ANNUAL GOVERNANCE STATEMENT 2024-25

CONTENTS

Stroud District Council – Annual Governance Statement 2024-25

1. Scope of Responsibility

1.1 Stroud District Council (the Council) is responsible for ensuring that its business is conducted lawfully, that public money is safeguarded and properly accounted for. The Council has a duty under the Local Government Act 1999 to continuously improve its functions, having regard to best practice, economy, efficiency, and effectiveness.

1.2 In discharging this duty, the Council acknowledges its responsibility for appropriately governing its affairs, the effective exercise of its functions and the management of its risks. The Council has developed a Code of Corporate Governance (the Code) which defines the principles and practices that underpin our governance arrangements.

1.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) produced the "Delivering Good Governance in Local Government framework (2016)". This emphasises sustainability and the need to focus on the economic, social and environmental impacts that actions may have on future generations.

1.4 The Code is reviewed annually and is consistent with the seven core principles of the CIPFA-SOLACE framework.

1.5 The Annual Governance Statement (AGS) has been prepared in accordance with the CIPFA-SOLACE framework having regard to the addendum to that framework dated May 2025, together with the 'Best value standards and intervention': a statutory guide for best value authorities' published by the Ministry of Housing, Communities and Local Government in May 2025. For the year ended 31 March 2025, the AGS shows our compliance to the Code and the Accounts and Audit Regulations 2015, regulation 6(1).

1.6 The AGS describes how the effectiveness of the governance arrangements has been monitored and evaluated during 2024-25 and governance areas of focus for2025-26.

1.7 The Council's Statutory Officers are the Chief Executive (Head of Paid Service), the Strategic Director of Resources (S151 Officer) and the Monitoring Officer (the MO). They direct the annual reviews of the effectiveness of the Council's governance arrangements against the Code, providing oversight and robust challenge. When completed, the findings are reported to the Audit and Standards Committee (ASC), which identifies and monitors any improvement actions.

2. The Corporate Governance Framework

2.1 Corporate governance refers to how the Council is led, controlled and held to account.

2.2 Appendix A below shows the Council's Governance, Risk and Control Framework pictorially.

2.3 The Council's governance framework aims to ensure that in conducting its business it:

i. Operates in a lawful, open, inclusive and honest manner;

ii. Ensures that public money is safeguarded, properly accounted for and used economically, efficiently and effectively;

iii. Has effective arrangements for the management of risk; and

iv. Secures continuous improvement in the way that it operates.

2.4 The governance framework comprises the culture, values, systems and processes by which the Council is managed. It enables the Council to monitor its objectives and consider whether these have led to the delivery of effective services and value for money. It enables the Council to monitor the achievement of its objectives.

2.5 The framework brings together legislative requirements, best practice principles and management processes.

2.6 The system of internal control is a significant part of the framework and is designed to manage the Council's risks to a reasonable level. It cannot eliminate all risk of failure to achieve corporate objectives and can, therefore, only provide reasonable and not absolute assurance. The system of internal control helps the Council to:

i. Operate in a lawful, transparent, inclusive and honest manner;

ii. Ensure that public money and assets are safeguarded from misuse, loss or fraud, are accounted for and used economically, efficiently and effectively;

iii. Have effective arrangements for the management of risk;

iv. Secure continuous improvement and best value in the way that it operates;

v. Enable human, financial, environmental and other resources to be managed efficiently and effectively;

vi. Properly maintain records and information; and

vii. Ensure its values and ethical standards are met.

2.7 The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

2.8 The Code recognises that effective governance is achieved through the following seven CIPFA-SOLACE principles:

i. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;

ii. Ensuring openness and comprehensive stakeholder engagement;

iii. Defining outcomes in terms of sustainable economic, social and environmental benefits;

iv. Determining the interventions necessary to optimise the achievement of intended outcomes;

v. Developing the Council's capacity, including the capability of its leadership and the individuals within it;

vi. Managing risks and performance through robust internal control and strong public financial management; and

vii. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

3.   Governance Environment

3.1   The governance framework includes arrangements for:

i.   Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users;

ii.   Reviewing the authority's vision and its implications for the authority's governance arrangements;

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

iv.   Defining and documenting the roles and responsibilities of Committees, with clear delegation arrangements and protocols for effective communication and performance management;

v.   Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff;

vi.   Reviewing and updating Financial Rules, Contract Rules, Constitution, Scheme of Delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;

vii.   Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained;

viii.   Ensuring the authority's financial management arrangements meet the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015);

ix.   Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities;

x.   Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;

xi.   Whistleblowing referrals and for receiving and investigating complaints from the public;

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

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

xiv.   Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the authority's overall governance arrangements.

