Annual Governance Statement 2025-26

NORWICH City Council

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1. Introduction by the Leader and Chief Executive

Good governance is important and at the heart of what we do. It is the responsibility of all at Norwich City Council – whether councillors or officers, or those making decisions or scrutinising them, to ensure they are doing the right things in the right ways.

Our Annual Governance Statement is an opportunity for us to reflect on how we operate, the practices we have put in place and how we have worked to strengthen our governance systems. The Annual Governance Statement focuses upon four fundamental areas:

1) How we work to comply with good practice
2) How we have strengthened our governance systems over the past year
3) How we obtain assurance to know our systems are operating effectively
4) Those areas we have identified that require further development.

In this report, we identify some of the key developments which have occurred over the past year and up to the date when the statement of accounts is signed. This includes the creation of a new corporate plan, developed in consultation with our partners and the people we serve to inform our priorities for the future.

The statement is prepared drawing upon a range of evidence, including the work of the Council's external and internal auditors; assurance statements prepared by our services; decisions, strategies and plans produced by the Council in the past year, other inspections or reports relevant to the Council during the year and looking ahead for emerging developments impacting on the sector.

It is recognised that there are areas that we can develop, which is key to being an organisation that is focused upon improvement, but nonetheless we believe that when combined with the Council's broader code of corporate governance, this statement demonstrates that the governance arrangements for Norwich City Council are fit for purpose and working effectively.

Each year, across the country there are examples where failings in governance have contributed to Councils failing to provide services to those they serve in the way they should. We hope that you find this a useful position statement to understand the governance framework that the Council has in place to ensure that we are working to serve the people of Norwich well.

Signed:

Cllr Lucy Galvin
Leader of the Council
Date: 30th June 2026

Louise Rawsthorne
Chief Executive
Date: 30th June 2026

2. Scope and Oversight of the Governance Framework

We understand that all at Norwich City Council are responsible for good governance. The Chartered Institute for Public Finance and Accountancy (CIPFA) provides guidance to Councils on good governance. The Council has developed a local Code of Corporate Governance which is aligned to this framework, the council's evaluation of how it meets the principles set out in the code (a copy of the Council's code can be found here). This establishes the overall arrangements the Council has in place to ensure good governance.

The council and its members are responsible for ensuring that there is good sound governance in place which incorporates standards of internal control. The Governance is underpinned by 7 principles as set out in the CIPFA/SOLACE publication "Delivering Good governance in local government Framework 2016". The principles are:

Principles of Corporate Governance

Principle A: Integrity and Values
• Staying true to our strong ethical standards of conduct
• Respecting the rule of law
• Creating a culture where statutory officers and other key post holders are able to fulfil their responsibilities
• Ensuring fraud, corruption and abuse of position are dealt with effectively
• Ensuring a safe environment to raise concerns and learn from our mistakes

Principle B: Openness and Engagement
• Keeping relevant information open to the public and continuing their involvement
• Using consultation feedback from the public to support service and budget decisions
• Providing clear rationale for decision-making, being explicit about risks, impacts, and benefits

Principle C: Working Together
• Working collaboratively to achieve intended outcomes
• Respecting the law and shared values
• Supporting effective partnership and internal working arrangements

Principle D: Making a Difference
• Having a clear vision and strategy setting out intended outcomes for citizens and service users to achieve intended outcomes

Principle E: Capability
• Having clear roles and responsibilities for Council leadership
• Maintaining a development for Councillors and officers to gain skills and knowledge
• Evaluating Councillor and officer performance, compliments, and complaints to enable learning

Principle F: Managing Risk and Performance
• Ensuring effective risk management and performance systems are in place and integrated
• Having well developed assurance arrangements, including for commercial activity
• Maintaining effective counter-fraud arrangements.

Principle G: Transparency & Accountability
• Having rigorous and transparent decision-making processes
• Publishing timely, high-quality information on activities and decisions
• Maintaining effective internal and external audit functions

3. Governance Assurance Map and Key Governance Sources

The meetings of all Councillors and Cabinet are the most significant decision-making bodies in the authority. As such, it is important that they uphold, and are seen to uphold good governance principles. Ways in which this is demonstrated include:

- Council approving the budget, which has been subject to public consultation and is accompanied by a statement from the Council's Chief Finance Officer confirming the robustness of the proposed budget estimates and the adequacy of reserves.
- Council receiving reports from the Scrutiny and Audit Committees on how they have performed during the year to fulfil the responsibilities that Council places on them.
- Council adopting changes to improve the Constitution following recommendations from the Constitution Working Party
- Cabinet reviewing quarterly assurance reports which identify how the Council is performing against its financial and non-financial targets.
- Cabinet receiving updates on significant projects and programmes such as Towns Fund and the Housing Compliance programme.
- Shareholder panels overseeing company performance.
- Agreeing forward plans for all committees and making these publicly available.
- All committee reports including independent comments from the Chief Finance Officer and the Monitoring Officer on the financial and legal implications of the decisions being taken.

