created to develop and deliver the events programme as part of UK City of Culture 2025. BCCL is a wholly independent company and the governance arrangements are primarily concerned with how funding provided is spent which is covered by a grant agreement, and a memo of understanding between the council, BCCL and the Department for Culture, Media and Sport (DCMS).
- 4.38 A review of existing governance arrangements at BCCL as a new organisation was completed and deficiencies identified were resolved during 2024.
- 4.39 This identified governance issue is now considered to be managed within existing governance structures and will not continue to be monitored and reported to Governance & Audit Committee through the annual governance review process 2025/26.

Bradford Live

- 4.40 The Council has developed the site of the former Odeon cinema in the city centre as a live music venue and a focus for the City of Culture events programme. Trafalgar Entertainment Group has been secured on commercial terms and expects to deliver events during the UK city of culture year. The company Bradford Live is expected to be wound up during 2025/26 as it has fulfilled its primary function. This identified governance issue is now considered to be managed within existing governance arrangements and will not continue to be monitored and reported to Governance & Audit Committee through the annual governance review process 2025/26.

New Choices Limited

- 4.41 New Choices Ltd continued to trade as a local authority trading company throughout 2024/25 providing day support services to adults and young people with disabilities. Users report good satisfaction with the services provided.
- 4.42 During the year the company outsourced seven activity streams in line with the Council's Transformation Plan to diversify the care market in Bradford. This has had an adverse impact on the company's financial position resulting in a loss of 1% of turnover. The company has traded at a loss in two of its first three years of operation with a cumulative loss of £0.1m at 31 March 2025. The company is not forecast to generate a profit for the next three years and can only continue to operate lawfully with continued financial support from the Council. Financial management arrangements at the company are in need of improvement.
- 4.43 In view of the financial position of the company consideration is being given to the future of this service in its current form. In the meantime, steps are being taken to regularise the contractual position with the Council as the company is its current contract expired on 31 March 2025.

Internal Audit

- 4.44 The Council's 2023/24 Annual Governance Statement noted progress in terms of staffing vacancies, specialist skill gaps and the focus of core internal audit work. Staffing had improved since 2023 and the range of audits completed in 2023/24 was wider ranging although Internal Audit had only begun to focus on key risk areas and corporate objectives as part of the 2024/25 plan. However, the current resourcing position in early 2025 has regressed from 2023 levels for a number of reasons but this is planned to be addressed during 2025.
- 4.45 The Interim Strategic Director of Resources/s151 is actively involved in ensuring that, going forward into 2025/26 and beyond, Internal Audit work is planned and carried out in a manner which underpins a more robust Internal Audit opinion. This will be addressed by ensuring that Internal Audit work:
- is focussed on key Council priorities and service objectives;
 - examines known key risk areas; and
 - identifies and tests key financial systems on an annual basis.

Risk Management

- 4.46 CIPFA's Best Value report highlighted a number of areas of weakness in the Council's risk management arrangements and recommended that the Council develop a coherent risk management strategy, policy, and approach across the total organisation and with stakeholders and partners.
- 4.47 An initial revised risk management policy, strategy and process was put in place during 2024/25 with additional staffing resources identified to support the embedding of risk management across the Council and partners. Further work to develop the policy, strategy and processes and embed an improved risk management culture across the Council is continuing as part of a risk management improvement plan. This includes regular review and challenge of the Council's strategic risk register and development of Departmental risk registers that identify the perceived key risks to the Council in achieving its objectives. The Governance and Audit Committee exercise oversight of risk management and receive regular reports.

Delays in External Audit

- 4.48 In recent years there has been an increasing national backlog in the external audit of local authority financial statements.
- 4.49 New deadlines for completion of the audit of local authority accounts were issued by MHCLG on 30 July 2024. Amendments to the Accounts and Audit Regulations 2015 came into force on 30 September 2024 setting out backstop dates by which audited accounts must be published as follows:
- for 2022/23 by 13 December 2024
 - for 2023/24 by 28 February 2025
 - for 2024/25 by 27 February 2026
 - for 2025/26 by 31 January 2027
 - for 2026/27 by 30 November 2027
 - for 2027/28 by 30 November 2028.
- 4.50 During 2024/25 audit opinions on the Statement of Accounts for previous years were received as follows:
- 2021/22 completed in July 2024
 - 2022/23 completed in November 2024
 - 2023/24 completed in February 2025
- 4.51 The audited accounts for 2022/23 and 2023/24 therefore met the backstop date deadlines. The audit certificate on the 2024/25 Statement of Accounts is due in December 2025.
- 4.52 As the Council no longer has an audit delay, this identified governance issue is now considered to be managed within normal governance arrangements and will

not continue to be monitored and reported to Governance & Audit Committee through the annual governance review process 2025/26.