3.2   The Council's governance framework has operated effectively throughout 2024-25 and up to the date of approval of the annual statement of accounts and the AGS.

3.3   The Code is consistent with the principles set out in the CIPFA-SOLACE Framework and is reviewed on an annual basis. The table below is a summary of the Council's compliance to the CIPFA-SOLACE Framework:

Principle A

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

Behaving with integrity

    i.   The political leadership sets the tone for the Council and ensures that the required policies are put into place and monitored.

    ii.   The Council's Constitution sets out how decisions are made and the procedures that are followed to ensure these are efficient, transparent and accountable to local people.

    iii.   Statutory Officers' responsibilities are defined in the Constitution and are employed in accordance with statutory guidance.

    iv.   The Employee Code of Conduct forms part of the Constitution and sets out the behaviours expected of employees.

    v.   The Members' Code of Conduct forms part of the Constitution and sets out the standards of conduct expected by Members of the Council.

    vi.   The Planning Code of Conduct and Probity in Licensing supplement the Members Code of Conduct and sets out the standards of conduct expected from members dealing with planning and licensing matters.

    vii.   The Protocol for Member/Officer Relations is designed to guide Members and Officers of the Council in their relations with one another to maintain the integrity of local government.

    viii.   The Audit and Standards Committee and the Monitoring Officer promote high standards of Member conduct. The Member Code of Conduct and guidance strengthen the Council's ethical framework.

Demonstrating strong commitment to ethical values

In accordance with the Localism Act 2011 we have adopted a Code of Conduct for our Councillors that is in keeping with the general principles of public life and based upon the Local Government Association Model. All Councillors and co-opted Members undertake that they will observe the Code of Conduct.

The Employee Code of Conduct provides guidance to our employees on the ethical framework within which we seek to conduct its activities; and on the processes that the Council uses to ensure compliance with the highest ethical standards. These standards reflect the Nolan Principles which form the basis of the Members' Code of Conduct.

Arrangements to minimise the risk of Members and officers being influenced by prejudice, bias, or conflicts of interest in dealing with different stakeholders include:

    i.   A statutory register of interests;

    ii.   Requirements to declare conflict of interests; and

    iii.   Employee and Councillor Register of gifts and hospitality.

The Complaints and Feedback Policy specifies how any complaints will be addressed.

Respecting the Rule of Law

The Constitution sets out the decision making powers of Members, Committees and officers. The Constitution Working Group regularly reviews the effectiveness of the Constitution and recommends revisions to Council. In April 2024, Council approved updates to the Scheme of Delegation and other revisions to the Constitution, and in February 2025 Council updated the Contract and Procurement Procedure Rules. Following work done in 2024/25, Council also approved changes in May 2025 to the Council and Committee Procedure rules and the investigation procedure for dealing with complaints about members conduct.

One Legal advise the Council on the application of the law and provides training and guidance notes. All committee reports include legal implications.

Codes of Conduct set out the standards of behaviour that are expected of our Councillors and Officers. Should these standards be breached, they will be dealt with, either through the Standards Committee or, in relation to Officers, action taken under our capability and/or disciplinary procedures.

The Whistleblowing Policy adopted by the Council ensures its effectiveness from a safeguarding perspective and to make it easier for staff to raise concerns about malpractice or illegal activity. The Policy contains clear guidance about how to report a concern, who to contact and sources of internal and external support.

Internal audit reviews are designed to ensure services are complying with internal and external policies and procedures and statutory legislation. Where non-compliance is identified, this is reported to management and to Members via the Audit and Standards Committee.

The Council works with ARA and a Gloucestershire wide Counter Fraud and Enforcement Unit to help prevent and detect fraud and corrupt practices, including abuse of position. These services report to the Audit and Standards Committee twice a year.

Principle B
Ensuring openness and comprehensive stakeholder engagement

Openness

A refreshed Council Plan 2025 – 2029 was adopted by Council in February 2025 which sets out the key priorities and objectives of the council, including a Delivery Plan which outlines the actions and measures the council will take to meet the objectives

The annual accounts are published in a timely manner and in accordance with specified timescales so that the financial position and performance of the authority is open to public scrutiny.

Committee meetings, agendas and minutes are published in accordance with the Local Government Act 1972.

Council and Committee reports clearly outline their purpose, so the public can understand what the decision is aiming to achieve.

