

Annual Governance Statement



2024-2025

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Scope of responsibility

Tewkesbury Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. Public money should be safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, the council is responsible for putting in place proper arrangements of its affairs and facilitating the effective exercise of its functions. This includes arrangements for the management of risk.

Regulation 6(1) (a) of the Accounts and Audit Regulations 2015 (and subsequent amendment regulations of 2020, 2021 and 2022) require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control. This requires a statement, reporting on the review with any published Statement of Accounts. The requirement for a local authority, the statement is an Annual Governance Statement (AGS).

In England, the Accounts and Audit Regulations 2015 stipulate that the AGS must be 'prepared in accordance with proper practices in relation to accounts'. Therefore, a local authority in England shall provide this statement in accordance with the 'Delivering Good Governance in Local Government: Framework (2016)'.

The AGS is an accountability statement. It provides an opinion on whether the governance of the authority was fit for purpose during the year it relates to, following a review of its effectiveness. It identifies any significant governance issues occurring during the year or from the review, and it provides a commitment to address those matters. It can also include any issues arising up to the date of producing the final document. It is signed by the Chief Executive and Leader of the Council to ensure top-level commitment to the improvement of governance and assurance.

The purpose of the governance framework

The governance framework defines the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. The framework defines the principles that underpin good governance, providing a structure to help individual authorities with their approach to governance.

The last few years have tested the governance of many authorities. Pressures on financial resources, innovative approaches to the delivery of services, recovery from the COVID-19 pandemic, an increased cyber threat and now the emerging Local Government Re-organisation means those charged with governance will have to continue to make difficult decisions. The quality of governance arrangements is of paramount importance to enable authorities to make decisions with high quality and timely information, and with a good understanding of risk. The core principles detailed below, where possible should be fit for purpose.

Delivering Good Governance in Local Government 2016 identifies the following core principles (which are supported with a raft of sub principles):

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Examples of key elements of the structures and processes that comprise a council's governance arrangements include:

- Codes of conduct that define standards of behaviour for members and staff and policies such as whistleblowing and anti-fraud and corruption and these are communicated effectively.
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- Documenting a commitment to openness and action in the public interest.
- Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.
- Translating the vision into courses of action for the authority, its partnerships and collaborations.
- Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.
- Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.
- Management arrangements that conform with the governance arrangement of CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015) and the CIPFA Statement on the Role of the Head of Internal Audit (2019).
- Ensuring effective arrangements are in place for the discharge of the monitoring officer function and head of paid service function.
- Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability.
- Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained.
- Ensuring an effective scrutiny function is in place.
- Undertaking the core functions of an audit committee.
- Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.

The council's governance framework

The council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. A high-level review is undertaken by the Corporate Governance Group (CGG) and is based on the sources of assurance that are demonstrated within diagram 1 – the council's governance framework and against the Local Code of Corporate Governance. This Code was approved by Audit and Governance Committee on 25 June 2025.

In terms of the effectiveness of the governance framework, this was discussed at an initial CGG meeting and prior to the publication of the draft AGS in May 2025. This was also prior to the adoption of the Local Code of Corporate Governance. The CGG considered the progress in implementing the significant governance issues identified from the previous year, what challenges lie ahead that could potentially impact the council's governance framework moving forward and positively, governance improvements that have taken place during the year. In relation to the latter, although not an exhaustive list, this includes the following:

- Early adopters of the Local Government and Social Care Ombudsman new complaint handling code.
- New Counter Fraud and Enforcement Unit collaboration agreement.
- For improved transparency and democracy, the implementation of webcasting for committee and council meetings.

- Approval of and subsequent monitoring of a new Council Plan (2024-2030) – in response to Local Government Re-organisation, the plan was subsequently refreshed to take account of the shorter life span of the council.
- Tewkesbury Garden Town community governance review.
- Review of planning scheme of delegation.
- In line with the Procurement Act 2023, approval of new contract and procurement rules.
- Adoption of a new safeguarding policy.
- Introduction of an internal policy and strategy schedule.
- The undertaking of lessons learnt exercises in response to emergency planning incidents i.e. flooding and cyber incident.
- Successful independent review of internal audit.
- Positive external audit annual report.
- Ongoing review of information governance framework and related policy reviews.
- Project management governance has seen the delivery/inception of significant transformational projects such as webcasting, planning application tracker, EV charging.
- The continued delivery of sound financial management and financial reporting – delivery of a balanced budget and approval of a Medium-Term Financial Strategy.
- Independent remuneration review and subsequent approval of a new scheme of member's allowances.
- Initial consideration of the English Devolution White Paper and interim submission to government.
- Successful delivery of Police and Crime Commissioner, Parliamentary and County Council elections within a twelve month period.