Annual Governance Review

- 4.53 All significant issues identified up to and including the date of this statement have been reported in this AGS. Any additional issues that are identified subsequently will be reported either in the 2025/26 AGS or in future updated versions of this report.
- 4.54 The complex nature of activities undertaken by the Council raises management issues and areas for improvement that are continually identified, managed and resolved through the governance framework of the Council. The review has identified, considered and reported on those governance issues considered as most significant as outlined in the report.

5 West Yorkshire Pension Fund

- 5.1 The Council is the administering authority for West Yorkshire Pension Fund (WYPF). WYPF produces its own Governance Compliance statement (see [governance-compliance-statement.pdf](#)) which has been prepared in accordance with the requirements of the provisions of the Local Government Pension Scheme (LGPS) Regulations 2013 and 2008. The Council's own annual governance review is also required to consider and report on the governance arrangements in place for WYPF.
- 5.2 The Governance and Audit Committee exercises strategic oversight of WYPF on behalf of the Council and receives regular reports from WYPF's Investment Advisory Panel (IAP), Joint Advisory Group (JAG) and Local Pension Board (LPB) as well as an annual finance report.
- 5.3 WYPF IAP has overall responsibility for overseeing and monitoring the management of WYPF's investment portfolio and investment activity. In this capacity, the IAP is responsible for formulating the broad future policy for investment, funding levels and employers' contribution rates.
- 5.4 WYPF's JAG has overall responsibility for overseeing and monitoring the pensions administration function, and for reviewing and responding to any proposed changes to the LGPS. The Group approves the budget for the pensions administration and investment management functions and approves WYPF's Annual Report and Accounts.
- 5.5 A review of the roles, responsibilities and effectiveness of the JAG and the IAP has recently been undertaken and subject to approval from Bradford MDC's Governance and Audit Committee, it is proposed to merge the roles and responsibilities of the JAG and IAP into one body – the WYPF Advisory Panel ('Advisory Panel'). This will require the Council's constitution to be updated.
- 5.6 The LPB's role is to monitor the governance and administration of the LGPS including:
- compliance with LGPS regulations and any other legislation relating to the governance and administration of WYPF;
 - compliance with any requirements imposed by The Pensions Regulator;
 - any other matters that MHCLG or the Scheme Advisory Board might specify.
- 5.7 WYPF has adopted the Council's revised approach to risk management and a risk management report is submitted annually to the Investment Advisory Panel and Joint Advisory Group.
- 5.8 WYPF is a major partner in the Northern LGPS regional asset pool, which is helping to reduce investment costs and promote investments in major regional and national infrastructure projects. Each quarter a report on the Northern LGPS is taken to the Investment Advisory Panel and the following governance arrangements are in place:

- individual funds retain their role of setting asset allocation and investment policy, but delegate implementation to the Northern LGPS Joint Committee;
- the Joint Committee has responsibility for ensuring that appropriate structures and resources are in place to implement the policies set by each fund;
- the Joint Committee consists of two Members appointed by each Fund plus a total of three trade union representatives. It does not have any direct involvement in the appointment of managers, or selection of investments.

5.9 The Government has recently launched a consultation 'Fit for the Future' proposing all Pools to be FCA regulated by 1 March 2026. This would involve setting up a new Pool 'Company'. The consultation is designed to strengthen the management of Local Government Pension Scheme investments. The proposals relate to the topics of asset pooling, local and regional investment, and scheme governance. The timescales are extremely challenging and might be difficult to achieve. This has been fed back to Government. We await their response.