This Annual Governance Statement fundamentally provides an opportunity to evaluate the effectiveness of corporate governance arrangements over the past year. It has been drawn together through:

- Reviewing decisions and actions taken by the Council in the past year
- Reviewing the outcomes of audits and other inspections and incorporation of their opinions
- Feedback and review of services by the Council's officers, whether via risk management, budget management, performance management, service reviews or audit recommendations.

- Review by the Council's Executive Leadership Team.

A summary of Key Governance Sources

Source	What it covered in 2025–26	Overall view
Internal Audit	Risk-based Audit plan; Audit Reports and annual opinion.	Annual Opinion: Reasonable. Several Substantial Assurance Audits.
External Audit	2024/25 approved (March 2026); 2025/26 underway to Jan 2027	Return to annual audit cycle following national backlog, work to statutory backstop timetable. 2024/25 Annual results report identified several key improvements to Company Governance and Financial Reporting.
External Regulators/ Ombudsman	External scrutiny from regulators e.g. the Regulator of Social Housing	Provides additional external validation and review of governance arrangements.
Cabinet	Quarterly integrated reports; including Performance, Budget Monitoring and Corporate Risks. Annual reports such as the Annual Complaint Report and the annual council self-assessment of the Housing Ombudsman Complaint Handling Code.	Performance "remained steady". Implementation of new Risk Strategy. Self-assessment against the Housing Ombudsman Complaint Handling Code: 100% compliant and confirmed by the Ombudsman.
Audit Committee	Regular Internal Audit/External Audit updates; risk reviews; learning from sector failures; independent member appointed	Strengthened Audit, Governance and independence.
Scrutiny Committee	Regular review of decisions made by Cabinet and the issuing of Scrutiny topics	Strengthened scrutiny and independence
Statutory Officers	Monthly governance review and escalation	Ongoing oversight and commissioning of remedial actions
Assurance Board	ELT/SLT. Monthly performance reports and metrics; Budget Monitoring, Corporate and Directorate Risks, Internal Audit plan and In-Progress recommendation tracking.	New risk strategy roll out/much improved closure of Audit recommendations.

4. How we work to comply with good Governance practice and how can we improve?

The CIPFA framework sets out the core principles that all Councils should seek to follow. The Council has a code of corporate governance which sets out in detail each of the core principles and how the Council complies with these. In this annual governance statement, we set out examples of the steps we have taken over the past year to develop our compliance with each principle, as follows:

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

The Council is responsible for approving the budget, developing key polices and ensuring that constitutional decisions are adhered to. The Council elects one third of its members three years out of four.

The Council's constitution continues to be reviewed and updated. The Financial Regulations have been revised and approved by Full Council in February 2025. The new regulations reflect best practice, drawing upon the example of other local authorities and the development of practice and procedure in recent years reflective of lessons learnt from those local authorities that have encountered governance failings and financial management challenges. The chief executive officer alongside the work of audit, scrutiny and the standards committee support and ensure that high standards are maintained and promoted amongst members.

Several policies and codes of practice have been reviewed and updated during 2025-26, including but not limited to the following,

- Anti-Money Laundering Policy
- Whistleblowing Policy
- Anti-Fraud & Corruption Policy
- Code of Corporate Governance

✅ **Success**	Updated Financial Regulations, Policies and the Code of Corporate Governance reflecting best practice
❌ **Weakness**	Some outdated Regulations/Policies that don't reflect best practice
Planned action	Implement version control and review anniversaries; Identify specific responsible officers. Include review in Audit Committee workplan

B) Ensuring openness and comprehensive stakeholder engagement

Norwich City Council consults widely on projects, policies and strategies, ranging from park redevelopments and housing policies to budget consultations and environmental planning. It uses Get Talking Norwich, its dedicated engagement and consultation platform, as its primary means of gathering community feedback, and where resources allow, undertakes face-to-face consultation events and engagement activity alongside digital methods.

This year the council made progress in strengthening its approach to consultation across the organisation. A new internal consultation and engagement hub has been developed providing officers with practical guidance on when and how to consult, a five-step framework for planning and delivering engagement, a forward plan calendar tracking active projects and their stages, equality guidance and stakeholder mapping tools. The hub and its processes were developed and tested alongside officers to ensure they are practical and accessible. A demographics dashboard drawing on data from all consultations is also in development, which will strengthen the council's ability to evidence reach, representation and equality of access across its engagement activity.

We continue to work closely with the voluntary and community sector across the city. We run several geographical and thematic networks across the city and maintain relationships with more than 200 organisations in Norwich. We have an ongoing dialogue with these groups, and we are available to hear the issues which their service users are bringing and responding quickly and effectively. Our response to the increase in community tensions in the summer of 2025 is a good example of this. We were able to stand up regular meetings with community partners to hear immediate concerns, respond operationally and have a flow of information between the Council, VCSE partners and their service users.

Specific examples of stakeholder engagement this year include the following:

🏛️ **LGR (Local Government Reorganisation)**
We spoke directly to people across Norwich — from roadshows in every ward to workshops with communities and one-to-one stakeholder interviews — making sure local voices shaped our successful LGR proposal.

