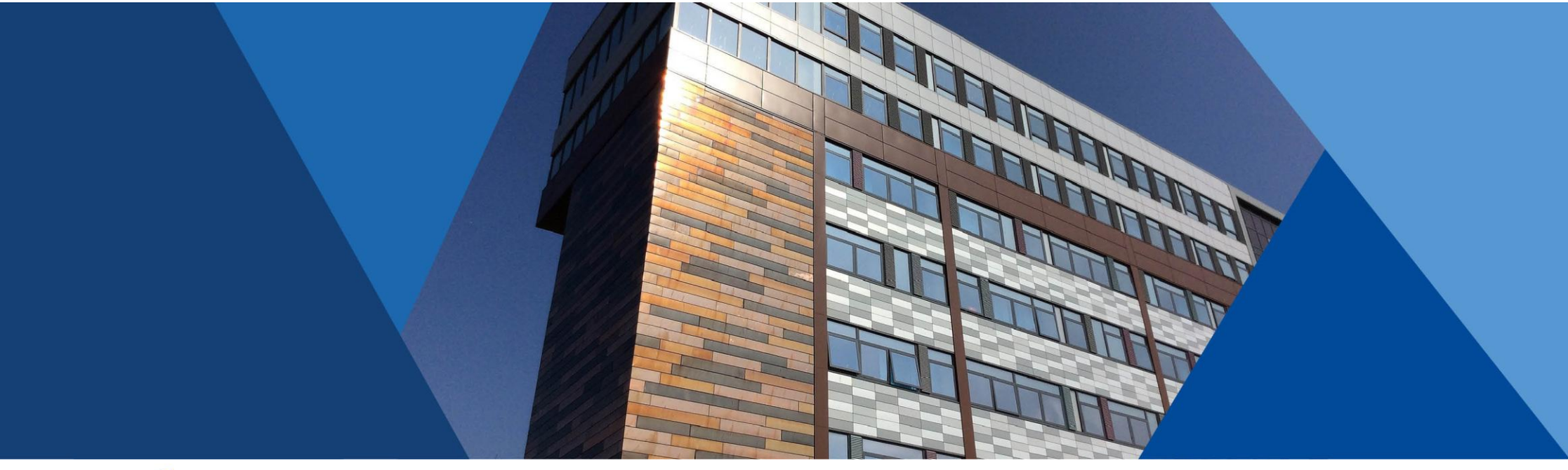
Annual Governance Statement
2024-2025



Gloucestershire
COUNTY COUNCIL

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Scope of Responsibility

Gloucestershire County Council (GCC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

GCC acknowledges its responsibility for ensuring that there is effective governance within the Council and as such has developed a Code of Corporate Governance that sets out the principles and practices that underpin the governance arrangements operating within the Council.

The Code is reviewed and updated annually and is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance 'Delivering Good Governance in Local Government framework - 2016 Edition'. A copy of the Code can be accessed on the Council's website. However, a summary of the seven core principles upon which it is based can be found on page 10 of this document.

This statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) (a) and (b), which requires the Council to prepare and publish an Annual Governance Statement (AGS).

The Council's Statutory Officers comprising of the Chief Executive, Chief Financial Officer (S151) and the Monitoring Officer have responsibility for leading and directing the annual reviews of the effectiveness of the Council's governance arrangements against the Code and providing ongoing oversight and robust challenge. When completed, the findings are reported to and improvement actions identified are monitored by the Audit and Governance Committee.

What is Governance?

Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Good governance leads to effective:

- leadership and management;
- performance and risk management;
- stewardship of public money; and
- public engagement and outcomes for our citizens and service users.

What is the purpose of a Governance Framework?

The governance framework comprises the culture, values, systems and processes by which an organisation is directed and controlled. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It assures that in conducting its business, the Council:

- operates in a lawful, open, inclusive and honest manner;
- makes sure that public money and assets are safeguarded from inappropriate use, or from loss and fraud, properly accounted for and used economically, efficiently and effectively;
- has effective arrangements for the management of risk;
- secures continuous improvement in the way that it operates;
- enables human, financial, environmental and other resources to be managed efficiently and effectively;
- properly maintains records and information; and
- ensures its values and ethical standards are met.

What is the Annual Governance Statement?

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in year and on any planned changes to our governance arrangements in the coming year.