6 **Improvement Action Plan**

- 6.1 The following tables set out how significant governance issues are being addressed. They include actions taken in response to issues identified in section 5 of this report, outstanding actions from previous years that still need attention and issues identified in previous statements that are considered to have been addressed.
- 6.2 Ongoing significant governance issues. These will continue to be monitored and reported to Governance & Audit Committee through the annual governance review process:

Issue & Key Actions	Lead Officer	Timescale
Response to Best Value Notice & CIPFA Review		
Establish an Improvement Advisory Board (IAB).	Chief Executive	IAB now in place and meets monthly.
Develop a detailed Improvement Plan (IP) to respond to the issues raised in the CIPFA Report.	Chief Executive	IP now in place implementation is ongoing.
Financial Resilience and Sustainability		
<p>Achieve a financially sustainable position through the development between the Council including all partners, companies etc of a revised financial strategy and Financial Improvement Plan that includes a combination of robust, recurrent, and deliverable actions including:</p> <ul style="list-style-type: none"> ➤ delivery of £40m of revenue savings in 2025/26; ➤ identification and delivery of £50m of revenue savings in each of 2026/27 to 2029/30; ➤ targeted capital receipts of £150m over 4 years from 2024/25 to 2027/28; ➤ further review and reductions in the capital programme; ➤ continued use of spending control panels for another 2 years to ensure a complete grip on expenditure; ➤ continuation of the full review of the financial management and finances of the Council; 	Interim Strategic Director of Corporate Resources/s151	Finance Improvement Plan (FIP) now in place, implementation and monitoring is ongoing

Issue & Key Actions	Lead Officer	Timescale
<ul style="list-style-type: none"> ➤ investment in core functions to facilitate the recovery of the Council; ➤ a review and plan for the DSG. 		
Bradford Children and Families Trust (BCFT)		
<p>The Business Plan for BCFT was closely monitored during 2024-25. Improved governance arrangements are now in place:</p> <ul style="list-style-type: none"> • the Operational Joint Working Group has oversight of contract management and performance, including financial matters. The Strategic Joint Working Group provides executive oversight of BCFT's delivery of statutory responsibilities. BCFT performed within budget for 2024/25. • service delivery contract is monitored via Key Performance Indicators (KPIs) and there is a formal process in place to address any KPIs which are deviating from the agreed range. At 31 March 2025 BCFT was achieving most of its operational KPI's. <p>Close monitoring arrangements will continue through 2025/26.</p>	BCFT Board in conjunction with Chief Executive and Interim Strategic Director of Corporate Resources	2025/26
Inadequate OFSTED inspection		
<p>The Safeguarding Board will continue to monitor the response to the OFSTED inspection and continue to engage with the inspectors on a regular basis. Progress will be monitored through the regular contract monitoring arrangements between the Trust and the Council.</p>	Strategic Director – Children's in conjunction with BCFT	On-going subject to further inspection in Spring 2025
New Choices (Bradford & District) Ltd		
<p>A decision on the strategic direction as to how the Council will provide this service in the future is required.</p> <p>The Council and company agree a current contract in lieu of any changes in strategic direction.</p>	Strategic Director, Adult Social Care & Health	

Issue & Key Actions	Lead Officer	Timescale
NHS Changes (New issue)		
<p>Senior managers are involved in the design of future arrangements and have an individual employed on behalf of West Yorkshire councils to interface on CHC processes.</p>	<p>Strategic Director, Adult Social Care & Health</p>	<p>On-going</p>
Organisational Capacity		
<p>There continues to be an urgent need to address resource and skills shortages and fill vacancies through job re-design, talent attraction, and advertising and recruitment strategies.</p> <p>Interim appointments are addressing capacity issues at senior officer level in some key areas within the Department of Corporate Resources.</p> <p>A new structure for the Finance department came into place on 1 April 2025. This includes the addition of over 20 new posts (including two at Assistant Director level.) This is a significant investment in the capacity and capability of the function to ensure it is fit for purpose and able to support the delivery of the Council's transformation programme. Further restructuring with similar investment and benefits is planned for 2025 in other key corporate functions including Human Resources, Legal Services, Information Technology (IT), Procurement, Estates and Transformation</p> <p>HR has had an improvement plan agreed at Bradford Budget Emergency Response Team (BBERT) and will shortly be submitting a Business Case for additional resource to support the transformation agenda and on key areas i.e. support to senior managers on service re-design, workforce development, culture and transformation to support the Improvement Plan, etc.</p> <p>The impact on statutory compliance will need to be monitored such as through</p>	<p>Director of HR</p> <p>Interim Strategic Director of Corporate Resources</p>	<p>Strategies for Recruitment and Retention and Workforce Planning will be developed during 2025/26.</p>