🛝 **Play Strategy**
Through park pop-ups, games, and youth-led input, we worked with children, parents, and the Youth Advisory Board to design a play strategy that's inclusive, accessible, and written in a way young people understand.

💷 **Budget 2026–27**
Nearly 900 residents shared views on how we balance the budget while delivering priorities — including Dynamic Budgeting, LGR reserve and a proposed 2.99% council tax increase.

🛍️ **Norwich Market**
Over 3,500 responses from residents and traders are helping shape improvements to Norwich Market — ensuring the community plays a central role in its future.

🛹 **Skateparks (Heartsease & Eaton)**
You told us what matters — and we listened. Your feedback directly influenced skatepark designs, adding features like seating, alongside reopening improved spaces with biodiversity enhancements.

🌿 **Air Quality Action Plan 2026**
Over 550 residents shared their views, helping shape how we improve and manage air quality across Norwich for the future.

🏊 **Cow Tower Bathing Area (River Wensum)**
A community-led campaign gained strong public backing, with over 1,100 responses and 98% support for water quality testing — and efforts to improve monitoring continue.

Housing Hub

Launched in 2025 it provides an information source for tenants, including opportunities for engagement. It is a space to share ideas and engage in the shape of housing services. New: Housing Hub! | Get Talking Norwich. Housing performance information is published monthly to improve oversight and accountability.

✅ **Success**	Extensive consultations Local Government Review, Budget 2026–27; Norwich Market, Skateparks, Air Quality Actin Plan and Cow Tower. Regulator of Social Housing confirmed that the council: *offers tenants a wide range of engagement opportunities through its established tenant engagement framework. We saw evidence that tenant feedback has positively influenced service delivery. To reach more people and respond to tenants' preferences, Norwich CC has expanded its digital engagement offer by providing more ways for tenants to get involved.*
❌ **Weakness**	Feedback not always integrated systematically into early-stage governance (options appraisal and gateway decisions).
Planned action	Embed consultation feedback and findings to enable a continuous cycle of learning, and the development of a consultation and engagement SharePoint space on the intranet.

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

Implementation of the council's 'We are Norwich', community led plan is progressing across the council. An outcomes led approach has been developed, approved and implemented across the council's environmental and fuel poverty programmes. Outcomes based actions are included in the council's corporate reporting framework with reporting of associated new KPIs commencing during the 26/27 financial year.

✅ **Success**	Environmental and fuel poverty workstreams are fully aligned to the principles of Outcomes Based Accountability, with the Climate Responsive Norwich Programme 2026 – 2035 adopted in January 2026.
❌ **Weakness**	Change of Norfolk and Suffolk County Council administrations weaken regional support for the council's environmental and related social objectives.
Planned action	Strengthen relationships with supportive local and national stakeholders to maintain momentum and delivery of workstreams.

D) Determining the interventions necessary to optimise the achievement of intended outcomes.

During 2025–2026, integrated information on corporate performance, finance and risk was reported to Cabinet through quarterly reports and an annual outturn report, supporting effective oversight and decision-making.

Of the 26 Key Performance Indicators (KPIs) monitored during the year:

KPIs against targets		Totals for 2025-2026	
Green	Performance is on or above target	17	77%
Amber	Early warning that performance is not on target and action may be required	2	9%
Red	Performance has reached a level where we will intervene and agree what action is required to bring it back on target	3	14%
Total		**22**	
	Data is being monitored	2	
	Data is not currently recorded	2	

Further detail on performance is available via the Council's website: Performance reports \| Norwich City Council

✅ **Success**	Integrated quarterly reporting of performance, finance and risk has been maintained, strengthening governance, transparency and informed decision-making. The majority of KPIs are on or above target, demonstrating continued effective delivery of core services. The performance framework has been strengthened through enhanced reporting tools, improving visibility of performance trends and emerging risks, which is available 202526Q4 Risk Register Regulator of Social Housing award of C1 is evidence of compliance with consumer standards. The Regulator highlighted the council's provision of *clear and accessible information to tenants about its services and its performance. On its website it has a monthly dashboard offering transparent reporting across all service areas and allowing tenants to view performance trends over the previous 12 months.*
❌ **Weakness**	Ongoing external pressures, including financial constraints, increased demand and wider system challenges, pose a risk to the sustainability of performance. The links between strategic priorities, performance measures and resource allocation is being reviewed considering Local Government Reorganisation.
Planned action	Continue to develop the performance framework, including alignment with the Government's Local Outcomes Framework from 2026–27. further refine performance reporting tools to support earlier identification of risks and more effective decision-making.

E) Developing the entity's capacity, including the capability of its leadership and the people within it

There has been a concerted recruitment process to secure capacity and capability at the Executive Leadership Team and the Senior Leadership Team levels, which has been successful in providing both energy and experience to support the delivery of the council's objectives. During 2025-26 there has been a focus on staff development and training across the organisation, alongside ensuring regular supervision meetings and annual performance discussions underpin the delivery of services on a day-to-day basis.

Local Government Reorganisation (LGR) - the initial submission process was managed across a group of 6 Districts. Across those, named lead officers were identified and a PMO was established. This work was overseen by boards of the relevant Chief Execs and Leaders.

