Report to the Partnership for South Hampshire Joint Committee

Date: **14 July 2025**

Report of: **Mel Creighton, Executive Director – Corporate Services**

Subject: **REVENUE BUDGET MONITORING AND STATEMENT OF ACCOUNTS 2024/25**

SUMMARY

This report summarises the outturn against the budget for the financial year 2024/25 and includes presentation of the Statement of Accounts 2024/25 for approval. This report also notes the revenue budget for 2025/26 as approved at the Joint Committee meeting in March 2025.

RECOMMENDATIONS

It is RECOMMENDED that Joint Committee: -

i. NOTES the outturn for the financial year 2024/25 (Table 2).

ii. APPROVES the Statement of Accounts for the 2024/25 financial year and the Annual Governance Statement (Appendix 1).

iii. NOTES the revenue budget for 2025/26 as set out in the report (Table 4).

INTRODUCTION

1. This report sets out the final outturn expenditure position against the budget for 2024/25 and presents the revenue budget for the financial year 2025/26.

RESOURCES

2. Table 1 below shows the estimated PfSH resources that were expected to be available for 2024/25, the actual income received and the expected resources available for 2025/26.

3. The expected resources for the financial year 2025/26 are the partnership balances carried forward from 2024/25, in-year partnership contributions and the expected interest on balances held by SCC on behalf of PfSH.

4. The totals for capital and revenue resources are the control totals for the budgets detailed below.

Table 1: Total Resources Available	**2024/25 Approved Budget**	**2024/25 Actual**	**2025/26 Proposed Budget**
	£000	**£000**	**£000**
Revenue Funds			
Core funding (local authorities)	131	131	134
Other contributions	0	0	
Interest on balances	0	7	0
Unallocated balances	156	156	173
Total	**287**	**294**	**307**

5. The partner contributions for 2025/26 are £134,100 following approval by the Joint Committee in March 2025. Interest rates were relatively high throughout the year, so the balances held by PfSH earned £7,381 in 2024/25 compared to £7,621 in the previous year.

FINAL OUTTURN 2024/25 - REVENUE

6. Table 2 below sets out the revenue budget for 2024/25, approved by the Joint Committee in March 2024 and the actual outturn.

7.

Table 2: Revenue Allocations 2024/25

	2024/25 Approved Budget	**2024/25 Spend to end Mar 25**	**2024/25 Under/ (Over) Spend**
	£000	**£000**	**£000**
Culture, Creative Industries & the Built Environment	15	15	0
Solent Waders Monitoring Officer	14	14	0
Core Projects & Central Costs	102	92	(10)
Total Core and Panel Budgets	**131**	**121**	**(10)**

8. The **unallocated balances** are the revenue reserves of the partnership. These are maintained to enable the partnership to have resources available to react to potential future opportunities as they arise.

Table 3: Unallocated Balances

	£000
Balance brought forward into 2024/25	156
To fund 2024/25 expenditure	(121)
Contribution income 2024/25	131
Interest income 2024/25	7
Balance at end of 2024/25	**173**

9. Updates on the work of the delivery panels are included in the Co-ordinator's report to each of the Joint Committee meetings. A report to continue support for Creative Network South through the **Culture, Creative Industries & the Built Environment** panel was presented to the Joint Committee in March 2025.

10. The **Core Projects & Central Costs** budget reflects commitments relating to staffing costs and other ongoing revenue activities led by the PfSH central team.

11. **Unallocated Balances -** There were no additional allocations to delivery panels during the year from unallocated balances. The balance will be used to fund potential future work of the partnership as and when opportunities arise.

2024/25 STATEMENT OF ACCOUNTS

12. The Statement of Accounts for the 2024/25 financial year and the Annual Governance Statement are presented for approval in **Appendix 1**. These statements have been reviewed by internal audit and, based on the testing conducted, assurance has been given that adequate financial systems and controls are in place for the administration of the PfSH accounts.

REVENUE BUDGET 2025/26

13. The revenue budget allocations for 2025/26 are shown in table 4. This is based on the 2025/26 budget as approved by the Joint Committee in March 2025.

