

TEWKESBURY BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT 2025-26

1. SCOPE OF RESPONSIBILITY/EXECUTIVE SUMMARY

- 1.1 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.
- 1.2 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).
- 1.3 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 should also give due consideration to the CIPFA addendum published in May 2025. The addendum is the first update of the guidance since 2016. Succinctly, it provides greater detail on the annual review and reporting requirements.
- 1.4 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. When the 2025/26 AGS is finalised the executive summary will include a conclusion as to the effectiveness of the council's governance arrangements.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 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.
- 2.2 The last few years have tested the governance framework of many councils. Pressures on financial resources, general customer demand, the necessity to transform and innovate coupled with an increased cyber threat, cost of living pressures and Local Government Re-organisation (LGR) means

those charged with governance will have to continue to make difficult decisions. The robustness of governance arrangements is of paramount importance to enable councils to make decisions with high quality and timely information, and with a good understanding of risk. The impact of LGR cannot be underestimated upon the resources of such a small district council such as Tewkesbury Borough. Maintaining an effective internal control environment and ensuring the council remains safe and legal is an absolute necessity. The core principles detailed below, where possible should be fit for purpose.

2.3 *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:

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| <ul style="list-style-type: none"> • 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 serviced 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. |
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- 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.
- Ensuring there are effective governance arrangements in place for key programme delivery such as Local Government Reorganisation

3. THE COUNCIL'S GOVERNANCE FRAMEWORK

3.1 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. The review of effectiveness is mainly informed by the work of senior management who have responsibility for the development and maintenance of the governance environment, internal and external audit reports plus third party assurance where relevant.

3.2 In the production of this draft AGS, the effectiveness of the governance framework was discussed at an initial CGG meeting. This included 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 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:

- The setting up of the 'Future Ready' LGR programme to ensure the organisational transition to the new unitary council(s).

- Consideration of Devolution, Foundation Strategic Authorities and Spatial Development Strategies – strategic context and options for Gloucestershire.
- Annual refresh of the Council Plan to ensure it remains relevant and deliverable against the backdrop of LGR.
- Endorsement of a single unitary council for Gloucestershire.
 - Approval of a Medium Term Financial Strategy (2027/28-2029/30) to maintain financial stability during a period of major change.
- Community Infrastructure Levy (CIL) governance – approval of Terms of Reference for the Joint Committee and hosting arrangements.
- New recruitment for independent persons to the Standards Committee.
- The continued implementation of lessons learnt in relation to the cyber incident.
- Adoption of a new Artificial Intelligence (AI) policy.
- Adoption of a new Internal Audit strategy.
- Continued development of the effectiveness of the Overview and Scrutiny Committee.
- Tewkesbury Garden Communities Governance – refresh of appointments to the oversight board.
- Adoption of a new climate change framework.
- Agreement of future delivery model for Ubico.

3.3 The significant governance issues reported within the 2024/25 AGS can be found in the table reported at the end of this draft AGS. In terms of progress of delivery, at the time of writing this draft, there is a mixed status of implementation. It is anticipated by the time the final AGS is written the majority will have been implemented. Any governance issues which remain outstanding will be carried forward into the 2025/26 action table. An update on delivery of these issues is reported to each Audit and Governance Committee.

4. EMERGING ISSUES

4.1 The CGG have undertaken 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 will be considered in greater detail

upon the final development of the AGS and presentation to the Audit and Governance Committee in September 2026. This will also include consideration of the annual audit opinion of the Chief Audit Executive. This is scheduled for presentation to the Audit and Governance Committee on 17 June 2026.

The emerging issues discussed and these were similar to last year were:

Local Government Reorganisation (LGR)

LGR is the process in which the structure and responsibilities of local authorities are reconfigured. The English Devolution White Paper sets out that new, larger unitary authorities will replace existing district, borough and county councils.

At the time of writing this AGS, Gloucestershire is awaiting the government decision on what the preferred unitary option will be. The decision is expected in July 2026. The targeted implementation date of 1 April 2028 remains unchanged. The countywide response to LGR implementation has significantly moved forward since the approval of the 2024/25 AGS. The mobilisation and implementation of a countywide LGR programme is now fully developed. Significant resource across senior officers and senior politicians of all councils has been deployed into a collaborative and structured programme. The programme currently has eleven workstreams working on the design and principles of what a new unitary will look like.