Within Norwich City Council LGR was added to a Portfolio Holder’s responsibilities and a Cllr working group was established, with proportionate members from each party, to be regularly updated and to provide feedback on key areas of work. Final decisions around the submission were taken to Council, and then Cabinet, for approval.

For 2026-27 LGR will be a very significant project. Work is underway to set up a Norwich Programme Management Office, to identify colleagues to move into Norfolk wide workstreams, to manage workload internally and to ensure excellent communication and support to staff. The approach being developed for Norwich, and for the wider Norfolk programme, has been informed by best practice, experience from other authorities who have been through LRG, advice from our Strategic Partner.

Success	Vacancy Management Panel and workforce plan to sustain capability and reduce temporary staffing cost.
Weakness	In the backdrop of LGR uncertainty there is still some reliance on Interim/agency use to cover certain roles ensuring stronger value for money oversight via the Vacancy Management Panel.
Planned action	Vacancy Management Panel and workforce plan to sustain capability and reduce temporary staffing cost.

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

The council has continued to produce quarterly assurance reports, to provide senior management and cabinet with oversight of the financial and non-financial performance of the organisation.

Risk Management has continued to be managed in a structured manner, with quarterly reviews of both departmental and the corporate risk registers against the organisations risk appetite guide. The new risk strategy and policy was implemented in 2025.

Budget monitoring is reported monthly to directorate management teams and the assurance board. Quarterly budget monitoring is reported to cabinet including a provisional outturn report following the financial year-end.

The provisional outturn for 2025-26 was a £0.543m underspend on the General Fund revenue Account (subsequently contributing to reserves) and a surplus of £4.391m on the Housing Revenue Account (HRA) which will be utilised in future budget planning.

Additionally, the capital provisional outturn was a £22.255m underspend against the General Fund and £16.036m underspend against the HRA programmes. A copy of the provisional outturn report to Cabinet can be found here 2025-26 Outturn

Treasury Management Committee receives quarterly reports detailing treasury activity for each quarter as well as the annual Treasury Management Strategy. Treasury Management reporting is also presented to Cabinet and Council.

The Council's annual budget and Medium-Term Financial Strategy (MTFS) are prepared annually. For 2026/27 the council was able to set a balanced budget without the need to drawdown from reserves.

Information across the 'We are Norwich – A community-led plan 2024-2029' including corporate performance, finance and risk elements were presented to Cabinet as three quarterly reports, and an annual report for 2025-2026.

Assurance Board/ELT and Audit Committee continue to receive regular updates on cyber security, risk, and compliance activities, providing oversight and assurance on the Council's control environment.

During 2025–26 the Council has continued to develop its cyber security maturity through engagement with the Local Government Cyber Assessment Framework (CAF). Following completion of the initial "Get CAF Ready" programme in the previous year, the Council will continue participation in the Local Digital CAF Support programme, using this to strengthen its approach to risk management, assurance, and continuous improvement across cyber security disciplines.

In addition, the Council continues to align with national guidance and best practice, including resources made available through the Government Security framework, ensuring that policies, standards and operational controls remain current and effective.

During 2024-25 the council purchased the Anglia Square site. This is a significant purchase using grant funding from Homes England. The council has worked with Homes England to complete extensive due diligence to access the grant funding, and additional grant funding, to demolish the site. The partnership working with Homes England enabled the council to mitigate the risks associated with developing the Anglia Square site, which had otherwise been unable to find a solution that was commercially viable. Further funding was subsequently awarded by Homes England that has supported the progression of the regeneration, linked to the development of an investment partnership to manage the demolition of the site in preparation for future redevelopment.

Houses in multiple occupation (HMO) - the private sector housing service has continued to implement an improvement plan following on from a peer review in an earlier year, this includes a project designed to bring all relevant data together in a single digital system, which will aid the development of service delivery and efficiency. Additionally, interim expert senior leadership support has been engaged to help drive further improvements in this service.

The Halls is a Grade 1 Listed, Scheduled Ancient Monument. In 2020, The Halls secured £3.6 million of Town Deal Capital funding to enable a series of improvements to access, audio visual and lighting, and to food and drink capacity. Alongside this funding, the council has committed further capital for urgent structural repairs and maintenance.

Safety of the council's housing is vital and has one of the lowest risk appetites. The Regulator of Social Housing found that the council: *meets the outcomes of the Safety and Quality Standard. It has an accurate and up to date understanding of the condition of most* *of its homes, including assessment against the Housing Health and Safety Rating System. Norwich CC has a clear programme to regularly survey the condition of all its homes, including targeted activity to increase access where surveys are outstanding.* Furthermore, the Regulator confirmed: *We gained assurance that Norwich CC is taking reasonable and proactive steps to comply with legal health and safety requirements. Norwich CC provided evidence of appropriate systems to ensure the safety of tenants in their homes and communal areas. Norwich CC owns and manages a number of homes in tall buildings. We gained assurance that it understands the risks associated with these buildings and has mitigations in place while programmed works are planned or underway.*

✅ **Success**	Revised Risk Strategy & Policy (Audit Committee approval June 2025); improved tracking and closure of audit recommendations. Meeting all outcomes of the Regulator of Social Housing Safety and Quality Standard (C1).
❌ **Weakness**	Potential procurement issues
Planned action	Procurement lessons learned review. (due July 2026)

G) Implementing good practice in transparency, reporting and audit to deliver effective accountability.