Council and Committee reports address financial, legal, equalities, risk and environmental implications to allow public scrutiny and aid Members in their decisions making.

All public meetings that take place in the council chamber are webcast live.
Members and the public are able to ask questions at Council and committees. Processes are in place which facilitate public participation at Audit, Licensing and Development Control Committee meetings. All meetings are held in public unless exempt business is under discussion.

The Council's petition scheme makes provision for the submission of petitions.

Member and significant officer decisions are reported on the Council's website.

The Council publishes data in accordance with the Local Government Transparency Code including supplier payments, senior management structure charts, annual pay policy statement, and our gender pay gap report for the previous financial year. Where data is not available in the published data sets, instructions are available on how to make a Freedom of Information Request and the procedure that will be followed to answer the request.

Engaging comprehensively with institutional stakeholders

We engage with large numbers of stakeholders through forums such as Leadership Gloucestershire, South West Councils and the Local Government Association.

We have a comprehensive engagement system with statutory stakeholders such as the NHS, Gloucestershire County Council and the Gloucestershire Police.

We are members of the District Councils' Network (DCN) a cross-party member led network of councils.

We engage with further subject-based stakeholders particularly around economic development.

We hold a statutory responsibility around the duties of the Community Safety Partnership, made up of both statutory agencies and co-operating bodies within the district and the county (known as the 'responsible authorities').

An annual consultation with residents and businesses is carried out on matters relating to Council priorities and budgets.

Engagement with staff happens in a number of ways, whole authority staff sessions, directorate team meetings, monthly Leadership and Management Team meetings and one-to-one meetings.

We have a Town and Parish Council Charter and a town and parish council hub where town and parishes can access and share information, along with a schedule of information sharing events.

Engaging with individual citizens and service users effectively

Local focus and community group engagement are undertaken by neighbourhood wardens with wider engagement taking place across our service areas.

Our community services team work to prevent, investigate and tackle anti-social behaviour (ASB) in Stroud district.

The Communications team ensure that specific matters are placed in the media and engage with the media over enquiries on specific matters.

The 'Have your Say' section on the website lists the current consultations taking place as well as closed consultations. 11 public consultations were held in 2024/25 including consultation on the Council Plan, Equality, Diversity, Inclusion, Equity and Belonging Policy, Housing Strategy and Local Council Tax Support Scheme.

Annual resident and business satisfaction surveys are received from the local community. The results from 2024 included:
- 68% were either very satisfied or fairly satisfied with the way the Council runs things, consistent with 2023 (69%)
- Satisfaction with the Council (69%) is higher than the national figure of 55%
- 69% said they trusted the Council either a great deal or a fair amount, an increase from 62% in 2023.

The Councillor Call for Action helps Members to make improvements for their local areas. Members can address issues affecting their communities by engaging with the Council or a relevant committee.

Planning has a particular focus on engagement with statutory consultation forming part of each planning proposal.

The Complaints and Feedback Policy enables residents to provide feedback, to raise complaints or provide us with a compliment. In February 2025 the council implemented a new Complaints Module on the digital platform. The module included an improved form to submit a complaint and refreshed guidance on the website. Importantly, the complaints module also enables robust case management for managing complaints. This has resulted in more effective reporting methods and tracking of response times.

On the web-based consultation hub, consultations are held with residents on policies, plans and proposals affecting our communities.

Principle C

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

Defining outcomes

The Council's vision and priorities are set out in the Council Plan 2025-29.

A Budget and Medium Term Financial Plan, Capital Programme and annual budget process ensure that financial resources are directed to the Council's priorities.

The Council collaborates with partners where there are shared objectives and clear economic benefits from joint working.

The Council has a co-ordinated and structured approach to developing services and defining outcomes.

Contract management and monitoring arrangements are in place to ensure that services are delivered to a high standard.

The Council's business planning, performance and risk management framework enables the monitoring of progress against objectives, key performance indicators and targets.

The Council's Local Development Plan (currently undergoing examination) makes provision for the long-term growth of the area.

Sustainable economic, social and environmental benefits

The 2030 Strategy and Master Plan published in 2021 is set out to frame a 'one council' approach to delivering our part in the climate and ecological emergency response.
The Council ensures the purchase of goods, services or works required to deliver services is acquired under Best Value terms.

We are committed to social value and how we can drive this through our own procurement, decision-making and project delivery. We are currently signed up to the Social Value Portal which ensures we deliver social value from our procurement activities with a value of over £75,000.