The workstreams have been replicated internally at Tewkesbury Borough Council. 'Future Ready' is our transformation programme to ensure we are in the best possible position to join a new authority. It builds on the principles of high performance :- strong culture, data driven decisions and continuous improvement, whilst focusing on our readiness for change. With resources deployed to both the external and internal LGR programmes this will have an obvious organisational impact. At the time of writing this draft AGS, an estimated 20 full time equivalents (FTE), mainly at senior officer level are currently deployed to LGR transition. Resultant risks, which are not an exhaustive list, include:

- The ability to deliver council plan priorities
- Risk to the delivery of core services
- Risk to the internal control environment
- The ability to backfill resource
- General recruitment and retention tensions
- Potential financial strain of LGR related costs
- Ability to rationalise and deliver procurement activity
- Staff morale and uncertainty of job roles

Delivery of Council Plan

The council plan is a strategic document which outlines the priorities of the council. It is reviewed on an annual basis to ensure the actions which support delivery of the council's priorities remain relevant. The CGG discussed the ability to deliver priorities as more resource is allocated to LGR. To mitigate this, it was recognised the emerging 2026 review will

completely rationalise the plan. The outcome of the review will be to focus on key actions that need to be 'across the line' by vesting date.

To enable the plan to be monitored and delivered effectively it will be important the performance tracker document is improved to give a better understanding of what 'lies beneath' each action. This will provide a transparent overview of the key milestones of each action, the outcome (rather than output) the action is trying to achieve and provide a factual account if the action is on track or not. Whether the actions remain deliverable as the council moves towards vesting date will depend on how much resource is left internally, which due to the uncharted territory of LGR is very difficult to predict.

Procurement

The Procurement Act 2023 was a landmark piece of legislation that reformed UK public sector recruitment. The objective being to create a simpler, more transparent and flexible commercial system. This included enhanced efficiency, promotion of VFM, support for SMEs and enhancing social value. In response to the new legislation a revised set of contract procedure rules were approved by council on 10 December 2024.

Supporting the legislative requirements, a new Procurement Strategy was approved on 19 November 2025 by Executive Committee. This strategy sets out how the principles of the new act will be applied within the council's procurement activity. This will be subject to an annual report to Audit and Governance Committee.

In terms of general governance then the framework is established through the new policy and strategy. This was supported with officer training for those involved with the procurement process. Procurement is a key work stream within the LGR county programme and the council's Future Ready programme. A significant exercise currently underway is a review of the council's contract register.

This is a requirement across all councils so there will be a consolidated list of all contracts countywide. Part of the review is to ensure the register is complete, accurate, there is contract evidence and contracts have been procured compliantly. At the time of drafting this AGS, work is in progress and from findings to date, will potentially lead to further lines of investigation around contract evidence and procurement compliance. In terms of procurement resource, additional support will be required to deal with business-as-usual procurement activity and LGR driven requirements.

- 4.2 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. When finalising the AGS, any issues identified should be proportionate for the size of the council. As part of the final AGS, the CGG will review the refreshed corporate risk register. There is sometimes debate on whether individual risks could also constitute a significant governance issue. The CGG will 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.

Governance Framework – Key Documents/Functions

- Council Plan
- Performance Management Framework
- Constitution & scheme of delegation
- Future Ready Programme
- Communication Strategy
- Constitution incl Financial Procedure Rules
- Record of Decisions
- Code of Conduct (Employees and Members)
- Officer and Member Protocols
- Code of Corporate Governance
- Risk Management Framework
- Counter Fraud and Anti-Corruption Policy
- Whistleblowing Policy
- Project management framework
- ICT Governance
- Procurement Strategy
- Contract Procedure Rules
- Medium Term Financial Strategy
- Treasury Management policy
- Annual Statement of Accounts
- Complaints Framework
- Equalities Framework
- Internal and External Audit
- One Legal

Annual Governance Statement
Signed by the Leader of the Council and Chief Executive and published with the Statement of Accounts

Review and approval of AGS by Audit and Governance Committee

Review of the effectiveness of the system of Internal Control

Council's assurance framework

Corporate Governance Group – responsible for drafting AGS after evaluating assurance framework

Performance Management & Transformation

- Service plans
- Council plan and performance tracker
- Performance indicators
- Complaints
- Future Ready programme

Risk Management

- Risk Management Strategy
- Corporate risk register
- Project Management
- Business Continuity
- Insurance

Legal and Regulatory Assurance

- Monitoring Officer function
- One Legal
- Whistle blowing
- Health & Safety
- Anti-fraud & corruption policy