Following the launch of the community-led corporate plan 2024-2029 'We are Norwich' launched we are developing a business planning process and performance framework that will enable the council to realise the plan and monitor its progress.

The Corporate Performance Framework specifies a range of performance measures, baselines, and targets, allowing the council to evaluate and monitor how well it is working towards delivery of the successes (outcomes) set out in the plan.

Through this process and framework, the council identifies and mobilises the appropriate infrastructure and resources to effectively become an evidence-based decision-making organisation that consistently monitors and evaluates its activities (outputs) and impacts (outcomes). It allows the council to realise opportunities to change culture and behaviours and incorporate the new guiding principles.

As part of the continued drive for best practice good governance the council will undertake a review of its AGS in 2025-26 to include the following:

- Develop a key risk/summary table for risks and actions.
- Strengthen year-on-year risk continuity tracking.
- Develop governance lessons from BAU and projects.

✅ **Success**	Return to an annual external audit cycle and Audit/Scrutiny Committee's work programme.
❌ **Weakness**	Narrative in prior AGS drafts insufficient.
Planned action	This AGS includes explicit evaluations and prioritised issues; future reporting will continue to emphasise candid governance judgements

5. Review of the Effectiveness of our Governance Arrangements

Tracking of Outstanding Audit Recommendations

The process of monitoring the implementation of internal audit recommendations via the councils 'audit tracker' has been embedded in the governance framework. The tracker continues to support progress reporting at Assurance Board and Audit Committee.

Enhancement of digital capacity through an Enterprise Resource Planning (ERP) system and Asset Management System.

The council uses Unit4 for its ERP system, which brings together Human Resources and Finance information in a joined-up manner within a single system database, to support better decision making and internal control going forwards.

Assurance Board receives budget monitoring, HR metrics and corporate performance reporting as standing agenda items in additional to ad-hoc reporting items.

Election

By-elections - The Council elects one third of its members three years out of four. In May 2025 three city council and one county by-elections took place following resignations from councillors in the Bowthorpe ward, Sewell ward, Mancroft ward and Mancroft division. The scheduled county council elections were deferred by government order due to Norfolk being part of the priority programme for devolution and local government reorganisation.

An increased level of postal votes is being seen, and together with the implementation of voter ID this has increased the workload of the election team considerably. The council's returning officer has ensured adequate resources to ensure the successful, safe, effective, and efficient delivery of elections with clear leadership and personnel in place.

The Procurement Act 2023

The Procurement Act came into force from February 2025 and significantly changed the way local authorities procure goods and services. The Act has placed tighter legislative controls and prescribed level of required transparency across the whole procurement process.

The council, through its procurement team, has delivered bespoke training courses alongside a clear and consistent framework for delivery. Additionally, the Contract Procedure Rules have been fully revised receiving approval from Full Council in February 2025.

Risk Management

Risk Management has continued to be managed in a structured manner, with quarterly reviews of both departmental and the corporate risk registers. The Council implemented a new Risk Strategy and Policy ready for quarter three 3 in 2025-26 and included for the first time the Council's risk appetite guide.

Internal Audit

Internal audits are undertaken according to an annual risk-based plan throughout the year by an independent internal audit service, Eastern Internal Audit Services (EIAS), a consortium hosted by South Norfolk Council which provides an internal audit service to

Councils in Norwich and Norfolk and provides our Head of Internal Audit (HoIA) role. The HoIA reports on progress and issues arising to the Audit Committee. In addition to which the Head of Internal Audit also provides an annual report, containing their annual opinion on the adequacy and effectiveness of governance, risk management and internal control at the Council, which reflects upon the year completed and highlights any issues or concerns arising from the audit activities over the previous year. The Internal Audit Opinion for 2025/26 is **Reasonable Assurance** in relation to the framework of risk management, governance of the Council and internal control. A copy of the full internal Audit Opinion report can be found on the Council's website in the Audit Committee [Internal Audit Opinion 202526]

In 2025/26 the HoIA has not reported any no Assurance opinion audits. One audit in relation to Corporate Governance (Transparency Act) was given a limited Assurance opinion and one audit given a split Reasonable/Limited Assurance opinion. Two audits relating to Environmental Strategy (Climate Change) and Homelessness and Temporary Accommodation were given the highest possible assurance level of 'Substantial'. With the remaining 8 audits all given reasonable assurance opinions.

On the 20th of January 2026 Audit Committee received a confidential briefing on these matters to provide assurance that the Governance issues identified would be addressed as part of a lessons learned report.

During 2025/26 the council made significant improvements to the tracking and implementation of internal audit recommendations. Assurance Board receives monthly reporting on progress via the audit tracker.