In finalising the AGS, the CGG considered the progress in implementing the significant governance issues reported within the previous year's AGS. At the time of publishing the draft AGS, the majority remained outstanding. Since that date, a number have now been completed. A high level overview is as follows:

Action 1 – Develop a Local Code of Corporate Governance

This was approved by Audit and Governance Committee on 25 June 2025 and has been used to consider the final AGS. This action is therefore complete.

Action 2 – Develop a new Equalities, Diversity and Inclusion policy and associated action plan.

Due to resourcing issues throughout the year, the People and Culture Team have yet to progress this action. There is assurance this will be brought to Executive Committee in January 2026 as the team have recently recruited to key posts. This action will therefore be carried forward as a significant governance issue.

Action 3 – Implementation of a fraud risk register for the higher risk service areas.

This action is underway and is being led by the Corporate Fraud and Enforcement Unit (CFEU). This should be complete by the end of December 2025. This action will therefore be carried forward as a significant governance issue.

Action 4 – 'End to end' review of the S106 process and procedures (including implementation of internal audit recommendations).

A follow up audit concluded limited progress had been made in relation to reconciliation issues previously identified. With regards to the 'end to end' review, some improvements have been made during the year and reported to Members. A formal project plan and adequate resourcing is required to complete the work. This action will therefore be carried forward as a significant governance issue.

Action 5 – Review of S101 agreement (incl implementation of internal audit recommendations)

Whilst the Building Control Joint Management Liaison Board (JMLG) has now met with revised governance arrangements a number of the internal audit recommendations remain outstanding. These are in progress, as discussed at the JMLG. This action will therefore be carried forward as a significant governance issue.

Action 6 – Complete the implementation of the new complaints portal and deliver staff training on the handling of complaints.

The council were early adopters of the Local Government and Social Care Ombudsman new complaint handling code. This included approval of a new complaint's policy (approved by Executive Committee on 4 September 2024), implementation of a new portal and complaint handling training. This action is therefore complete.

Action 7 – Implementation of a member development plan.

Initial discussions have taken place with the relevant lead member and to have a plan in place by December 2025. This action will therefore be carried forward as a significant governance issue.

Action 8 – Place programme – implementation of a governance framework

This action related to the ambition to develop a new place approach across the whole borough as part of the new council plan launch (2024–2030). With the announcement of Local Government Re-organisation and the subsequent council plan refresh (2025–2028) a new place approach is no longer an action. The council will continue focus on existing arrangements. This issue has therefore been superseded by external factors and can be removed from the AGS.

Action 9 – Approval of a data strategy

This was encompassed within the new Digital Strategy approved by Executive Committee on 9 September 2025. An internal work stream relating to data has also been implemented as part of the 'Future Ready' programme. This action is therefore complete.

Action 10 – Flood resilience and preparedness

A lessons learnt report was initially considered by Overview and Scrutiny on 3 December 2024 and then by Executive Committee on 8 January 2025. The latter requested a number of suggestions and amendments and these have been incorporated into a final report for final sign off by the committee on 8 October 2025. This has been supported by a general review of emergency planning arrangements including cell structures, better understanding of data, desktop exercise etc. This action is therefore complete.

Action 11 – Cyber security incident – lessons learnt and develop an action plan

A lessons learnt report covering both response and recovery and with input from all levels of the council was produced and presented to members. This included a full member session where more detailed and transparent findings were presented and then a higher level public report considered by Council on 24 June 2025. It was approved by Council that the delivery of the action plan be monitored by Overview and Scrutiny Committee. Additionally, in terms of the council's response and subsequent recovery, the council has been

commended on how the incident was managed. This has come from a number of sources including MHCLG, the Local Resilience Forum and Local Government Association. The latter is using the council's experience as a case study. This action is therefore complete.

Emerging issues

In producing the draft AGS in May 2025, the CGG undertook a high level review of any new issues that have arisen during the course of the year and may warrant inclusion as a significant governance issue. These were reconsidered in developing the final AGS and can be found below.

Financial sustainability/delivering priorities

The council will need to understand and manage the impact of the government's overhaul of the current funding system. The council has already suffered from significant cuts to funding during the austerity years. It now faces the prospect of losing further funding as a result of funding reform and the reset of the retained business rates scheme. Whilst this will not impact the approved budget in 2025/26 and therefore the resources allocated to meet the Council Plan priorities in year, it could have an effect on the resources available to the council in the remaining years of the plan unless the resulting deficit is closed with new savings and increased income. This is a significant risk to the council and is reflected within the corporate risk register. The CGG considered that the financial management arrangements are transparent and robust and therefore at the moment, financial governance is sound.