Members' Assurance

- Standards Committee
- Overview and Scrutiny Committee
- Audit and Governance Committee
- Declaration of interests
- Lead Member portfolios
- Code of conduct

Management Assurance

- Management Team meetings
- Corporate Governance Group

Other Sources of Assurance (including third-party)

- Ombudsman reports
- External reports e.g. peer review
- Shared services – client monitoring
- Counter fraud and Enforcement Unit

Financial Management

- Medium Term Financial Strategy
- Revenue and Capital monitoring
- Treasury Management
- Statement of Accounts
- Compliance with Codes of Accounting Practice
- Savings programme

Internal Audit

- PSIAS Compliance
- Reporting to Audit and Governance Committee
- Audit opinion and recommendations
- Corporate improvement work
- Consultancy & advice

External Audit

- Annual Plan
- Reporting to Audit and Governance Committee
- Audit Opinion and VFM conclusion
- Ad hoc reports
- Statement of accounts work

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

5.	2024/25 SIGNIFICANT GOVERNANCE ISSUES
5.1	As detailed in paragraph 3.3, issues identified from the previous AGS are detailed in the table below. Any that still remain outstanding when the 2025/26 AGS is finalised will be carried forward. The final AGS will be presented to Audit and Governance Committee on 23 September 2026.

No	Governance Issue	Proposed Action	Timescale	Responsible officer
1	Equality, Diversity, and Inclusion (EDI)	Develop a new EDI policy and associated action plan. CURRENT STATUS: COMPLETE The draft policy and action plan was considered and endorsed by the Audit and Governance Committee on 10 December 2025. It was subsequently approved by Executive Committee on 7 January 2026.	June 2025 July 2025	Executive Director: Resources
2	Fraud risk registers	Support the implementation of a fraud risk register for the higher risk service areas. CURRENT STATUS: IN PROGRESS (COMPLETED FOR FINAL AGS) Draft registers have been issued for key service areas i.e. Revenues & Benefits, Procurement and People & Culture.	March 2025 December 2025 September 2026	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). CURRENT STATUS: NOT YET COMMENCED	December 2025 December 2026	Interim Director: Growth
4	Building Control governance	Review of S101 agreement (incl implementation of internal audit recommendations) CURRENT STATUS: IN PROGRESS (COMPLETED FOR FINAL AGS)	March 2025 September 2026	Interim Director: Growth

		The Joint Management Liaison Group (JMLG) has been re established and the membership refreshed. Internal audit recommendations continue to be progressed by the Head of Building Control including a new S101 agreement and service specification and commitment to an independent finance review that will be undertaken by the Local Authority Building Control (LABC).		
5	Member Development	<p>Implementation of a member development plan.</p> <p>CURRENT STATUS: IN PROGRESS (COMPLETED FOR FINAL AGS)</p> <p>In the absence of a formal plan, Members continue to be offered a range of development opportunities including briefings, seminars and training sessions. Officers have met with Group Leaders to identify key areas for development to inform a scaled back plan in light of Local Government Reorganisation.</p>	<p>December 2025</p> <p>September 2026</p>	Head of Democratic and Electoral Services
6	Local Government Reorganisation	<p>Implement a member working group to oversee the delivery of the 'Future Ready' programme.</p> <p>CURRENT STATUS: COMPLETE</p> <p>Transform Working Group has been re-configured to a Future Ready Working Group. A new Terms of Reference to reflect this was approved by Executive Committee on 8 October 2025.</p>	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.	<p>March 2026</p> <p>September 2026</p>	Director: Transformation

		<p>CURRENT STATUS: IN PROGRESS (COMPLETED FOR FINAL AGS)</p> <p>-An AI approval process has been introduced.</p> <p>- CoPilot has been agreed as the council's approved AI tool.</p> <p>-an internal communication campaign continues.</p> <p>- CoPilot acceptable use guidance has been drafted.</p> <p>-AI intranet page has been developed and will soon be published including an approved use register.</p>		
8	Effective decision making	<p>Finalise the internal committee report protocol.</p> <p>CURRENT STATUS: COMPLETE</p> <p>a dedicated 'one stop shop' intranet page has been created which includes report production timetables, report templates, Committee and Council Forward Plans and general guidance.</p>	October 2025	Head of Democratic Services

Signed on behalf of Tewkesbury Borough Council

Councillor Richard Stanley

Alistair Cunningham

Leader of the Council

Chief Executive

Date:

Date: