EPSOM & EWELL BOROUGH COUNCIL

Annual Governance Statement

2025-2026

Date: July 2026

1. Executive Summary

Following the government's announcement and plans for Local Government Reorganisation (LGR), we continue our drive to work as efficiently and effectively as possible in delivering our strategies and services, while prudently managing our assets, income and expenditure.

Governance can be defined as comprising "the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The fundamental function of good governance in the public sector is to ensure that [local authorities] achieve their intended outcomes while acting in the public interest at all times." Governance includes processes, procedures, policies, administrative systems, legal arrangements and so forth, "through which [an organisation's] objectives are set and pursued in" their environmental context, while "ensuring that stakeholders can have confidence that their trust in [the organisation] is well founded."

For an account of the key processes, procedures and controls we have in place to ensure we have a robust foundation of good governance and sound financial management, please see our local Code of Corporate Governance. The Code provides assurance that we are meeting the CIPFA principles of good governance.[1]

Each year we are required to produce an Annual Governance Statement (AGS). The AGS incorporates the continuous assessment of our governance arrangements throughout the last year, identifying areas where we can improve,[2] and ultimately providing us with an honest and transparent assessment of our governance arrangements. Therefore, this helps us to ensure we are doing the right things in the right way, and ultimately delivering value for money.[3] Hence why the AGS sits alongside our annual Statement of Accounts.

Our assessment of the status of our governance, for the year ending 31 March 2026, indicates that we generally have a sound foundation of governance, systems of internal control and risk management in place. However, there are some areas where we can further improve. These areas may impact our ability to manage risks effectively and achieve our aims and objectives. Yet we are aware of these issues, outlined in Section 3, and have plans in place to address them.

LGR has, and will continue to have, a significant impact on our governance. Most notably, the impacts relate to our strategic development, both as an organisation and our vision for the Borough, continuous improvement, and human resources.

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[1] CIPFA (2016) Delivering Good Governance in Local Government Framework, 2016 Edition. CIPFA: London.

[2] See the following sections: "Rationale for the Statement's Assurance Opinion" and the "Action Plan".

[3] HM Government (2024) Best value standards and intervention: a statutory guide for best value authorities, Dept. for Levelling Up, Housing & Communities. Online available: https://www.gov.uk/government/publications/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities#best-value-powers [last accessed 03/07/2026].

Given the council is being combined with neighbouring authorities to form a new larger unitary council on 1st April 2027, setting long-term goals beyond this date is redundant. Similarly, significant investments and spend in continuous organisational improvement is less likely to happen, as the value of these will not be realisable in the next year, and the new unitary authorities will have their own initiatives. To that end, we will bring to a close the Corporate Peer Challenge action plan, at the July 2026 Council meeting. We also face the challenge of managing our workforce and delivery of services in an environment of uncertainly and accommodating the additional LGR work alongside our business as usual activities.

2. Review of the Effectiveness of the Council's Governance Framework

Gaining assurance for the review

Throughout the year, we regularly review the effectiveness of our governance arrangements, which culminate in this annual statement. In addition to the controls listed within our Code of Corporate Governance,[4] we gain assurance for the content and overall governance assessment of the AGS through the following:

- Management assurance statements: all Heads of Service are required to review and sign a statement regarding the status of governance in their department. Any weaknesses that are identified by Heads of Service are then reviewed by the Strategic Leadership Team, and those that are significant governance issues are included in this statement's action plan (below).
- Statutory Officer Statements: Each statutory officer of the council provides a governance statement related to their areas of responsibility (see "Statutory Assurances" below).
- Code of Governance review: as part of the production of this statement officers review our Code of Governance and assess whether the controls and processes listed within are working effectively at present.
- Internal Audit's annual opinion: central to forming our governance assessment is consideration of our Internal Auditor's annual conclusion on our organisational governance, having completed the last annual audit plan.
- External Audit: we review the outcomes of our last External (financial) Audit, including the value for money element. Any observations are considered for inclusion in this Statement.
- Draft AGS review: the Strategic Leadership team conduct a final officer review of the draft version of this Statement, before it is submitted to the Audit and Scrutiny Committee for final review and approval.
- Delivering Good Governance update: CIPFA published (May 2025) an addendum to their "Delivering good governance in local government: framework," which provides further guidance on the contents and presentation of the AGS. These updates have been reviewed and incorporated into this year's Statement.