14.

Table 4: Revenue Allocations 2025/26	**2025/26 Budget Allocation**
	£000
Culture, Creative Industries & the Built Environment	15
Screen Agency Feasibility	15
Solent Waders & Brent Goose Strategy	14
Core Projects & Central Costs	90
Total Core and Panel Budgets	**134**

15. It is proposed that an **Unallocated Balance** of around £160,000 will be maintained to enable the partnership to have resources available to react to potential future opportunities as they arise.

Table 5: Unallocated balances

	£000
Balance at end of 2024/25	**173**
To fund 2025/26 budget	(134)
Contribution income 2025/26	134
Interest income 2025/26	7
Forecast balance at end of 2025/26	**180**

It is RECOMMENDED that Joint Committee: -

i. NOTES the outturn for the financial year 2024/25 (Table 2).

ii. APPROVES the Statement of Accounts for the 2024/25 financial year and the Annual Governance Statement (Appendix 1).

iii. NOTES the revenue budget for 2025/26 as set out in the report (Table 4).

Background Papers:

Appendix 1 - Statement of Accounts for the 2024/25 financial year and the Annual Governance Statement

Enquiries:
For further information on this report please contact:

Mel Creighton, Executive Director – Corporate Services
T: 023 8083 3528
E: mel.creighton@southampton.gov.uk

Acqusilia Mudzingwa, Finance Business Partner
T: 023 8083 3162
E: acqusilia.mudzingwa@southampton.gov.uk

Partnership for South Hampshire

Statement of Accounts 2024/25

PARTNERSHIP FOR SOUTH HAMPSHIRE
STATEMENT OF ACCOUNTS 2024/25

Explanatory Foreword....3

Statement of Accounting Policies....6

Statement of responsibilities for the statement of accounts - Joint Committee....7

Statement of responsibilities for the statement of accounts - Chief Financial Officer..8

Income and Expenditure Account....9

Statement of movement on the General Fund Balance....10

Balance Sheet....11

Cash Flow Statement....12

Annual Audit Return....13

Notes to the Core Financial Statements....14

Annual Governance Statement....20

EXPLANATORY FOREWORD

1. Introduction

This document contains the Partnership for South Hampshire's (PfSH) Statement of Accounts for the year ended 31 March 2025.

This foreword contains:

- a summary of the various statements which make up the 2024/25 accounts.
- a broad picture of where the money comes from and what it is spent on; and
- a summary of the revenue expenditure on services and capital expenditure over the course of the year.

2. Summary of Statement of Accounts.

The accounts for 2024/25 are set out on pages 6 to 16**.** They consist of the following**:**

- Statement of Accounting Policies – sets out the policies adopted by the Joint Committee in preparing the Accounts.
- Statement of Responsibilities for the Statement of Accounts – records the respective responsibilities of the Joint Committee and Chief Financial Officer.
- Income and Expenditure Account – reports the net cost for the year of all the functions for which the Joint Committee is responsible and how they have been financed.
- Statement of Movement on General Fund Balance – discloses the adjustments necessary to determine the movement on the General Fund Balance
- Balance Sheet – this sets out the financial position on 31 March 2025.
- Cash Flow Statement - this summarises cash coming in or going out from transactions with others for revenue and capital purposes.

In addition, the Annual Governance Statement, which reviews the effectiveness of the system of internal control, is included on pages 18 to 23.

3. Overall financial position

As PfSH is not able to own any assets, the balance sheet total mainly represents the balance of funding being carried forward to the next financial year to fund ongoing PfSH programmes. The balance sheet position as at 31 March 2025 reflects an increase of £17,840 compared to the previous year.

Revenue funding for 2024/25 was made up of carried forward of balances from 2023/24, in year partner contributions and interest received on balances.

Subscriptions for 2024/25 were agreed by the Joint Committee on 14th March 2024. This will enable the partnership to fund committed projects, undertake work in 2024/25 and maintain an appropriate level of resources in reserves.

4. Where the money comes from

The Joint Committee's income in 2024/25 came from the carry forward of balances along with interest earned on those balances and partner contributions. Interest rates were relatively stable throughout 2024/25, so the balances held by PfSH earned £7,381 in 2024/25 compared to £7,621 in the previous year.

Table 1: Total Resources Available

	2024/25 Approved Budget	Actual	Difference
	£000s	£000s	£000s
Revenue Funds			
Partner Contributions	131	131	0
Other contributions		0	0
Interest on balances		7	7
Unallocated balances	156	156	0
Total	**287**	**294**	**7**

5. Overview of the year – revenue expenditure

The main components of the 2024/25 revenue budget and actual expenditure are set out in Table 2 below.

Table 2 Revenue Allocations

	2024/25 Approved Budget	Total Spend	(Under)/ Over Spend
	£000s	£000s	£000s
Culture, Creative Industries and the Built Environment	15	15	0
Solent Waders Monitoring Officer	14	14	0
Core Projects & Central Costs	102	92	(10)
Total	**131**	**121**	**(10)**

6. Unallocated Balances

The unallocated balances are the revenue reserves of the partnership. This is maintained to enable the partnership to have resources available to react to potential future opportunities as they arise.

	£000
Balance brought forward into 2024/25	156
To fund 2024/25 expenditure	(121)
Contribution income 2024/25	131
Interest income 2024/25	7
Balance at end of 2024/25	**173**

7. Further information

Further information can be obtained about the accounts from Mel Creighton, the Chief Financial Officer to the Partnership for South Hampshire Joint Committee at the Finance Department, Southampton City Council, The Civic Centre, Southampton, Hampshire, S014 7LY, telephone 023 8083 4897 or Email mel.creighton@southampton.gov.uk.

STATEMENT OF ACCOUNTING POLICIES

1. General principles

1.1 The accounts have been prepared in accordance with standard accounting practice. Any significant non-compliance is explained in the following notes.

2. Debtors and creditors

2.1 Debtors and creditors have been accrued in accordance with standard accounting practice.

3. Accounting for VAT

3.1 Claims for re-imbursement from other local authorities are paid net of VAT. Any claims from other bodies not able to reclaim VAT are paid gross.

4. Interest

4.1 Interest is calculated using the 6-month gilt yield average interest rate on the originally budgeted opening balance held by Southampton City Council on behalf of PfSH.

5. Liquid Resources and Cash

5.1 The Joint Committee includes cash in its categorisation of liquid resources on the basis that this is actually held as cash. No other resources are held that are readily convertible to cash.

6. Fair Value

6.1 All financial assets and financial liabilities carried in the statements are short term so have been valued at face value, which is a reasonable assessment of fair value.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS - JOINT COMMITTEE

1. The Joint Committee's responsibilities

The Joint Committee is required:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. For this Joint Committee, that officer is the Chief Financial Officer.
- To manage its affairs so as to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

2. The Chairman's Statement

I certify that the Statement of Accounts for 2024/25 were considered and approved at the Joint Committee meeting on 14th July 2025.

Councillor xx

Chairman – Joint Committee

14th July 2025

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS - CHIEF FINANCIAL OFFICER

1. The Chief Financial Officer's responsibilities

The Chief Financial Officer is responsible for the preparation of the Joint Committee's Statement of Accounts in accordance with proper practices as was agreed with the Audit Commission.

In preparing this statement of accounts, the Chief Financial Officer has sought to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that were reasonable and prudent.

The Chief Financial Officer has also:

- kept proper records which are up to date,
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

2. The Chief Financial Officer's statement

I certify that the Statement of Accounts presents fairly the financial position of the Partnership for South Hampshire as at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

Mel Creighton

Chief Financial Officer

14th July 2025

INCOME AND EXPENDITURE ACCOUNT

Net Expenditure 2023/24 £		Net Expenditure 2024/25 £
	Cultural, Environmental and Planning Services:	
15,000	Culture, Creative Industries & The Built Environment	15,000
14,000	Solent Waders Project	14,000
29,000		**29,000**
	Corporate and Democratic Core:	
96,593	Central Costs	91,941
96,593		**91,941**
125,593	**Net Cost of Services**	**120,941**
(7,621)	Interest Received	(7,381)
117,973	**Net Operating Expenditure**	**113,560**
(132,600)	Partnership Contributions	(131,400)
(14,627)	**Surplus (-) /Deficit (+) for Year**	**(17,840)**

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

The Income & Expenditure account shows actual financial performance for the year, measured in terms of resources consumed, and generated over the last 12 months. However, the General Fund balance takes account of reserves built up in the past and contributions to reserves for future expenditure. This statement summarises the differences between the outturn on the Income & Expenditure account and the General Fund balance.

2023/24 Total £		2024/25 Total £
(141,922)	General Fund Balance Brought Forward	(156,549)
(14,627)	Surplus(-)/Deficit(+) for the year on the Income and Expenditure Account	(17,840)
(156,549)	**Balance on General Fund Carried Forward**	**(174,389)**

BALANCE SHEET

2023/24		2024/25
£		£
	Current Assets:	
0	Debtors	1,200
177,582	Cash	194,902
177,582	**Total Current Assets**	**196,102**
	Current Liabilities:	
(21,033)	Creditors	(21,713)
(21,033)	**Total Current Liabilities**	**(21,713)**
156,549	**Net Current (Liabilities)/Assets**	**174,389**
	Financed By:	
	General Reserves:	
156,549	For Revenue Purposes	174,389
156,549		**174,389**

CASH FLOW STATEMENT

2023/24 £		2024/25 £
	Revenue Activities	
	Cash Outflows:	
121,547	Operating Costs	120,261
121,547		**120,261**
	Cash Inflows:	
(141,600)	Other Income	(130,200)
(141,600)		**(130,200)**
(20,053)	**Net Cash inflow(-)/outflow(+) from revenue activities**	**(9,939)**
	Returns on Investments and Servicing of Finance	
	Cash Inflow:	
(7,621)	Interest Received	(7,381)
(7,621)	**Net Cash inflow(-)/outflow(+) from Servicing of Finance**	**(7,381)**
(27,673)	**Net Cash Inflow(-)/Outflow(+)**	**(17,320)**

Note: Cash inflows are shown as negative numbers (-), outflows as positive.

ANNUAL AUDIT RETURN

	Y/E 31 Mar 2025 £	Y/E 31 Mar 2024 £
1. Balances Brought Forward	**156,549**	**141,922**
2. Income From Local Taxation and/or Levy		
3. Total Other Receipts	138,781	140,221
4. Staff Costs		
5. Loan Interest/Capital Repayments		
6. All Other Payments	120,941	125,593
7. Balances Carried Forward (1+2+3-4-5-6)	**174,389**	**156,549**
8. Total Cash and Short-Term Investments	194,902	177,582
9. Total Fixed Assets and Long-Term Assets		
10. Total Borrowings	(20,513)	(21,033)

NOTES TO THE CORE FINANCIAL STATEMENTS

1. Interest Received

1.1 Interest is calculated using the 6-month gilt yield average interest rate on the originally budgeted opening balance for 2024/25.

2. Partner Contributions to PfSH

2.1 The table below shows the contributions made by each partner in 2024/25.

Council	2024/25	2023/24
	£	£
East Hampshire District Council	1,200	1,200
Eastleigh Borough Council	7,400	7,500
Fareham Borough Council	6,200	6,300
Gosport Borough Council	4,400	4,500
Hampshire County Council	40,300	40,600
Havant Borough Council	6,700	6,800
New Forest District Council	9,500	9,600
New Forest National Park Authority	1,200	1,200
Portsmouth City Council	22,600	22,800
Southampton City Council	27,000	27,200
Test Valley Borough Council	2,500	2,500
Winchester City Council	2,400	2,400
	131,400	**132,600**

3. Payments from PfSH to Partners

3.1 The table below sets out payments made to partners from PfSH:

Council	2024/25	2023/24
	£	£
Portsmouth CC	66,580	71,219
Southampton CC	17,338	21,953
Fareham BC	7,548	3,421
Havant Borough Council	476	0
Total Payments to Partners	**91,942**	**96,593**

4. Debtors

	2024/25	2023/24
	£	£
Other Local Authorities	1,200	0

5. Creditors

	2024/25	2023/24
	£	£
Other Local Authorities	21,713	21,033

6. Reconciliation of Income and Expenditure Account to net cash inflow from revenue activities

	2024/25	2023/24
	£	£
Surplus (-)/Deficit (+) on Income & Expenditure Account	(17,840)	(14,627)
Increase (+)/Decrease (-) in Debtors	1,200	(9,000)
Increase (-)/Decrease (+) in Creditors	(680)	(4,046)
Increase (-)/Decrease (+) in Receipts in Advance		
Less Interest Received	7,381	7,621
Net Cash inflow (-)/outflow (+) from revenue activities	**(9,939)**	**(20,053)**

7. Reconciliation of the Movement in Cash

	2024/25	2023/24
	£	£
Increase (+)/Decrease (-) in Cash	17,320	27,673
Represented by:		
Net Movement from Revenue	9,939	20,053
Net Movement from returns on investment	7,381	7,621

8. Financial Instruments

8.1 In accordance with Financial Reporting Standard (FRS 102) debtors, payments in advance and temporary lending are classified as loans and receivable financial instruments. Creditors (note 7), receipts in advance and temporary borrowing are classified as financial liabilities at amortised cost. All such elements included in the Balance Sheet are short term and have been valued at face value, which is a reasonable assessment of fair value.

8.2 Credit risk arises from deposits with other institutions, as well as credit exposures to PfSH's debtors. As surplus cash is temporarily invested with Southampton City Council, PfSH is exposed to minimal risk. PfSH's debtors are generally other public sector bodies.

8.3 PfSH has access to temporary borrowing from Southampton City Council's cash surpluses, so there is no significant liquidity risk of not being able to raise finance. There is no investment in equity shares or other shareholdings, and no financial assets or liabilities in foreign currencies so no exposure to either price risk or exchange rate risk.

8.4 In summary, the risks to which PfSH is exposed to are minimal and therefore it is not considered necessary to perform any sensitivity analysis of the above risks as any changes to the risks would be unlikely to be material to these accounts.

9. Authorisation to Issue the Accounts

9.1 These Accounts were authorised for issue on 14th July 2025 by the Chief Financial Officer, and events after the balance sheet date have been considered to this date.

10. Related Party Transactions

10.1 PfSH is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence PfSH or to be controlled or influenced by PfSH. Disclosure of these transactions allows readers to assess the extent to which PfSH might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with PfSH. There were no related party transactions.

10.2 Central government has effective control over the operations of PfSH - it is responsible for providing the statutory framework within which PfSH operates and has provided the majority of its funding in the form of grants.

10.3 Members of the Joint Committee have direct control over PfSH's financial and operating policies, and notes 3 and 4 set out the transactions with the parent councils of the members of the Joint Committee. No grants were awarded in 2024/25 to related party organisations.

Annual Governance Statement

1. Scope of responsibility

1.1 The Partnership for South Hampshire ("PfSH") is a Joint Committee comprising 11 local authorities and one National Park Authority ("the Councils"). The primary governance arrangements that apply directly to those members and officers of the Councils who are engaged in PfSH activities are those maintained by their own individual local authority (for example, Codes of Conduct). The relationship between the Councils in respect of PfSH are set out in the Joint Agreement ("the Agreement") which has been approved by each of the Councils at a full council meeting. A copy of the Agreement is available at:

https://www.PUSH.gov.uk/partnership/working-arrangements/governance/

1.2 Southampton City Council's Director of Legal & Governance has also been appointed as the Lead Advisor on legal and constitutional issues for PfSH, and also the statutory Monitoring Officer for PfSH. As such, the Southampton City Council governance arrangements take precedence, and form the basis of PfSH's governance framework for the operation of the Joint Committee and its activities.