In this document the Council:

- acknowledges its responsibility for ensuring that there is a sound system of governance;
- summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period;
- provides details of how the Council has responded to any issue(s) identified in last year's governance statement; and
- reports on any key governance matters identified from this review and provides a commitment to addressing them.

The Annual Governance Statement reports on the governance framework that has been in place at Gloucestershire County Council for the year ended 31st March 2025 and up to the date of approval of the statement of accounts.

It should be noted however, that any system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not *absolute* assurance of effectiveness.

What is a Governance Assurance Framework?

Assurance provides confidence, based on sufficient evidence, that internal controls are in place and are operating effectively and that objectives are being achieved. An Assurance Framework is a structure within which Members and Senior Management identify the principal risks to the Council meeting its key objectives, and through which they map out both the key controls to manage them and how they have gained sufficient assurance about the effectiveness of those controls. The assurance framework underpins the statements made within the Annual Governance Statement.

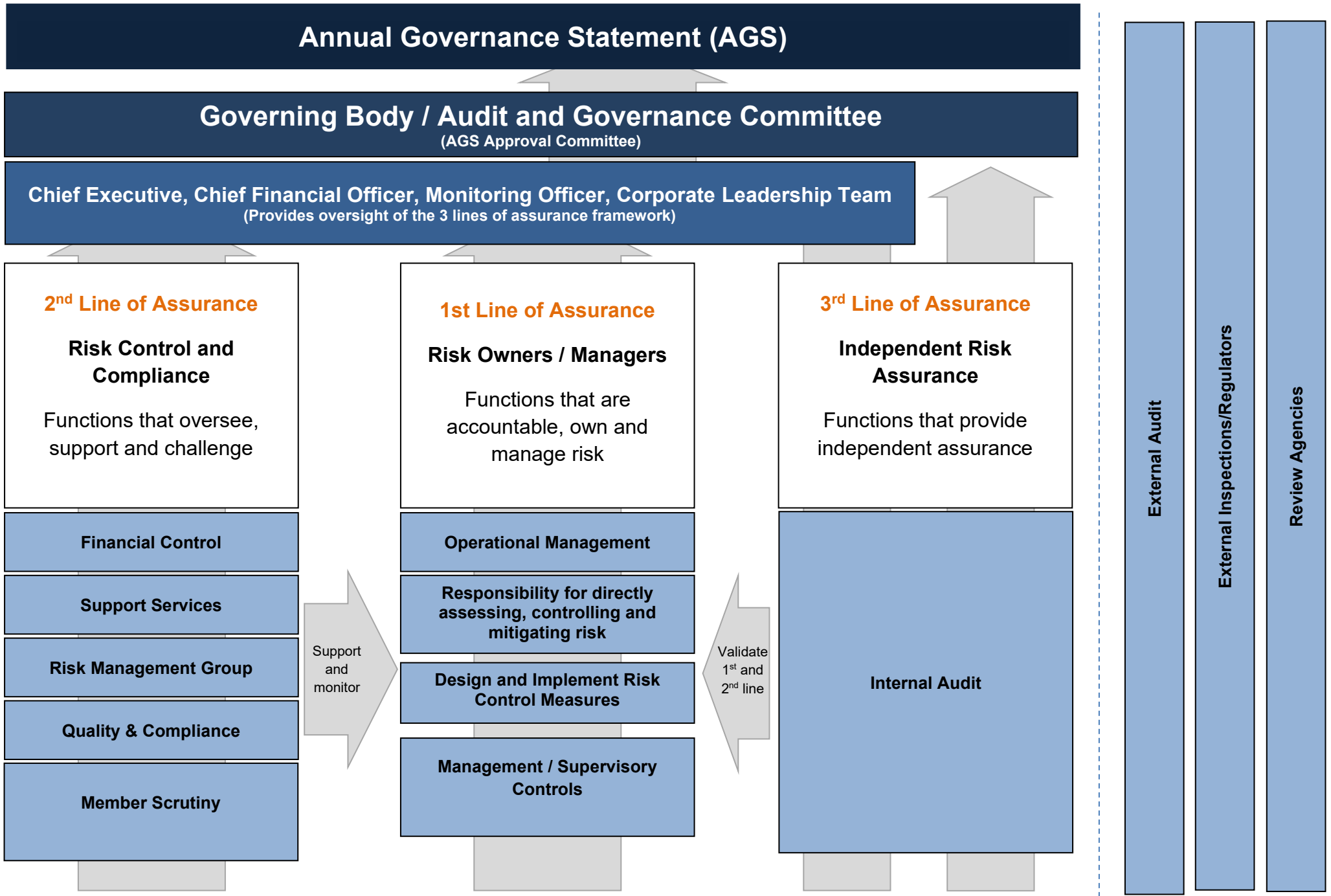
A governance assurance process is in place to provide a framework for the annual assessment of the effectiveness of the governance arrangements operating within the Council. This includes Cabinet Member overview and oversight and robust challenge by the Council's Statutory Officers i.e. the Chief Executive, Monitoring Officer and Chief Financial Officer.

In addition, *'the three lines of assurance'* model is in place which helps Members and Senior Management to understand where assurances are being obtained from, the level of reliance they place on that assurance and identify potential gaps in assurance.

The Three Lines of Assurance in effective Risk Management and Control

The Three Lines of Assurance model helps to identify and understand the different sources of assurance in the organisation, by defining these sources into three categories; the **First Line** (functions that own and manage risks e.g. operational management has ownership, responsibility and accountability for directly identifying, assessing and controlling / mitigation risks); the **Second Line** (functions that oversee risks and ensures compliance e.g. HR, Finance, IT and other control functions). This line monitors the effectiveness of risk management arrangements put in place by the first line; and the **Third Line** (functions that provide independent assurance on the management of risks e.g. Internal Audit). In addition to internal governance arrangements, External Auditors, regulators and other bodies sit outside of the Council's structure, but have an important role in the Council's overall governance and control structure. S*ee page 7 for a visual summary.*

The Council's Governance, Risk and Control Assurance Framework



How has the Annual Governance Statement been prepared?

In preparing the Annual Governance Statement the Council has:

- reviewed the Council's existing governance arrangements against the revised CIPFA / SOLACE 'Delivering Good Governance in Local Government framework - 2016 Edition' good practice guidance;
- updated the Council's Local Code of Corporate Governance to reflect this guidance which includes the revised seven principles of good governance and associated required actions and behaviours taken by the Council that demonstrate good governance; and
- assessed the effectiveness of the Council's governance arrangements against the revised Local Code of Corporate Governance.

How does the Council monitor and evaluate the effectiveness of its governance arrangements?

Gloucestershire County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk and can therefore only provide reasonable and not absolute assurance of effectiveness. The effectiveness of governance arrangements is monitored and evaluated throughout the year, activity undertaken includes:

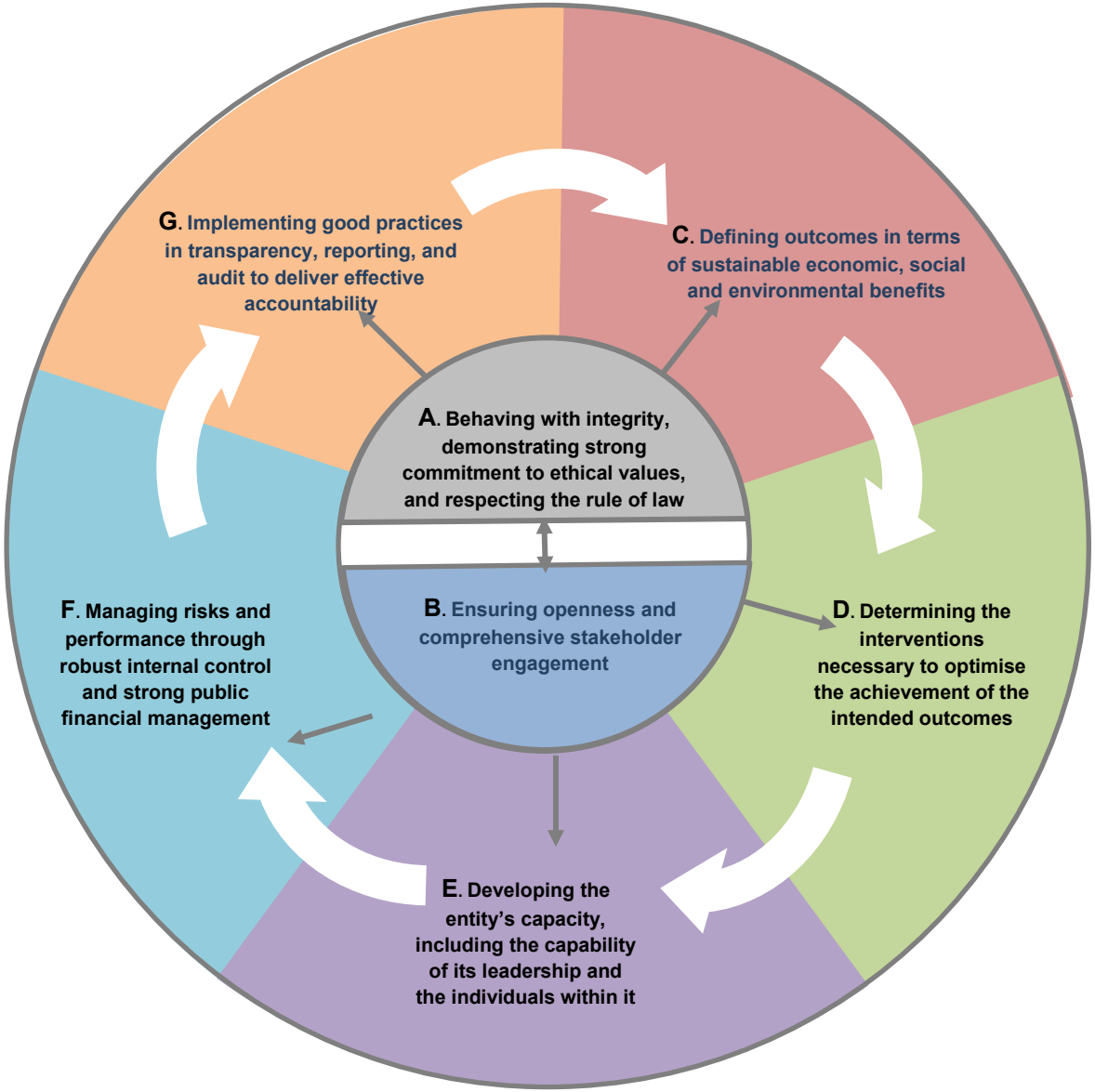
- Consideration of governance issues by the Corporate and Directorate Leadership Teams (CLT and DLT) – including risk registers, counter-fraud updates and Internal Audit reports;
- Preparation of a rolling plan of audit coverage provided by the Head of Audit, Risk and Assurance (ARA) which is primarily based on an assessment of the Council's risks;
- The Annual Audit Opinion which is provided by the Head of Audit, Risk and Assurance (ARA);
- Ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010);

- Ongoing assessment of internal management processes, including performance management and compliance monitoring;
- The independent views of regulatory inspection agencies such as Ofsted, HMICFRS and the Care Quality Commission;
- The views of external auditors, regularly reported to the Audit and Governance Committee (A&GC), including regular progress reports and the Annual Audit Letter;
- The annual report on Risk Management Activity;
- The Council's Risk Maturity Assessment which is **Level 3 out of 5**: "Risk Defined: Strategy and policies in place and communicated. Risk appetite defined only at a strategic level. Risk management evident in strategic business decisions at Director and/or Member level."
    - Significant improvements continue in risk management across the organisation, particularly following the independent review of risk in 2021/22. There is a high level of assurance and reporting strategically, and improvements throughout the Directorates. However, *consistency* is not yet achieved to a level 4 definition, and work continues to reach it.
- The Council has 2 outside bodies which it part-owns alongside other local authorities:
    - *Adoption West* has been set up jointly by Local Authorities in Bath and North East Somerset, Bristol, Gloucestershire, North Somerset, South Gloucestershire and Wiltshire to provide a dedicated adoption service.
    - *Ubico* is an environmental services company wholly owned by seven local authorities; Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucestershire County Council, Stroud District Council, West Oxfordshire District Council and Tewkesbury Borough Council.

  Gloucestershire County Council has appointed Directors to the board of each company who are accountable alongside those appointed by the other partners for ensuring that the Nolan principles are embedded into their governance.
- Governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures.

What are the key elements of GCC's Governance Framework?