Compliance with CIPFA Financial Management Code

CIPFA published its first edition 'Financial Management Code' for local authorities in October 2019. CIPFA considers that compliance with this Code is mandatory for all local authorities although such compliance is not specifically mandated by statute. The

[4] CIPFA (2023) *Developing an effective assurance framework in a local authority*, December 2023. Online available: https://www.cipfa.org/cipfa-thinks/briefings [last accessed 03/07/2026].

code is essentially a best practice guide to financial management in the local authority sector. It covers the following areas:

- The responsibilities of the chief financial officer and the leadership team (including members)
- Governance and financial management style.
- Medium to long term financial management
- The annual budget
- Stakeholder engagement and business plans
- Monitoring financial performance
- External financial reporting

Officers have undertaken an assessment of the council's compliance with the Code and in general terms the council's arrangements meet the recommended standards.

Subsidiary Company

The council has one subsidiary company – Epsom and Ewell Property Investment Company Ltd (EEPIC) – a 100% wholly owned trading company of the council. It was set up in September 2017 to provide the council with the flexibility to undertake commercial trading activities in property investment. In accordance with Government guidance introduced in April 2018, no further out of Borough property investment acquisitions have been made. As the sole shareholder of EEPIC, the council ensures strong governance through regular meetings of the Shareholder Sub-Committee. It approved EEPIC's Annual Business Plan and noted the Annual Review at its meeting on 18 November 2025 (in compliance with the Shareholder Agreement).

In addition to its role as shareholder, the council is also EEPIC's lender with separate governance provided through Strategy and Resources Committee for loan agreement matters. There were no loan agreement matters requiring committee approval in 2025/26. EEPIC Board Meetings are held quarterly with quarterly management and finance monitoring reports submitted to the council's S151 Officer to ensure loan monitoring compliance.

As a property investment company holding property investment assets for income generation, the key risks to EEPIC are tenancy void periods i.e. tenant default or tenant failure to renew at lease expiry. To mitigate these risks, EEPIC holds long term leases (the shortest lease in the portfolio does not expire until 2036) and quarterly management reporting ensures Directors are kept fully informed of tenant matters. All Directors are senior officers of the council, and all have received appropriate training.

Statutory Assurances

Several officers at the council hold statutory roles, which are established in legislation and have specific responsibilities. It is important that assurances from these officers are included in this AGS to support its conclusion on the council's governance arrangements.

Head of Paid Service

The Head of Paid Service is responsible for the overall corporate and operational management of the council. These responsibilities have been considered within the context of this statement and the Head of Paid Service can confirm that proper arrangements have been put in place for the overall operation and management of the council.

The Head of Paid Service continues to have significant concerns around the impact of the unprecedented increase in both the cost and demand for temporary accommodation on the council, particularly as this is a statutory requirement and must be met. We continue to face service and economic pressures and whilst the council remains relatively financially stable, this situation would be unsustainable in the longer term, without the context of LGR.

The Local Government Reorganisation (LGR) announced in December 2024 has placed Surrey on an accelerated timeline to Unitarisation, which has required a wholesale reconsideration of longer-term plans and priorities.

Staff turnover remains relatively stable but the workload of LGR has begun to impact on capacity, which we are monitoring closely. Our priority remains delivery of statutory services followed closely by LGR transition. A number of key staff are involved with transition workstreams and shadow / unitary authority preparation and this will continue up until vesting day in April 2027 and beyond.

Chief Financial and Section 151 Officer

The Chief Financial Officer (CFO) is responsible for the proper administration of the council's financial affairs. The Chief Financial Officer confirms that the council's arrangements conform to Section 151 of the Local Government Act 1972 and that the council complies with CIPFA's Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016).