1.3 Southampton City Council is the lead authority for financial matters, and Southampton City Council's Executive Director – Corporate Services is also the statutory Chief Financial Officer ("CFO") for PfSH.

1.4 PfSH ("the Joint Committee") is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

1.5 In addition to the Agreement, the Joint Committee reviewed the governance arrangements at its meeting of 15 October 2021, and the report is available at:

(Public Pack)Agenda Document for Partnership for South Hampshire (PfSH) Joint Committee, 25/10/2021 18:00 (push.gov.uk)

1.6 The Financial Protocols ("the Protocols") for PfSH were reviewed at the meeting of 28 January 2014, and these are available at:

https://www.PUSH.gov.uk/wp-content/uploads/2018/07/Item-7-Annex-A-Revised-Financial-Protocols.pdf

2. The purpose of the governance framework

2.1 The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

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

2.3 The governance framework has been in place for the Joint Committee for the year ended 31 March 2025 and up to the date of approval of the statement of accounts.

3. The Governance Framework

3.1 The following describes the key elements of the systems and processes that comprise the Joint Committee's governance arrangements including arrangements for:

Identifying and communicating the Joint Committee's vision of its purpose and intended outcomes for citizens and service users:

3.2 The sub-regional strategy for South Hampshire sets out objectives for growing prosperity and improving the quality of life. Those objectives need to be translated into actions that will deliver change. PfSH's Business Plan sets out how the sub-regional strategy is to be delivered. The 2021 - 2025 Business Plan was considered by the Joint Committee 15th October 2021.

Reviewing the Joint Committee's vision and its implications for the governance arrangements:

3.3 Southampton City Council has adopted a Code of Corporate Governance ("CCG") which identifies in one core document how the Council ensures that it runs itself in a lawful, structured, ethical and professional manner. The CCG is administered by the Monitoring Officer and is updated periodically by the Council's Standards and Governance Committee. As PfSH follows Southampton's governance arrangements (its Constitution etc), Southampton's CCG reflects and represents PfSH's governance arrangements. The full document is published on the City Council's internet site at:

https://www.southampton.gov.uk/media/fsinhz4z/code-of-corporate-governance-feb-2021.pdf

Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources:

3.4 The Joint Committee has adopted a Performance Framework which sets out PfSH's overall approach to secure on-going improvements across a wide range of services that are provided to local residents and businesses.

3.5 The Joint Committee set budget allocations across the Delivery Panels and covering the core PfSH organisational costs at its meeting of 14th March 2024.

3.6 Budget reports are considered by the Joint Committee periodically through the year.

3.7 These reports are available at:

https://www.PUSH.gov.uk/work/our-meetings/joint-committee/

Defining and documenting the roles and responsibilities of the executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication:

3.8 The Joint Committee has a Joint Agreement, Governance Framework and Financial Protocols setting out how it operates, how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Joint Committee to choose.

3.9 The Governance Framework and Financial Protocols set out the detailed rules governing the Joint Committee's business including details of the scheme of delegation that provide for delegation to senior officers (Lead Chief Executives and the Executive Director).

Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff:

3.10 Members and officers acting on behalf of PfSH are required to follow their individual authority 'Members' Code of Conduct' or 'Officer Code of Conduct' as appropriate.

3.11 The Members' Code covers areas of individual behaviour such as Members not abusing their position or not misusing their authority's resources. In addition there are rules governing disclosure of private interests and withdrawal from meetings where Members have relevant interests. Members are also required to record on the public register their financial and other interests.

Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks:

3.12 The Joint Agreement sets out how the Joint Committee operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. This includes information on how the Joint Committee operates, how decisions are made and the role of overview and scrutiny.

3.13 Periodically, as appropriate, the Monitoring Officer, together with the CFO, conducts a review of the Joint Committee's governance arrangements, which are considered by the Joint Committee from time to time.

3.14 All reports submitted to the Joint Committee for a decision must receive legal and financial clearance prior to publication in accordance with the published procedures.

Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

3.15 It is not practical for PfSH to have a formally constituted Audit Committee whose role would be to provide independent assurance to the Joint Committee or Overview and Scrutiny Committee on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement. The Joint Committee therefore acts in this capacity directly to receive the accounts, annual governance statement and the reports of the appointed auditor.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful:

3.16 It is the role of the Monitoring Officer and the CFO to ensure compliance with relevant laws and regulations and that expenditure is lawful. This is achieved through the governance framework including the Joint Agreement itself and the Financial Protocols.

Whistle-blowing and receiving and investigating complaints from the public:

3.17 Any complaints received by the Joint Committee in respect of unlawful conduct, illegality, financial malpractice or dangers to the public, employees or the environment would be dealt with by the Monitoring Officer, in line with Southampton City Council's procedures.

3.18 The Joint Committee does not employ staff directly, but rather by the relevant constituent authorities. Each council is required to have its own whistle blowing policy, and staff can utilise these for any activities of PfSH.

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training:

3.19 The Councils individually have their own programmes for member and senior officer learning and development to cover general development needs. From time to time, PfSH organises member and senior officer workshops to address emerging development needs specific to the Joint Committee.

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation:

3.20 PfSH has established a Communications Strategy. In addition, the Joint Committee is able to draw on the existing communication channels of the Councils.

4. Review of effectiveness

4.1 The Joint Committee has a responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the appropriate officers.

4.2 The review process applied in respect of maintaining and reviewing the effectiveness of the system of internal control, is informed by:

- the work of Members/Officers within the Joint Committee;
- audit and other periodic reports from the Internal Auditor;
- reports received from service review agencies or inspectorates where appropriate

5. The Joint Committee

5.1 The Joint Agreement forms the cornerstone of effective corporate governance, supported by the Governance Framework and the Financial Protocols. It has been approved by the full Council meetings of each of the partner local authorities.

6. The Overview and Scrutiny Committee

6.1 The Joint Agreement establishes a Joint Overview and Scrutiny Committee with the following terms of reference:

- To scrutinise and call in Joint Committee decisions.
- To scrutinise in particular the PfSH Business Plan and its delivery.
- In respect of any call in:
  - To review decisions made in accordance with the approved business plan and where they consider it appropriate, refer such decisions back to Joint Committee with comments for reconsideration;
  - To review decisions not made in accordance with the approved business plan where they may either refer such decisions back to Joint Committee with comments for reconsideration or refer the decision back to individual authorities. The Council has a formally constituted Audit Committee whose role it is to provide independent scrutiny.

7. The Joint Committee acting as an Audit Committee

7.1 The Joint Committee receives reports to meet certain statutory obligations, such as approving the Annual Governance Statement and the Statement of Accounts.

8. Internal audit

8.1 The Joint Committee does not operate an Internal Audit function. However, the Southampton City Council / Portsmouth City Council shared internal audit service undertakes an assurance role that provides an independent and objective opinion to the CFO and to the external auditor that adequate financial systems and controls are in place. The audit plan for PfSH is agreed with the CFO.

9. Other review/assurance mechanisms.

9.1 The Annual Governance Statement is reviewed each year. This statement, insofar as it is applicable to a Joint Committee, follows the guidance set out within the CIPFA framework: “Delivering Good Governance in Local Government”.

10. Significant governance issues

10.1 No significant governance issues have been identified, however we will continue to review our governance arrangements from time to time and on at least an annual basis.

10.2 We propose over the coming year to take appropriate steps to address matters arising out of such reviews to further enhance our governance arrangements. We are satisfied that this will address the need for any improvements that might be identified in our review of effectiveness and will monitor their implementation and operation as part of any subsequent review.

Signed _____

Councillor xxx, Chairman.
14th July 2025

Signed _____

Paddy May, PfSH Co-ordinator.
14th July 2025