Assurance Board has participated in the preparation of the 2026/27 internal audit plan, which has been aligned to items in the corporate risk register and the council's corporate priorities.

In addition to the audit plan the HoIA also undertakes advisory work. During 2025-26 the following advisory work was completed

External Audit

The Council's external auditors (EY) are responsible for reviewing the Council's statement of accounts and providing a value for money opinion on the Council and the Council's Housing Benefit Subsidy Claim. The external auditors operate to an agreed work programme that is reviewed by the Council's Audit Committee.

The auditing process now includes regulations for 'backstop' dates to facilitate a return to timely annual audits and opinions.

The 2024/25 Statement of Accounts and audit were completed in March 2026. EY's Audit Results Report (ARR) included two Value for Money risks of significant weaknesses and the findings and recommendation are as follows:

i) **Finding:** Arrangements over solely owned subsidiary companies.

Recommendation: The Council should update its constitution to make provision for effective governance and management of any companies in which it has an interest, to provide comprehensive oversight of governance guidelines for all subsidiaries and explicitly reference where these policies can be found.

Council Response: On the 20th of January 2026 Audit Committee received a confidential briefing on these matters to provide assurance that the Governance issues identified would be addressed as part of a lessons learned report.

Additionally, The Council continues to strengthen its companies' governance arrangements. This includes reviewing the shareholder agreements, updating the Shareholder Panel's terms of reference, and incorporating the companies' governance arrangements into the Council's Constitution.

A temporary Company Secretary has been appointed to oversee the Members' Voluntary Liquidation of Lion Homes and to provide additional capacity to support the Council's other companies.

Regular meetings are held with the Board of NCSL, and Shareholder Panel meetings continue to take place on a consistent basis.

ii) Finding: Timely financial reporting

Recommendation: To meet its objectives and the requirements of the Audit and Accounts Regulations the Council needs to:

- continue to re-assess roles, responsibilities and resource requirements for financial reporting; and

- take action to ensure that sufficient and appropriate audit evidence is available in relation to transactions in the financial statements.

Council Response: The Council has worked closely with EY throughout the 2024-25 audit. Where improvements have been identified with closedown processes, the Finance Team will continue to work with the auditor as required.

Audit Committee

The Audit Committee is tasked by the Council to scrutinise the Council's arrangements for governance and audit matters. Examples of the work undertaken by the Committee during the year to support delivery of its role include:

- Annual Report of the Audit Committee – this allows the committee to review and report upon its work during the previous year, linked to best practice approaches identified by the Chartered Institute of Public Finance & Accountancy (CIPFA).
- Learning lessons from failings in other authorities – a report outlining how the Council learns from the experiences of others, and particularly what can be learnt to avoid the failings of other Councils.
- Regular review of risk registers.
- Regular review of internal audit activity
- Review of Cyber Assurance.
- The appointment of an independent member of the committee with experience and expertise in matters relating to the Audit Committee's terms of reference. Work is also progressing with the recruitment of an additional independent member for the audit committee.

External Regulators
The Council continues to maintain its accreditation for the secure handling of electronic card payments, in line with the Payment Card Industry Data Security Standard (PCI DSS). These controls remain a key component in reducing the risk of payment card fraud through technical and organisational security measures. Public Services Network (PSN) compliance has been maintained, enabling the Council to securely exchange data with central government departments. Compliance with both PCI DSS and PSN requirements continues to be overseen through corporate governance arrangements, with no significant data breaches reported during the year.

In January 2026 the Housing Regulator spent time at Norwich City Council following an assessment of the management and governance around housing services. Following the inspection NCC were awarded a C1 rating, this being the highest score a housing provider can achieve, and, at the time, the Norwich was only one of nine council's to have achieved this top rating.

Statutory Officers
The Council's statutory officers have specific personal duties to raise concerns about activities within the Council or report failings in governance. This includes the Chief Executive, the Monitoring Officer, and the Chief Finance Officer. This group meets monthly to consider and review any issues of concern relating to governance and will commission additional work, investigations, and remedial action wherever necessary or appropriate.

Operational & Strategic Boards

Officers have established several boards to support the delivery of operational and strategic outcomes during 2024-25, both in recognition of best practice and because of feedback from audit activities. These include the Capital Board, the Assets & Development Board, specific project boards and steering groups, each responsible for ensuring that risks, delivery, resources, and outcomes are managed, monitored, and controlled appropriately. Better Homes Board was established in 2025 to provide oversight for the housing and property services improvement programme. This has been updated considering the Regulatory rating.

The work of partners and in partnership with others

The council has worked in collaboration with the Towns Deal board to successfully deliver its Towns Deal projects. The board is externally chaired and remains a valuable tool for partnership working.   Following completion of the Towns Deal, a brief review of the governance arrangements for the Towns Deal board is ongoing. The board now has responsibility for overseeing delivery of the Levelling Up Fund (LUF) projects (which have been encapsulated into the Local Regeneration Fund). Monitoring is a key aspect to ensure MHCLG can effectively track progress, and that projects are being delivered in accordance with their agreed deliverables and outcomes.