While the council continues to operate within a robust framework of financial management and governance, it is important to reiterate that the 2026/27 budget was set at a time of continued discussion around Local Government Reorganisation (LGR) in Surrey. We now have more clarity on the future and transition to East Surrey Unitary Authority. The evolving policy environment reinforces the importance of strong financial management, resilience, and flexibility to ensure the council is well-placed to respond to future change and safeguard service delivery.

The council approved its Medium-Term Financial Strategy (MTFS) 2025–2029 during 2025/26. The MTFS provides a clear framework for stakeholders, setting out the council's medium-term financial plans to support the delivery of corporate priorities while addressing the projected future budget gap and maintaining the organisation's financial sustainability. Financial risk remains elevated, particularly in relation to rising service demand, most notably temporary accommodation, ongoing uncertainty regarding the future structure of the council. However, the council has benefited from the outcomes of Fair Funding Review 2.0, which has helped to improve its funding position and avoid the need for a major savings programme. Nevertheless, prudent financial management has remained a priority, with a healthy level of reserves and provisions maintained to mitigate risks as far as reasonably possible.

Monitoring Officer

The Monitoring Officer (Head of Legal Services – including oversight of Democratic Services and the Elections Team) continues to discharge the statutory functions set out in Sections 5 and 5A of the Local Government and Housing Act 1989, ensuring that any actual or potential unlawfulness, maladministration, or injustice arising from council actions is identified and reported to Members in a timely manner.

During 2025–26, the Monitoring Officer's governance activity has included strengthened oversight of ethical standards and member conduct, consistent with annual reporting practices across Surrey authorities. The Monitoring Officer has maintained active monitoring of the Members' Code of Conduct, including:

- operation of the regime for registration and declaration of interests, and
- the handling and assessment of complaints concerning member conduct

Constitutional Review and Community Governance Review:

The council's Constitution was reviewed and updated during the year, with further work continuing in areas affected by wider Local Government Reorganisation (LGR). A review of whether to proceed with any further work will be undertaken in the new municipal year in consultation with the Chair of Standards and Constitution Committee.

At a Full Council meeting held on 12 March 2026, a decision was taken to end the Community Governance Review commenced in June 2025.

Local Government Reorganisation (LGR)

Consistent with the governance context reported by Chief Executives and Chief Finance Officers across Surrey, the council has continued collaborative work with Surrey authorities on the LGR submission. Activity during 2025–26 has focused on:

- preparations for the design and implementation of future governance frameworks in partnership with neighbouring authorities that shall join together to create East Surrey Council (with East Surrey Shadow Authority to oversee its creation after the elections held on 7 May 2026);
- ensuring that any proposed structural changes are compatible with—or are accompanied by lawful amendment to the council's existing constitutional arrangements; and
- maintaining clear assurance that all transitional and future governance models meet relevant statutory, regulatory, and ethical standards.

The Monitoring Officer will continue to monitor and advise on all governance, constitutional, and ethical compliance matters arising from the LGR process into 2026 until 1 April 2027.

Internal Audit Annual Opinion[5]

The Southern Internal Audit Partnership's Deputy Head of Partnership has stated:

I am satisfied that sufficient assurance and advisory work has been carried out to allow me to form a conclusion on the adequacy and effectiveness of the internal control environment. In my opinion the framework of governance, risk management and control are '**reasonable'**, and audit testing has demonstrated controls to be working in practice.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

External Audit

External auditors Grant Thornton provided an unqualified (i.e. favourable) opinion in February 2026 on the 2024/25 Statement of Accounts.

The Auditor also has a responsibility to review the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria, see below:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

In the report issued in February 2026, they reported the improvements compared to last year, and that there was nothing to report in respect of whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

You can find the Audited Accounts for 2024/25 here:

https://www.epsom-ewell.gov.uk/sites/default/files/documents/council/about-council/financial-reports/FINAL%20Statement%20of%20Accounts%202024-25%2013.02.26.pdf

You can also find the Audit Finding reports here:

The Audit Findings

The draft set of 2025/26 Statement of Accounts was published on 30 June 2026 along with the Value for Money assessment.