The Council's considers political, environmental, societal, technological, legislative, economic and efficiency risks, opportunities and value for money when taking decisions about service provision.

Principle D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Determining interventions

Decision makers objectively and robustly analyse a variety of options. This includes information on the risks and opportunities of various options and help to inform decisions.

Consultation with residents ensures their views are fully considered when making decisions about service changes.

The Council Plan 2025-29 helps the district to grow - shaping it into a vibrant and welcoming place to live, work and visit.

The Council has a performance management and monitoring process in place using a specialised piece of performance management software (Ideagen).

Performance reports analysing trends and latest budget position are monitored by management and the relevant Committees.

All services delivered via our partners have a client officer who undertakes frequent and direct liaison with the service provider and monitors the contract performance and delivery.

SLT keep members appraised of commissioned service performance as well as in some instances members being directly involved in performance meetings with commissioner services providers.

Regular Peer reviews are undertaken for quality assurance with the last review being concluded in January 2023.

Planning Interventions

Ideagen provides access to regular reporting on matters of risk and performance. This forms an important part of the Council's drive for continuous improvement and the provision of best value by enabling lessons to be learned and shared by members of SLT which are then disseminated via their management team meetings. It also enables issues of poor performance to be addressed.

Strategic risks are regularly considered by SLT and the Corporate Governance Group. Operational risks are monitored and managed at Manager level.

SLT has strategic oversight of major issues affecting the Council with a rolling forward plan.

Budget monitoring is designed to capture and incorporate internal and external factors and to enable the authority to respond appropriately.

Optimising achievement of intended outcomes

The Council has implemented a Budget and Medium Term Financial Plan (MTFP) which shows the level of Council resources and how these are allocated between services.

The financial plans demonstrate how the Council's resources will be deployed to deliver its aims and priorities.

The Council considers social value as the additional benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services, works and outcomes. The Council has a Social Value Policy and is currently signed up to the Social Value Portal.

The Council's Capital Strategy and Treasury Management Strategy were refreshed and approved by full council in February 2025.

The authority's budgets are prepared annually in accordance with objectives, strategies and the MTFP is finalised following consultation with Members, customers, stakeholders, and officers.

The MTFP is a live document and is updated as necessary, to respond to the changing environment and in such circumstances would be discussed by the Strategic Leadership Team to determine any necessary mitigating actions that would then be discussed with the Alliance Leadership Team.

Principle E

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Developing the Council's capacity

The Chief Executive is responsible for the organisation of the staff.

Leadership and Management is delivered through the Strategic Leadership Team (SLT) consisting of the Chief Executive, S151 Chief Finance Officer, Monitoring Officer and Directors to ensure proper oversight of the whole business.

SLT meets weekly. SLT is a subset of a wider Leadership and Management Team (LMT) which includes lead service officers and which meets fortnightly. Quarterly 'Proud of Stroud' events focus on our agreed values and provide opportunities for all staff to share knowledge and celebrate success.

SDC uses benchmarking exercises and the Local Government Association (LGA) Corporate Peer Challenge (CPC) to explore the effectiveness of service delivery and strengthen the Council's accountability.

Collaborative working and alternative service delivery models are considered to meet our priorities.

The Council's Constitution defines the statutory and distinctive role of the Chief Executive, Section 151 Officer and Monitoring Officer.

The Constitution also sets out the Council's decision making powers, including those which are delegated to officers.

Our member development group supports continued Member development and put together a comprehensive member induction programme for new members.

Developing the capability of the Council's leadership and other individuals

Council "Values and Behaviours" identify and develop the skills required to deliver our key priorities, savings targets, and form part of our commitment to personal and professional development.

We have a programme of training available for both Councillors and Officers at all levels.

All new employees take part in an induction programme and ongoing staff development needs are identified through our system of 1:1 meetings.

There is mandatory compliance training for all staff and members on key items and policies including training on Equality, Diversity, Inclusion and Equity.

Professional members of staff are required to undertake additional training requirements (continuing professional development) as set by their professional bodies.

We continue to run a range of leadership programmes for our people designed to give them behaviours and skills for the future.

All new Members undertake a comprehensive Members induction programme that is delivered after each election.

Training is provided for Members on an ongoing basis as appropriate and necessary. Members on certain committees (e.g. Development Control) are required to undertake initial and ongoing "top up" training in order to take their place on the committee.

An established Member Development Working Group leads on issues relating to Member Training and Development.

The authority is a member of the Local Government Association which provides individual mentoring and support to Members and officers as necessary or requested.

Principle F

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

Managing Risk

The Risk Management Policy and Strategy defines roles and responsibilities for managing risk. It confirms that risk management is an integral part of all our business planning, option appraisal and decision making activities.

The Council's business continuity arrangements, ensure critical services can be maintained and recovered during an emergency.

The ASC monitor the adequacy of risk management and the effectiveness of the S151 Officer in ensuring an adequate internal and financial control environment within the Council.

A risk-based audit plan is drafted annually following consultation with Officers and Members. The Audit Plan is approved by the Audit and Standards Committee prior to the financial year.

Managing Performance

The Council Plan 2025-29 outlines our vision to lead a community that is making Stroud district a better place to live, work and visit. The plan outlines how this will be achieved around five key themes: "Environment, Climate and Nature", "Communities and Wellbeing", "Local Economy", "Housing" and "Working for our Communities".   Performance against the plan is monitored by SLT and by individual committees via performance monitors and associated performance reports.

Our business planning framework ensures that strategic and service plans align with the Council Plan, and set out our priorities and risks. Priorities are monitored through our performance, programme, and project management framework.

Robust Internal Control

The corporate governance group meets quarterly and attendees include the Monitoring Officer, the Section 151 officer and officers responsible for performance, internal audit, counter fraud, risk management and Human Resources.

Assurance is gained through regular internal audits and reporting.

External Audit recommendations are reported to Audit and Standards Committee following the completion of their annual audit process with follow-ups of recommendations also reported. Any recommendations are incorporated into the planning for the next year's Audit.

Internal Audit is delivered through ARA and processes ensure compliance with Public Sector Internal Auditing Standards.

Internal Audit agreed actions are followed up and reported to Audit and Standards Committee with further follow up being reported where agreed actions have not been implemented in full.

Copies of all Internal Audit reports are provided to the relevant Director who ensures that other Directors and Officers are made aware of any significant issues or recommendations.

Audit reports once completed are discussed with the service manager. Executive summaries, including findings, and progress on the Annual Plan are reported to Audit and Standards Committee, on a quarterly basis.

Agreed Actions made in audit reports are followed up after the agreed target implementation date. Follow up internal audits were included in the Internal Audit Plan 2024-25 for previous activities that had received a Limited or No assurance opinion. Follow up internal audit outcomes are reported to Audit and Standards Committee.

Both ARA and the Counter Fraud and Enforcement Unit support the Council. Where investigations identify possible improvements to the internal control framework, they will liaise with the Internal Audit Team to ensure the improvements are followed up and implemented by Management.

The Council takes fraud, corruption and maladministration very seriously and the Counter Fraud and Corruption Policy Statement and Strategy and Whistleblowing Policy prevent or deal with such occurrences

Managing Data

Data is lawfully managed in accordance with the freedom of information and data protection Policies. The Council has an Information Governance Officer and information champions who help to promote effective management of information across the Council. These policies also provide the responsibilities and accountabilities for the roles of the Data Protection Officer, Senior Information Risk Officer (SIRO) and the Single Point of Contact (SPoC).

All officers and Councillors are required to undertake mandatory e-Learning training on information governance.

The importance of reporting breaches of Data Protection legislation is well publicised and individual officers are welcomed when they come forward to report incidents.

The authority is part of the Gloucestershire Information Sharing Partnership. This will enable data to be shared when necessary. Additional Information Sharing protocols are in place with third parties.

Audit reviews ensure data is held securely whether electronic or hard copy.

Strong public financial management

The Medium Term Financial Plan (MTFP) sets the overall direction for how we will fund our activities and invest in the future.

We have a budget setting process with the Budget and Medium Term Financial Plan decided annually by Council.

We have in place a statutory Section 151 Officer with finance teams that support the budget holders.

The MTFP is reviewed and updated on a regular basis so that Members and SLT are aware of the financial standing of the authority in terms of delivering against cost reduction or revenue raising targets.

Performance against budget is reported to Committees and any significant variances explained.

Financial Procedure Rules and Contract Procedure Rules are in place.

The Statement of Accounts is produced and published annually in accordance with statutory legislation.
Aligned with the accounts the production of this Annual Governance Statement that identifies how the authority has met its governance reporting obligations.

External Audit report on the Council's accounts, the AGS and the Code. They provide an opinion on the accounts and arrangements for securing economy, efficiency, and effectiveness in the use of resources (value for money).

Principle G

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Transparency

Agenda and minutes of Council and Committee meetings are publicly available on the Council's website and meetings are live streamed.

The Freedom of Information Act publication scheme ensures residents have access to information held by the Council.

The Local Government Data Transparency Code lists data that is published by the Council. This includes expenditure over £500, grants to community bodies and senior salaries. This enables residents to contribute to local decision making.

Reporting

We have in place comprehensive procedures for the making of decisions either by Full Council, Committees, or officers.

All reports are taken through democratic services and require clearance by Legal and Finance. Equality and Environmental impacts are also identified.
The Annual Statement of Accounts provides information on the Council's stewardship of public money for the year.

The AGS reports on the effectiveness of our governance arrangements against the key principles set out within the Code.

The ASC review and approve the Annual Statement of Accounts and AGS.

Assurance and effective accountability

Accountability and decision making arrangements are defined in the Council's Constitution, including arrangements for the delivery of services with our key partners.

The ASC provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements and internal control environment.

Peer reviews and benchmarking undertaken to ascertain good practice and implement improvements as identified.

4.   Review of Effectiveness

4.1   The Council has a responsibility for annually conducting a review of the effectiveness of its governance framework including the system of internal audit. The review of effectiveness is informed by the various sources below who contribute to the development and maintenance of the governance environment:

i.   The Chair of the ASC formally reports on its work to Council;
ii.   Assurance statements from senior management provide evidence that key elements of the system of internal control are operating effectively;
iii.   The work of Internal Audit, including the Annual Report of the Head of Internal Audit is overseen by the ASC;
iv.   The work of the External Auditor – including the annual Audit Results and other reports in relation to financial and other aspects of the Council's governance;
v.   A comprehensive risk management process captures the Council's strategic and operational risks which are reported to senior managers and the ASC; and
vi.   Consideration of this AGS by the Section 151 Officer and the CE with reference to the wider aspects of governance.
vii.   Investigation of, and decisions on, allegations of failure to comply with Members Code of Conduct are considered and determined through processes involving the Monitoring Officer/Independent Person(s)/Audit and Standards Committee/Sub-Committee as set out in the Constitution.
viii.   Periodic training and awareness sessions are carried out with the Audit and Standards Committee
ix.   The External Auditors present progress reports to the Audit and Standards Committee.
x.   The External Auditor's Annual Audit Letter and follow-up of management responses to issues raised in the Letter or other reports are overseen by the Audit and Standards Committee.
xi.   Performance with regard to achievement of council priorities, budgets and risk are reported and monitored as outlined in this statement.
xii.   The Audit and Standards Committee review the Annual Governance Statement.
xiii.   The Audit and Standards Committee review the Annual Statement of Accounts and reports from both Internal Audit (ARA) and External Audit, including quarterly progress reports.
xiv.   Council approves the annual budget, reviews, and approves the Treasury Management Strategy.
xv.   Internal Audit monitors the quality and effectiveness of systems of internal control. Audit reports include an opinion that provides management with an independent judgement on the adequacy and effectiveness of internal controls. Reports including agreed actions for improvement are detailed in an action plan agreed with the relevant Director/Service Manager.

5. Update On Governance Issues From 2023-24

5.1 The AGS for 2023-24 highlighted a number of governance issues. The table below sets out those issues and identifies the actions taken by the Council to strengthen its governance arrangements.

Issue	Actions	Lead Officer	Update
Develop our approach to project and programme management	**Establish a toolkit for projects and programmes**	**Hannah Barton**	Ongoing – the draft toolkit has been presented to the Corporate Governance Group for feedback and will be updated before being circulated for consultation more widely. This work has been delayed and is due to be finalised in 2025/26
	Implement a process for tracking and monitoring projects		This work has been delayed and is due to be finalised in 2025/26
	Introduce the use of Ideagen for project management		Several projects are trialling the use of Ideagen as a project management tool and feedback will be collected before rolling this out more widely.
Complete the transition of Leisure Services	**Complete transfer to preferred model of operation prior to expiry of contract with current provider**	**Ange Gillingham**	The contract transfer was completed on the 31st October 2024 from the external contractor "SLM" to the newly developed in house Leisure Service Active Lifestyles Stroud District.
Housing Regulation	**Ensure the Council is compliant with the Regulator of Social Housing requirements**	**Andy Kefford**	To demonstrate compliance with the standards, SDC have a live self-assessment against the consumer standards which is regularly reviewed and updated, including regular updates to a senior housing officer group (Housing Improvement Group) and to SLT. The self-assessment has received external third party review and the recommendations are actioned or included in the service plans for 25/26. The team have delivered significant work to evidence compliance, particularly under the Safety & Quality standard, which focuses on ensuring tenants homes are safe, well maintained and free from hazards. The Tenant Satisfaction Measures, which are an annual survey submitted to the regulator, show that in 24/25 80% of tenants feel their homes are safe, with 12% saying

| | | | | they did not (8% neither agreed nor disagreed). The creation of the Housing Oversight Board (HOB), which is an officer and member group designed to increase governance, oversight and scrutiny is in place over the last 12 months and helps to demonstrate compliance with the Transparency, Influence and Accountability standard. HOB is currently being refreshed to formally include tenant participation from Q1 and reviewing the suite of data and information that is reviewed.

Multiple new policies and strategies have been approved by Housing Committee which strengthens our approach to delivering upon the standards. Where gaps have been identified in the self-assessment a series of improvement plans have been drafted and are in progress during 25/26. This includes a "silent voices" project, aimed to target those where we have had no contact to ensure any vulnerable individuals receive any support they require. In addition, we are in the process of undertaking a "getting to know you, tenant census". This work is to capture tenant details, preferences and vulnerabilities so that we can ensure our services are tailored to meet our customer's needs.

The Act gave the Housing Ombudsman additional powers which include the requirement to submit a complaints self assessment against the complaint handling code. This annual requirement was submitted in June 24 and the 24/25 return is due to be submitted in Sept 25. Our approach to complaints is compliant with the code, but satisfaction scores with complaint handling is low and therefore officers and tenants are reviewing our approach and ensuring learning from complaints is implemented.

The Act also introduced Awaab's law which is due to commence from October 2025 and this imposes timeframes upon social landlords in regard to damp and mould. Resource has been added to the team to tackle this, but this will need to remain under review to ensure sufficient resources are in place.

Evidencing compliance with the standards is an ongoing requirement. There remain areas within the self assessment that the team are working on, including improving document management, enhancing computer management systems and refreshing policy and strategy. |

6. ARA's Overall Opinion of Stroud District Council's Governance Arrangements

6.1 **Audit Statement** – 'My opinion is that overall, an Acceptable Level of assurance can be provided in connection with the Council's internal control, governance and risk environment. The findings that have contributed to the level of assurance are those that have been reported to the Committee during 2024-25'.

Summary of Key Points From 2024-25

6.2 Our work during 2024-25 identified areas that have not affected the overall opinion above, but which the Council should be aware of and monitor.

6.3 Cyber security risks are ever prevalent. The Council has invested in updating its ICT infrastructure. Once fully implemented this will enhance the Council's ICT capabilities. ICT is an area that is audited on a regular basis throughout the year by ARA, and all findings are presented to the Committee.

6.4 We undertook work in the area of grants during 2024-25. No major control issues with any grants were identified by ARA.

6.5 Risks are updated on Ideagen as they are identified, and internal controls developed to minimise these. Risk registers should be reviewed following the issue of an Internal Audit report. This is to ensure that any pertinent risks identified in the report are reflected in the risk register.

6.6 The use of Ideagen has enhanced oversight and the monitoring of risks and actions arising from Internal Audit reports. It has also led to further oversight and scrutiny by the Corporate Governance Group. Whilst this is good practice, the use of Ideagen is not consistent throughout the Council. Wider and more consistent use would improve the management of the Council's risks.

6.7 There are a number of challenges that the Council will need to be mindful of during 2025-26 and beyond.

6.8 The English Devolution White Paper sets out the government's plans to widen devolution across England. It outlines how the government will reform local government, as the foundation for devolution and reset the relationship between central and local government.

6.9 At the time of writing, there are proposals for one, two or three unitary councils for Gloucestershire. It is understood that the Government will determine in August 2026 the preferred option.

6.10 The risks for the Council going forward are:

   i. Uncertainty, which could affect short and medium term decision making, for example whether to invest in upgrades for IT and software;

   ii. Members' and officers' focus on the Council's strategic aims, service delivery, risks, internal control and governance processes is adversely affected;

iii. The retention and recruitment of staff is impacted. This could lead to increased workloads, impacting on service delivery and staff wellbeing. The Council should consider its succession planning for key posts, especially those which could be a "single point of failure";

iv. Members' and officers' focus on the Council's strategic aims, service delivery, risks, internal control and governance processes is adversely effected.

6.11 The Council should take cognisance of these and other risks posed by Local Government Reform and include these, along with mitigations, in its Strategic and service risk registers as appropriate.

6.12 The Strategic Management Team (SMT) is proactive in regularly monitoring the Council's risks. Risk management and health and safety are standing items on the SLT agenda. Any emerging risks and health and safety issues can be raised here enabling management to formulate appropriate and timely actions to manage these.

7.   Governance areas of focus for 2025-26.

In preparing this statement and reviewing the effectiveness of the Council's governance arrangements, the following areas have been identified as areas of focus for 2025/26:

Issue	Actions
Recruitment and retention of staff	• Develop a plan for the Workforce to support talent management and succession planning in the context of Local Government Reorganisation.
Improve accuracy of HR data including establishment data, absence data and right to work data and mandatory training compliance	• Review process for Right to Work checks and ensure 100% compliance. • Review establishment data on iTrent and ensure accuracy. • Review absence reporting process and provide training to managers as necessary. • Review mandatory training compliance rates across the council and ensure managers have access to completion rates to enable them to ensure compliance.
Undertake a review of the Council's Risk Management Policy and Framework	• Undertake a gap analysis of Service Plans and related Risk Registers to ensure Service Risk Registers are updated following the review. • Provide training to the Leadership and Management Team on Service Risk Registers in line with annual service plan arrangements. • Refresh the Risk Management Policy and Framework.
Housing Regulations	• Ensure recommendations from the self-assessment against the consumer standards undertaken in 2024/25 are implemented. • Ensure compliance in relation to the upcoming changes to the law on damp and mould (Awaabs Law, October 2025)
Local Government Reorganisation	• Consider representation to Government in relation to Local Government Reorganisation in Gloucestershire. • Establish a strategic Local Government Reorganisation Risk Register to be reported to Audit and Standards Committee alongside the Strategic Risk Register. • Ensure programme management ensures adequate resources are available to support the work carried out in relation to Local Government Reorganisation.
Stroudwater Canal	• Review and refresh the project governance arrangements, including all the project partners • Put in place arrangements to ensure the project meets all required procurement and contract management procedures • If the bid for additional lottery grant is secured ensure the

	budget monitoring of the project is robust against new capital budgets

8.   Certification

8.1   To the best of our knowledge, the Council's governance arrangements have operated effectively throughout 2024-25.

8.2   The Council will continue to be vigilant to risks to our operations, address these accordingly, and further enhance our governance arrangements as appropriate.

8.3   We will ensure that the AGS is current at the time of signing. Should a second conclusion on the adequacy of governance arrangements during this period be necessary then any potential impacts will be highlighted in the AGS.

8.4   The Strategic Leadership Team (SLT) will oversee this action plan over the coming year and report progress to the Audit and Standards Committee. The SLT will ensure that governance issues continue to be promoted, addressed and monitored throughout the year.

8.5   We, the undersigned, are satisfied that appropriate governance arrangements are in place. We propose over the coming year to continue to review and, where appropriate, enhance our governance arrangements.
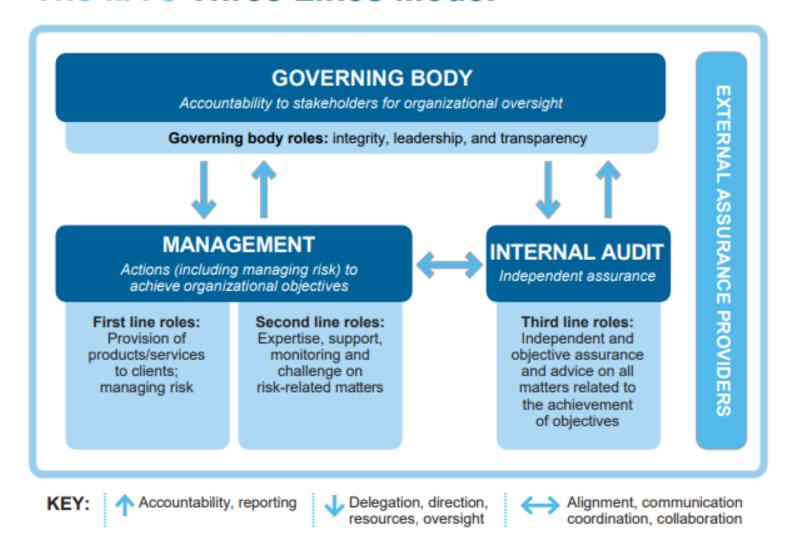

Signed:

Chloe Turner

Leader of the Council

Kathy O'Leary

Chief Executive

Date: **30 June 2025**

30 June 2025

The IIA's Three Lines Model