The council has also set up an investment partnership with Aviva Capital Partners to progress delivery of Anglia Square. The business plan for this is approved via cabinet with oversight of the company via shareholder panel.

In addition, an East Norwich Delivery Board brings together various partners to co-ordinate on the delivery of East Norwich. The council is working closely with Homes England following their acquisition of Carrow Works on progression of a first phase of development on the site.

Information Governance

This section of the AGS provides an outline of Norwich City Council's Information Governance (IG) compliance. IG is the framework within which the Council's accountability, standards, policies, and procedures are developed, implemented, and maintained to ensure that data information processed by, or on behalf of the Council, is done so lawfully, appropriately, and securely. This includes data protection and privacy, statutory information requests, and records management.

In line with our Information Risk Management Policy, this statement will be provided annually, and it is logical that a summary appears in the AGS.

To ensure executive oversight of data protection and wider information risk management the Council designates a Senior Information Risk Owner (SIRO). During 2025-26 Emily Yule (Executive Director of Resources) was the designated SIRO. From April 2026 Robert Mayes Head of Finance, Audit and Risk (Dep. S151) has been appointed to the role.

The Council has in place policies that outline the roles, responsibilities and requirements of employees, councillors, and stakeholders when processing data and information. This includes our Data Protection Statement, Information Risk Policy, IT User Security Policy, Records Management Policy, and our Appropriate Policy Document.

These policies are supplemented by a suite of procedures and guidance providing further detail on processes and expectations. This includes our Information Security Incident Response Plan, Information Request procedures, Clear Desk Guidance, Confidential Waste Guidance, and Information Storage Guidance.

As set out in our Information Risk Policy, the Council requires all officers to undertake Information Governance training at least once every two years. The last full training review was completed in October 2025, and we will deliver an updated version of this online learning for all staff in October 2027.

As part of the Council's member development programme, newly elected members are invited to attend 'An Introduction to Information Governance' session delivered by the Data Protection Officer via Teams. These sessions are recorded, then the recording and the slide deck used are made available to members on e-councillor.

To bolster the e-learning, the Information Governance Team provide additional training sessions to service areas upon request. Additionally, sessions may be scheduled at the direction of the Data Protection Officer to mitigate against any emerging concerns or changes to high-risk data processing.

The Council has in place an Information Security Incident Plan for the internal reporting and management of potential personal data breaches. Internal breach reporting procedures are made known to all officers and elected members though training and the Council's Intranet.

Incidents Logged

The below figures include incidents arising from the Council's own processing of personal data, and any third-party incidents made by any joint-controller processing or processing undertaken on our behalf by data processors or sub-processors.

In the financial year 2025-26, 167 instances were referred to the Information Governance Team for investigation. Of these, 34 were identified as not an incident.

This figure is comparable to:

- 151 incidents referred in 2023-24; of which 6 were not an incident; and

  Not all personal data breaches need to be reported to the ICO as per the regulator's guidance, only those resulting in a 'high risk' to a data subject require a data controller to self-report.

In the financial year 2025-26, the Council has self-reported once to the ICO.

IC-442531-W5BS
A contractor of the council was the victim of a cyber attached and data provided to them by the council was included in the attack. The data comprised of third-party personal data of tenants. The ICO reviewed all actions undertake by the Council and concluded that not regulatory by them was necessary.

Data Protection and Subject Access Request Performance

In the financial year 2025-26, the Council received 292 valid requests. 76 of these, (23%) were received from Shelter seeking copies of a person's housing file.

All requests have been responded to; 284 (97.6%) received an on-time response. This exceeds the internal target of 95%.

IC-384092-S0R2 09/01/2026- complainant raised that NCC had failed to response to a Data Subject Access request. The Council was able to prove that a response had been provided and the case was closed.

ICO Complaints

FOI/EIR process has resulted in 5 ICO process being opened. At the time of this report 4 of the case await and ICO decision and outcome.

IC-412287-S7P2 30/08/2025- complainant was dissatisfied that an enquiry had not been handled as an FOI request. A full response under FOI was provided on 08/09/2025. The Council awaits the ICO decision on this case.

IC- 400072-P9L0 13/11/2025- complaint was dissatisfied following a request for an FOI internal review, relation to exemptions applied and upheld. The Council awaits the ICO decision on this case.

IC-449748-R5S4 17/12/2025- complaint was dissatisfied that an internal review response has not been provided to them within the statutory deadline for a response. The response was provided 70 days after the initial request. The Council awaits the ICO decision on this case.

IC- 474554- HIT2 17/02/2026 – complainant raised that NCC had failed to response to an FOI request. An investigation identified that processing errors within civica had occurred and that the request did not reach the IG team. A response was provided and the ICO closed the case on 23/02/26.

IC-478691-W4D6 16/03/2026- complaint raised that response to and FOI had not been received. An investigation concluded that the original request did not route from outlook to civica and therefore did not reach the IG team for processing. A full response was provided. The Council awaits the ICO decision on this case.

Individual Right Requests

In addition to the right of access, data subjects have data rights as set out in Articles 16-22 of the UK General Data Protection Regulation. In the financial year 2025-26 the Council received 12 requests, 2 for 'rectification', 9 for 'data erasure', 1 for 'restriction', all requests received an on-time response.