[5] Please note our Internal Audit function is delivered by the Southern Internal Audit Partnership (SIAP), operated by Hampshire County Council. This paragraph is a direct quote from the *Annual Internal Audit Conclusion 2025-26*, prepared by SIAP's Deputy Head of Partnership. It is available in the committee papers for this meeting. The meaning of "reasonable" is defined in sections 4 and 9 of the annual report.

Once this is published the auditors review will consider the 2025-26 Statement of Accounts and Value for Money arrangements and report back to Audit and Scrutiny Committee.

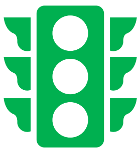
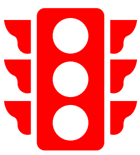
You can find the draft Statement of Accounts 2025-26 here once it has been published:

Financial Reports | Epsom and Ewell Borough Council

3. Rationale for this Annual Governance Statement's Assurance Opinion

This section highlights the factors that contribute to our overall assurance opinion, in addition to Internal Audit's annual conclusion.

The first section focuses on the actions that relate to CIPFA's principles of good governance, while the second section presents actions that fall within the seven Best Value themes. Note, there will be some cross-pollination of actions between both sections, as certain actions will be applicable to both a CIPFA principle and a Best Value theme. Both sections use the following traffic light icon descriptors.

Definition[6]	**Description**
Adequate 	There are sound policies and processes in place that are working effectively across services, which provide for good governance arrangements and support compliance with requirements of the CIPFA Principle, and the achievement of the council's Best Value aims and objectives. There may be minor areas for continuous improvement, but these do not represent a significant or material risk to the council's overall governance framework.
Some development or areas for improvement 	Whilst there are policies and processes in place, there are some areas that remain a challenge for the council or require further improvement, which may impact the effectiveness of elements of the council's governance arrangements, compliance with the CIPFA principle and the achievement of the council's Best Value aims and objectives. The council has an action plan in place to address challenges and improvement matters.
Key development or many areas for improvement 	We have identified significant challenges in relation to the policies and processes, which may impact the effectiveness of elements of our governance arrangements, compliance with the CIPFA principle and achievement of our Best Value aims and objectives. We have implemented plans for corrective actions to manage these risks.

[6] We have referred to Basildon Council's criteria to inform this section's assessment (last accessed 03/07/2026).

Please note

The items included in the table below are controls, processes etc. that have changed in the year, that is, where we improved or identified an area to improve. It is therefore not a list of all the governance arrangements we have in place. For a full list and further detail on our arrangements and assurance framework, please see our Code of Corporate Governance.

Documents listed in square brackets following items in the table below indicate where the item is being tracked. If it says Section 4 in the square brackets, this relates to the action plan contained within this statement.

Core CIPFA governance principle	Overall assessment	What's working well	Where we can improve
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		1. We have updated our officers Code of Conduct. 2. Our Constitution continues to be reviewed and updated to reflect changing circumstances, particularly around Local Government Reorganisation (LGR). 3. We have achieved our targets for time taken to process complaints over the year. 4. We produced our annual Diversity, Equity and Inclusion Framework report for 2025/26 and have an action plan for 2026/27 in place.	1. Our Health and Safety policies have been updated and will have their final review by the Council's Health and Safety Group on 14th July. [Health and Safety Action Plan]. 2. We are awaiting further clarity regarding how we fully comply with the LGR Section 24 requirement. We are discussing with the relevant LGR workstream [AGS Action Plan].
B. Ensuring openness and comprehensive stakeholder engagement		1. Our Procurement Strategy has been updated. 2. A Partnership Governance Framework has been developed for officers. 3. Our Enforcement Team and joined patrols with Town and Country Housing. 4. Dedicated LGR communications available on staff intranet.	1. We are not planning any Borough-wide / non-statutory consultations. However, we are feeding data into the development of the strategic plans for the new Surrey unitary councils, who will pick-up consultation activity post-Vesting day [AGS Action Plan].
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits		1. We delivered our 2026 Arts, Culture and Heritage Strategy objectives. 2. In our Climate Change Action Plan update we noted a 19% reduction in operational emissions since 2019/2020. 3. Health and Wellbeing Strategy approved	1. We are not developing our own strategic/corporate plan, but are contributing to the development of the plans for the new Surrey unitary authorities [AGS Action Plan].
D. Determining the interventions necessary to optimise the achievement of the intended outcomes		1. We have appointed officers in LGR roles. 2. ICT are rolling out a new telephony system which aligns with our new digital ways of working.	1. We are not currently undertaking long-term strategic planning due to LGR, however officers will continue to feed into the development of East Surrey Unitary Authority [AGS Action Plan].

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it		1. Managing change training delivered to managers.	1. We're behind our target for long-term sickness. People and Organisational Development are proactively supporting managers [Corporate Performance Report]. 2. We are still upgrading elements of our ICT systems and infrastructure [AGS Action Plan].
F. Managing risks and performance through robust internal control and strong public financial management		1. We set a balanced budget for 2026/27. 2. Treasury Management income has continued to achieve target over the year. 3. Comprehensive ICT cyber security awareness training has been delivered.	1. There are 2 red / high risks on our Corporate Risk Register and 4 on our committee risk registers. For the most recent updates on these risks please see our Quarter 4 Corporate Performance Report [Corporate Performance Report].
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability		1. Internal and External Audit, and budget monitoring reports, have reported to Audit and Scrutiny Committee throughout the year. 2. The Internal Audit Plan for 2026-27 has been agreed by Audit and Scrutiny Committee. 3. We created a central list and repository for corporate policies for officers. 4. We have used our e-tendering platform for all applicable procurements over the year. 5. External Audit has closed their observation regarding transparency that was raised last year.	1. We currently have outstanding Internal Audit management actions which we aim to complete before Vesting Day for East Surrey Unitary Authority. If any remain, these will be captured so the new authority is aware [AGS Action Plan]. 2. We have a project underway to review all our Video Surveillance Systems and accompanying processes [Service Delivery Plan]. 3. We are exploring whether we will continue to require external legal support post-Vesting day, and are discussing with the relevant LGR workstreams [AGS Action Plan]. 4. We recognise the urgent need to deliver the resolution made at Full Council on 12 March 2026, regarding reporting of urgent decisions [Full Council meetings].

Seven Best Value Themes[7]

Best Value theme	Overall assessment	What's working well	Where we can improve
1. Continuous improvement		1. Governance improvement actions are included in the final section of this Statement.	1. Local Government Reorganisation (LGR) has led us to refocus on preparing for Vesting Day for East Surrey Unitary Authority. However, we remain committed to delivering essential service delivery improvements and upgrades [Policy Committee meetings / Corporate Performance Report]. 2. Slippage in the delivery of our ICT Strategy [Quarter 4 Performance Report].
2. Leadership		1. Our financial accounts audits are up to date. 2. Corporate Leadership Team undertook a leadership programme to prepare for leading through LGR. 3. Managing Change training has been delivered to managers. 4. A managers' network has been created.	
3. Governance		1. Internal Audit assessed overall governance at the council to be "reasonable". 2. We have a risk-based internal audit plan, with regular progress reports brought to Audit and Scrutiny Committee. 3. Comprehensive ICT cyber security awareness training has been delivered.	1. We are reviewing our cyber security response plans to see if added value can be achieved through the consolidation of existing plans [AGS Action Plan]. 2. We have 20 overdue internal audit management actions reported at the March 2026 Audit and Scrutiny Committee meeting. We are working towards having no overdue actions by 31 March 2027 [AGS Action Plan].

[7] HM Government (2024) Best value standards and intervention: a statutory guide for best value authorities, Dept. for Levelling Up, Housing & Communities. Online available: https://www.gov.uk/government/publications/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities#best-value-powers [last accessed 31/05/24].

4. Culture		1. Staff turnover is on target. 2. A new officers Code of Conduct has been launched.	1. We continue to explore how we contend with LGR in the context of officer development, retention and recruitment, which will be challenging [Corporate Performance Report].
5. Use of resources		1. We are proactive with our treasury management investment, which provides a return that is above target. 2. We received an unqualified (i.e. favourable) opinion in February 2026 regarding our 2024/25 Statement of Accounts. 3. We have begun many building upgrades as part of our Capital Programme.	1. Temporary accommodation costs continue to place a significant strain on our finances [Corporate Performance Report].
6. Service delivery		1. Service plans, including service risks and performance indicators are in place for 2026/27. 2. Our service delivery key performance indicators have largely all been on track across the year. 3. ICT are rolling out a new telephony system which aligns with our new digital ways of working.	1. Resourcing LGR continues to put a strain on capacity across most council teams [Corporate Performance Report]. 2. Elements of our ICT Strategy have slipped past their original due dates [Policy Committee meetings / Corporate Performance Report].
7. Partnerships and community engagement		1. We have worked effectively with a local partners on delivering government grants and supporting refugee schemes and homelessness prevention over the year, and the Young Legends programme. 2. We are working closely with the new Operator of the Rainbow Leisure Centre to deliver their Active Communities Programme.	1. Ensure consultation is undertaken regarding any potential changes to precepting powers that the Council has the authority to initiate [relevant council / committee meetings].

		3. We have developed a Partnership Governance Framework for Officers. 4. We have completed our new Borough Profile. 5. We delivered two consultations using a new online platform (paper copies were also available) on a proposed Community Governance review, which was a key factor in deciding the outcome of the proposal.	

4. Action Plan

2025-26 Annual Governance Statement Action Plan

The table below contains the latest updates on last year's action plan. Any actions marked as complete will now be deactivated, and any in progress or delayed will continue to be tracked through to completion.

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
Review and enhance recruitment and retention policies and procedures for key roles across the council	31-Mar-2024	30-Sep-2025	The Senior Leadership Team has weekly discussion to ensure that we have a range of retention measures in place, and this is particularly the case in light of the uncertainty of LGR. The Head of People and OD is working with the other Heads of HR across Surrey to take a joined up approach to the potential risk of retention challenges particularly of those in leadership roles ahead of LGR. In addition, the Surrey Chief Executives are building a collective study of retention measures to bring forward for discussion at Surrey Leaders in October 2025.	●	Completed	01-Aug-2025
Review and update IT policies as necessary	31-Mar-2024	31-March 2026	Acceptable Use Policy (AUP): Finalised and formally approved, with updates reflecting enhanced cyber security controls, audit recommendations, and explicit	●	Completed	11 – May 2026

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
			coverage of AI and modern collaboration tools. Password Policy: Finalised and approved, aligning password standards with current security best practice and supporting the council's wider information security framework.			
2023/24 - IT AGS action	31-Mar-2024	~~31-Mar-2026~~ 30-Sep-2026	Action ongoing: approaching next IT health check and expecting Cabinet Office to attend to review, expecting positive outcome. Delayed due Cabinet Office communications. Hence new due date set.		Slippage	11-May-2026
2023/24 Councillor Training - review and enhance the councillor training and development programme	31-Mar-2025	31-Oct-2025	This action has been cancelled due to Local Government Reorganisation. Hence it will be closed on the action plan.		Closed	17-Apr-2026
Management capability -to enhance management capability to lead through change, by delivering a new	31-Mar-2026	31-Mar-2026	Managing Change for Line Managers training sessions were set up for 21 April, 12 and 18 May with those that manage people booked on. Training for all staff is set up for June/July. In addition, we have a number of colleagues attending external		Completed	08-Jun-2026

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
development programme.			development programmes funded through the corporate training budget. Action completed: all training has been delivered/arranged.			
Review our cyber security response plans to review to see if added value can be achieved through consolidation of existing plans	31-Dec-2025	~~30-Apr-2026~~ 30-Sep-2026	An updated information pack was provided to Maple to inform further development of Version 2, ensuring alignment with audit requirements and practical incident response arrangements. Work continues to align the developing Cyber Security Response Plan supporting a single, coherent response approach. ICT consultant reviewing latest edition of plan (V3), awaiting their response.		Slippage	11-May-2026
Staff resourcing across all teams- to Review level of resilience of staff resourcing.	31-Dec-2025	31-Dec-2025	Workforce planning meetings have been carried out with all HoS. Resilience of staff resourcing has been reviewed and actions agreed		Completed	22-Dec-2025
Manual processes in Place team- to Replace manual processes in the Place Development	31-Mar-2026	31-Mar-2026	No further progress has been made with respect to using AI aside from occasional use of CoPilot. Central Government has awarded contracts to Google to test AI software for		Completed	14-Apr-2026