Local Government Reorganisation (LGR)

Sitting alongside the financial challenge is the 'perfect storm' of LGR. The government's English Devolution White Paper outlines plans to transfer power from Westminster and put local decisions into the hands of the people affected by them. The aim is to create simpler structures, making it clearer for residents to know who to approach for local issues while improving accountability and building capacity across the sector. Succinctly, this includes the transition to unitary status within Gloucestershire, with a current targeted implementation date of 1 April 2028.

This brings a number of challenges and risks (including positive risks) including potential democratic deficit, recruitment and retention, underlying financial costs, competing demands between LGR transition, delivery of priorities and delivery of core business as usual activities. An internal 'Future Ready' programme has recently been implemented to ensure the council is in the best possible position to join a new unitary authority in 2028. It builds on the principles of high performance, strong culture, data-driven decisions, and continuous improvement, while focusing on readiness for change. The CGG consider this worthy of being included as a significant governance issue, particularly ensuring there is oversight from Members on the delivery of the 'Future Ready' programme.

Artificial Intelligence (AI)

AI technologies are reshaping industries globally as well as offering transformative potential for the public sector. Within the council, AI has the potential to streamline operations, elevate service delivery, enhance decision-making through data analysis, and modernise communication with residents and stakeholders. However, such advancements bring ethical, legal, and operational challenges that demand rigorous governance, oversight, and responsible use.

The use of AI is being discussed more regularly within the council, including at committee meetings when considering strategies such as the emerging new digital strategy and the refresh of the communication

strategy. As a result, a new AI policy was considered by Executive Committee on 8 September 2025 and has been recommended to Council for approval. The policy is aligned with the Council's core values, legal obligations, and strategic goals.

During discussion, CGG agreed the policy is a positive step, but work will need to follow around raising AI awareness generally across service areas and with Members. This includes an understanding of externally related AI risks and how they can be mitigated. Work has commenced on understanding which AI software is currently active across service areas. This will be included as a significant governance issue.

In addition to those emerging issues identified at the draft AGS stage, when finalising the AGS, the CGG have considered one further item for inclusion.

Quality and timeliness of committee report production

A new internal committee report protocol is currently being drafted which will support the effectiveness and transparency of decision making. This will include ensuring report deadlines are met, there is sign off by the appropriate senior officer and factoring in lead member/member engagement. A key element will also be the ongoing population of committee forward work programmes, so forthcoming agenda items are scheduled on a timely and feasible basis. This has improved considerably over recent months and this needs to be maintained. The report production will be included as a significant governance issue.

Chief Audit Executive annual opinion

The CGG also considered the annual internal audit opinion issued by the Chief Audit Executive. This was presented at Audit and Governance Committee on 25 June 2025. Thirty-six separate audit opinions were issued during the year. The majority of these opinions were either 'substantial' (13) or 'reasonable' (13). There were 10 'limited' opinions issued and positively there were no 'no assurance' opinions issued. The internal audit opinions issued during the year demonstrate that overall, the council's governance, risk management and control environment is generally sound. There are however areas where control weaknesses were noted, and or which a limited assurance opinion has been issued. Where these areas of concern have been identified there has been a positive management response. All recommendations are subject to follow-up by internal audit and reported to Audit and Governance Committee at the appropriate time. CGG were satisfied with this position and there are no matters to include as a significant governance issue.

In considering issues that may warrant inclusion it is recognised the council has a complex internal control environment. This consists of varying services, systems, processes, policies etc. The issues identified are proportionate for the size of the council and not an exhaustive list of every issue. As part of the review, the CGG were satisfied the corporate risk register was a reasonably accurate reflection of the key risks facing the council. There is sometimes debate on whether individual risks could also constitute a significant governance issue. The CGG were keen to ensure these are simply not regurgitated into the AGS. There is equal merit in both documents being read alongside each other. Overall, the CGG accepts it would be unrealistic to expect all aspects of governance to be operating 100% effectively, 100% of the time.

Significant governance issues 2024/25

As detailed in paragraphs 3.3 and 4.1 there is a commitment to address the following issues to enhance the council's governance arrangements. These are summarised in the table below and will be monitored at each Audit and Governance Committee. For actions brought forward from the previous year and for transparency, previous implementation dates are included.

Significant governance issues

2024-2025 Actions

	Governance issue	Proposed action	Timescale	Responsible officer/group
1	Equality, Diversity and Inclusion (EDI)	Develop a new EDI policy and associated action plan.	June 2025 July 2025 January 2026	Head of People and Culture
2	Fraud risk registers	Support the implementation of a fraud risk register for the higher risk service areas.	March 2025 December 2025	Head of Counter Fraud and Enforcement Unit
3	S106 improvement plan	'End to end' review of the S106 process and procedures (incl implementation of internal audit recommendations).	December 2025 March 2026	Director: Growth
4	Building Control governance	Review of S101 agreement (incl implementation of internal audit recommendations)	March 2025 December 2025	Director: Growth
5	Member Development	Implementation of a member development plan.	December 2025	Head of Democratic and Electoral Services
6	Local Government Reorganisation (LGR)	Implement a member working group to oversee the delivery of the 'Future Ready' programme.	October 2025	Director: Corporate Resources
7	Artificial Intelligence	Raise awareness across the council on the benefits and risks of AI software and develop a suite of acceptable use.	March 2026	Director: Transformation
8	Effective decision making	Finalise the internal committee report protocol.	October 2025	Head of Democratic Services

Signed on behalf of Tewkesbury Borough Council



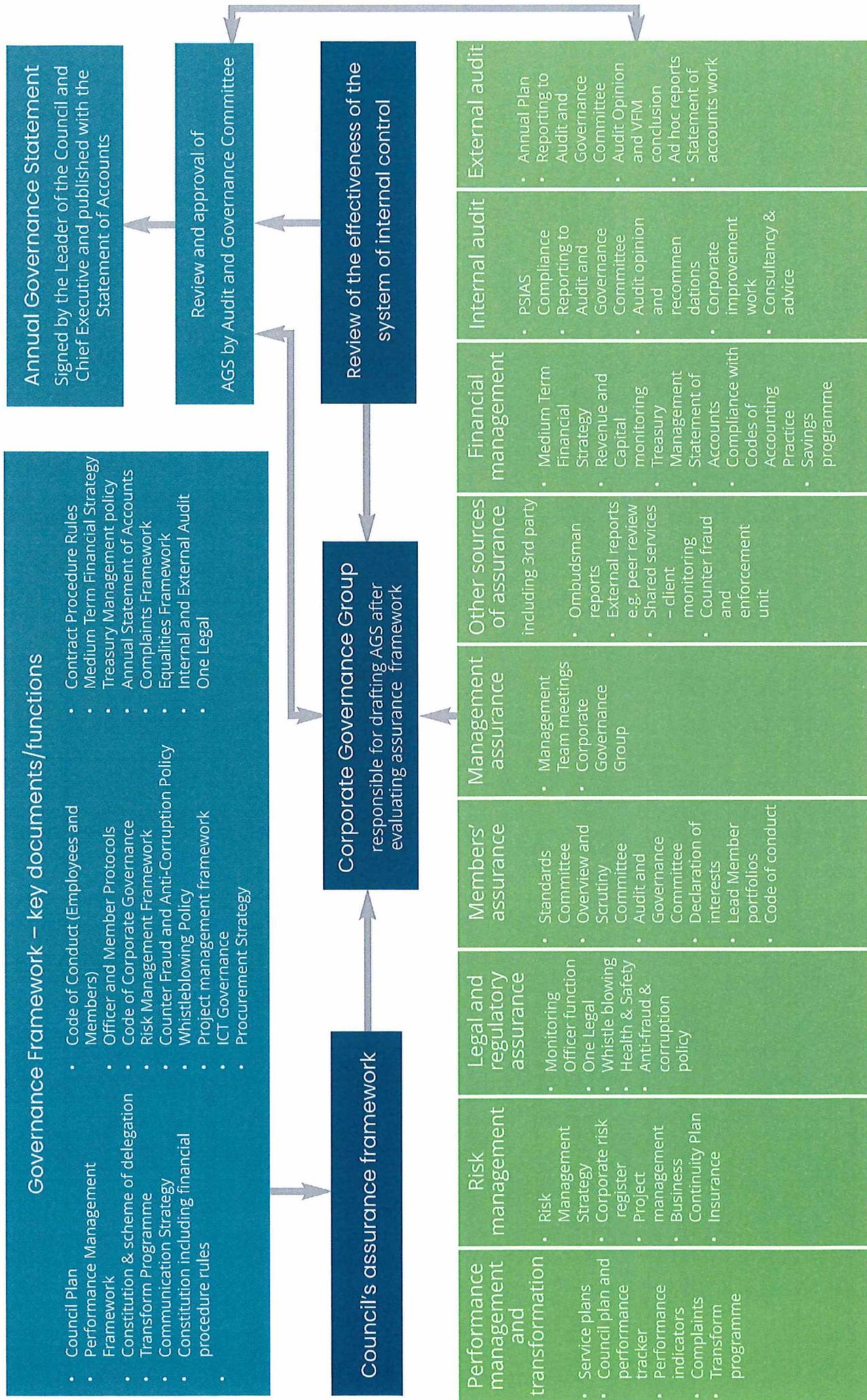
Councillor Richard Stanley

Leader of the Council



Alistair Cunningham

Chief Executive



on-going assurance on adequacy and effectiveness of controls over key risks



Tewkesbury
Borough Council

Alistair Cunningham
Chief Executive
Tewkesbury Borough Council 2025