Issue & Key Actions	Lead Officer	Timescale
the complaints process and the work of internal audit.		
Internal Audit		
<p>Staffing issues are now being addressed through a finance service restructure, although current resource levels will impact 2025/26 internal audit plan capacity until positions are filled.</p> <p>A revised internal audit plan for 2024/25 was presented to the Governance & Audit Committee in September 2024. This provided for the work of Internal Audit to be flexible, aligned to the Council's corporate objectives and to adequately cover the Council's known key risks. This approach will continue into the 2025/26 internal audit planning process.</p>	Interim Strategic Director of Corporate Resources/s151	Ongoing throughout 2025/26 as Internal Audit work is delivered.
Risk Management Arrangements		
Building on improvements to the risk management framework in 2024/25, implementation of actions within the risk management improvement plan will continue through 2025/26.	Interim Strategic Director of Corporate Resources/s151	Ongoing - development of an effective risk management culture will be an incremental process that is likely to take time to embed.
Review of the Constitution and Financial Regulations		
The Constitution review commenced in July 2024 and is being undertaken in stages. This is a crucial element of the framework for the future development and governance of the organisation.	Monitoring Officer/Interim Strategic Director of Corporate Resources	July 2024 and on-going.

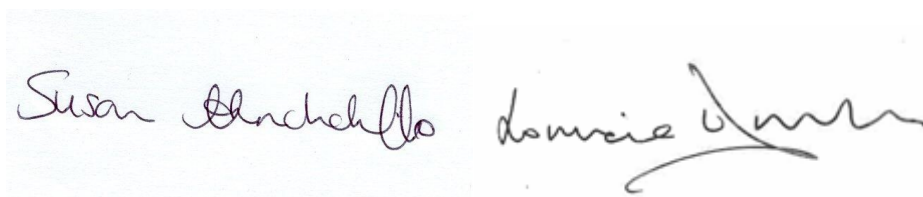
- 6.3 Governance issues identified in the 2023/24 AGS improvement action plan that have now been addressed / key actions completed. These issues will no longer continue to be monitored and reported to Governance & Audit Committee through the annual governance review process.

Issue	Lead Officer
Safeguarding	Strategic Director, Adult Social Care & Health
Local SEND inspection	Strategic Director Children's
Bradford UK City of Culture 2025	Director of Legal Services and Assistant Director Neighbourhoods & Community Services
Bradford Live	Director of Legal Services
Delays in External Audit	Interim Strategic Director of Corporate Resources

7 Conclusion

- 7.1 The Council continues to face an extremely challenging financial position. During 2023/24 it had to apply for, and was granted, exceptional financial support from the Government in the form of a capitalisation direction of £200m for the two years 2023/24 and 2024/25. This will continue at a current planned reducing level of £570m for up to 6 years.
- 7.2 The Council has also had to obtain permission from the Government to raise Council Tax in 2025/26 by 9.99%, which exceeds the usual 4.99% limit. This additional support and funding has allowed the Council to set a balanced budget for 2025/26 and to begin to allow the Council to increase the level of General Fund reserves. Improving the Council's financial position over the longer term will also continue to require significant revenue savings alongside reductions to borrowing levels and capital spending plans as set out in the Council's improvement plan.
- 7.3 As reported in last year's AGS, a review undertaken by the Chartered Institute of Public Finance and Accountancy that was publicly reported on 29 February 2024 highlighted a significant number of internal control and governance weaknesses. Whilst significant improvements have been made, as acknowledged by a second CIPFA review in September 2024 and by the independent improvement panel, and supported by the removal of the Best Value notice in February 2025, the Council acknowledges that planned work must continue to ensure effective systems of internal control, governance and risk management are further developed, permanently embedded and subsequently reviewed on a regular basis throughout the organisation. We pledge our commitment to continuing to address these issues over the coming years and we will monitor their implementation and operation as part of our next annual review.

Signed on behalf of the City of Bradford Metropolitan District Council:

The image shows two handwritten signatures in blue ink. The signature on the left is 'Susan Hinchcliffe' and the signature on the right is 'Lorraine O'Donnell'. Both signatures are written in a cursive, flowing style.

Leader

Councillor Susan Hinchcliffe

Date: 26th June 2025

Chief Executive

Lorraine O'Donnell

Date: 26th June 2025