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
team with automation.			processing minor householder applications, and this will continue through 2026. This has no immediate impact on the council. Further development will be dependent on East Surrey Unitary authority requirements, so this action has been assessed as complete.			
Appeals related to the Local Plan- to review appeals related to the Local Plan to ensure they do not relate to the governance of the Plan.	30-Sep-2025	~~31-Mar-2026~~ 31-July-2026	Additional documents requested by the Inspector submitted by 10 April 2026 deadline. This led to a public consultation over May-June 2026. A further hearing is scheduled to take place on 2 July to consider the matters consulted upon.		On track	25-Jun-2026
Corporate priorities - in light of LGR, management will consider having a focussed set of corporate priorities for the coming year / 2 years	31-Oct-2025	31-Oct-2025	Corporate priorities for 2025-27 were taken to Full Council on 6th May 2025 and approved as the council's priorities for the next two years ahead of LGR.		Completed	08-Aug-2025
Performance appraisals of the manual workforce -	30-Sep-2025	31-Mar-2026	A tailored form specifically for the Community Services driver technician, wellbeing coordinator, and kitchen		Completed	07-May-2026

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
to Develop a suitable My Performance Conversation process for our manual workforce			team has been developed. All areas with manual workforce now have a fit for purpose MPC process.			
Open, transparent and timely discussions with key stakeholders: external auditors, internal auditors and members on key decisions affecting council affairs	31-Mar-2026	31-Mar-2026	Regular meetings have been taking place since summer with key stakeholders, including Grant Thornton (GT) and the Southern Internal Audit Partnership (SIAP). GT have now closed this action in their reports, therefore this action will close and the meetings with stakeholders will continue as business as usual.		Completed	05-May-2026

2026-27 Additions to the Annual Governance Statement Action Plan

Issues identified	Action to be taken	Due date
Ensure any outstanding audit actions are carried forward into the new East Surrey Authority so that they are not lost	Work towards completing all actions on schedule, and if unsuccessful, highlight in new service plan for East Surrey.	31 March 2027
Long-term strategic planning, objective setting will be needed as we move into LGR	Begin longer term planning under East Surrey. Epsom and Ewell officers to feed into East Surrey planning.	31 December 2027
External Legal support beyond April 2027	Await the design phase of LGR (c.Q3 2026) to determine if an extension will be necessary and if our partner council will have capacity to offer future support [initial discussions held].	31 March 2027
Corporate Compliance with Section 24 LGR direction	Continue discussions with the relevant LGR leads to provide clarity over requirements. Corporate Governance and Strategy team to introduce mechanism to ensure Epsom and Ewell compliance based on guidance from Shadow Authority (when available).	31 July 2026
Continued reliance on ICT legacy / extended-support infrastructure components.	Risks recorded and mitigations applied; long-term resolution to be progressed through unitary authority technology roadmap.	31 March 2027
Development Management: update procurement process for all contracts	Integrate with current governance model.	31 August 2026

5. Executive Confirmation

The Chair of Strategy and Resources Committee and Chief Executive both recognise the importance of good governance and sound financial management. They pledge their commitment to address the matters highlighted in this AGS, and to further enhance our governance arrangements to enable delivery of our strategic priorities. Further, they confirm they have been advised of the implications of the governance review by senior management. In addition, they are assured that the Audit and Scrutiny Committee are satisfied that the steps outlined in this document will ensure that our governance arrangements remain fit for the future.

Signed on behalf of Epsom and Ewell Borough Council:[8]

SIGNED	*SIGNED*
Chair of Strategy & Resources Committee	**Chief Executive**
Date: 07/09/2026	Date: 07/09/2026

[8] The digitally signed copy is stored at the Town Hall.