Freedom of Information & Environmental Information Regulations

Any person has the right to seek information from a public authority; requests relating to environmental matters are processed under the Environmental Information Regulations 2004 (EIR), most other requests are processed under the Freedom of Information Act 2000 (FOI). Such legislation does not cover the disclosure of personal data, such requests instead fall under the UK GDPR please see the 'Data Protection Requests' section above.

The KPI for FOI/EIRs to be send within 20 working-days has remained the same this year at 95. This ensures that the Council's own target reflects the standards expected by the regulator.

In the financial year 2025-26, the Council received 923 valid requests. Of these, the Council provided an on-time response to 862 requests (93.39%). To date, 4 requests remain open/unanswered. Along with the 4 open requests, 57 other requests were responded to after the deadline.

Tribunal Decisions

The Council has had zero cases this year of FOI or EIR matters being heard by the First-Tier Tribunal.

Investigatory Powers

As a local authority with enforcement powers, the Council can consider seek to have authorised the use of covert surveillance or covert human intelligence sources in line with the Regulation of Investigatory Powers Act 2000 (RIPA).

In the financial year 2024-25, the Council has not considered any requests for the use of covert surveillance or covert human intelligence sources.

There were also zero non-RIPA requests in relation to test purchases

Compliance

In October 2025 an external audit was completed to establish the condition of our compliance of the Local Government Transparency Code 2015. The audit finding provided a limited assurance opinion. The audit made 8 recommendations: 3 as urgent, 4 as important and 1 as routine. Currently 3 of the recommendations remain as important.

6. Those areas we have identified that require further development.

The table below highlights four key areas requiring focused action in 2025–26.

Risk	2025–26 position	Direction	Commentary
Company Governance (Lion Homes)	Limited Assurance for Lion Homes in 2024-25; MVL decision in 2025. MVL process dues to conclude June 2026.	Risk present 2024-25 → (static)	Support for LHL through MVL process/Lessons Learned report. Increased Shareholder Panel meetings.
Company Governance (NCSL)	NCSL financials and cashflow.	Requires Mitigation ↘	Continue to monitor NCSL performance and assurance mapping. Increased Shareholder Panel meetings.
Financial Reporting	External Audit – Audit Results Report for 2024-25 Statement of Accounts	→ (static)	NCC working closely with EY.
Corporate Governance	Transparency Code	→ (static)	No Assurance Internal Audit report in 2025-26. Recommendations being implemented and tracked via Audit Tracker.

The following action plan sets out planned actions from the Annual Governance Statement and additional areas where further work is considered necessary to improve the governance of the council or address specific concerns.

2024 -2025 Action Plan Outstanding Matters – Updates

Area (CORP number refers to corporate risk register item)	Governance Issue/challenges identified	Planned Action	Target implementation date
Compliance with good Governance practice and how can we improve			
CORP03/ CORP06/ CORP38B	How we work to comply with good Governance practice and how can we improve?	Implement version control and review anniversaries for Polices; Identify specific responsible officers. Include review in Audit Committee workplan.	August 2026
CORP38A	Ensuring openness and comprehensive stakeholder engagement	Embed consultation feedback and findings to enable a continuous cycle of learning, and the development of a consultation and engagement SharePoint space on the intranet.	December 2026
	Defining outcomes in terms of sustainable economic, social, and environmental benefits	Strengthen relationships with supportive local and national stakeholders to maintain momentum and delivery of workstreams.	March 2027
Performance Framework	Determining the interventions necessary to optimise the achievement of intended outcomes.	Continue to develop the performance framework, including alignment with the Government's Local Outcomes Framework from 2026–27. further refine performance reporting tools to support earlier identification of risks and more effective decision-making.	March 2027
CORP38D	Developing the entity's capacity, including the capability of its leadership and the people within it	Develop Vacancy Management Panel and workforce plan to sustain capability and reduce temporary staffing cost.	March 2027

CORP38B	Managing risks and performance through robust internal control and strong public financial management	Procurement lessons learned review.	September 2026
Annual Governance Statement	Implementing good practice in transparency, reporting and audit to deliver effective accountability.	This AGS includes explicit evaluations and prioritised issues; future reporting will continue to emphasise candid governance judgements	January 2027
Those areas we have identified that require further development			
CORP25/CORP34	Company Governance	Reviewing shareholder agreements, updating Shareholder Panel's terms of reference, incorporating the companies' governance arrangements into the Council's Constitution. A temporary Company Secretary has been appointed to oversee the Members' Voluntary Liquidation of Lion Homes and to provide additional capacity to support the Council's other companies. Regular meetings are held with the Board of NCSL, and Shareholder Panel meetings continue to take place on a consistent basis.	December 2026
Statement of Accounts	Financial Reporting	Work closely with EY throughout the audit. Where improvements have been identified with closedown processes, the Finance Team will continue to work with the auditor as required.	September 2026
Transparency	Corporate Governance	Recommendations being implemented and tracked via Audit Tracker	September 2026