The Council aims to achieve good standards of governance by adhering to the seven core principles below, which form the basis of the Council's Code of Corporate Governance:



The following pages provide a summary of actions and behaviours taken by the Council in relation to each of these seven core principles and associated sub principles.

Principle A

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

Supporting Principles:

Behaving with integrity

How we do this:

- The Council has an Audit and Governance Committee to promote high standards of member conduct. Elected members must follow a Code of Conduct to ensure high standards in the way they undertake their duties. The Monitoring Officer advises members on the Code of Conduct.
- Officer behaviour is governed by the Employees' Code of Conduct. The Code has been formulated to provide a set of standards of conduct expected of employees at work.
- External providers of services acting on behalf of the Council are also required to comply with the Code of Conduct.
- These Codes are regularly reviewed to ensure they are operating effectively.

Demonstrating strong commitment to ethical values

- Arrangements exist to ensure that members and officers are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. These include:
  - Registers of disclosable conflicts of interests;
  - Declarations of disclosable conflicts of interests and disclosable other interests at the start of meetings; and
  - Registers of gifts and hospitality.
- A corporate complaints procedure exists to receive and respond to any complaints received.
- Actively seek to deter and prevent fraud and corruption and ensure where irregularity is suspected that it is thoroughly investigated.
- The required leadership and staff 'behaviours' are embedded into performance appraisals.

Respecting the Rule of Law

- The Constitution sets out the responsibilities of the Council, the Cabinet, Scrutiny and other Committees, as well as officers, including decision making powers.
- The Council has a duty to appoint three of its staff to specific roles, these being:
  -The Head of Paid Service (Chief Executive), who has overall accountability for the governance arrangements operating within the Council.
  - The Monitoring Officer who has a key role in ensuring that decisions taken by the Council are within the law and the Council complies with the provisions of its Constitution.
  - The Chief Financial Officer is the principal financial adviser to the Council and is responsible for the proper administration of the Council's financial affairs and internal control environment.

Principle B

Ensuring openness and comprehensive stakeholder engagement

Supporting Principles:

Openness	Engaging comprehensively with institutional stakeholders	Engaging stakeholders effectively, including individual citizens and service users

How we do this:

Openness

- Progress against the Council Strategy is monitored on a quarterly basis through strategic performance / financial / risk reports to the Cabinet and Scrutiny Committees, which are publicly available.
- Cabinet Member decisions and significant officer decisions are also reported on the Council's website.
- The Council publishes an annual report on the activity of the Scrutiny function.
- The Council publishes certain data in accordance with the Local Government Transparency Code which enables more power to be placed into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services.

Engaging comprehensively with institutional stakeholders

- Elected members are democratically accountable to their local area and this provides a clear leadership role in building sustainable communities.
- The Council's planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people.
- Developed and implemented alternative service delivery models to allow for resources to be used more efficiently and effectively.

Engaging stakeholders effectively, including individual citizens and service users

- The long-term vision for the Council is set out in the Council Strategy which is updated annually and informed by public consultation.
- Call-in is for Cabinet decisions or decisions by the Leader or a Cabinet Member and a key decision taken by Officers under delegated powers. This allows an opportunity for further consideration of the issue before implemented.
- Formal Public Consultation arrangements and public meetings held to ascertain stakeholder views prior to developing and implementing key policy changes.

Principle C

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

Supporting Principles:

Defining outcomes

How we do this:

- The Council's long term vision and priorities are set out in the Council Strategy.
- A Budget and Medium Term Financial Strategy, Capital Programme and annual budget process ensure that financial resources are directed to the Council's priorities.
- The Council works with partner organisations where there are shared objectives and clear economic benefits from joint working.
- The Council has a co-ordinated and structured approach to commissioning services and defining outcomes.
- Contract management and monitoring arrangements are in place to help ensure that services provided are monitored and improved appropriately.
- The Council's corporate planning, performance and risk frameworks report progress against business objectives and targets. These are reported and monitored by the Corporate Leadership Team, Corporate Overview Scrutiny Committee and Cabinet Members.

Sustainable economic, social and environmental benefits

How we do this:

- The Medium Term Financial Strategy (MTFS) identifies and implements efficiency savings across the organisation in a systematic and considered manner.
- The Council aims to ensure that the purchase or commissioning of goods, services or works required to deliver services is acquired under Best Value terms.
- The Council has developed business continuity plans to ensure that critical service delivery can be maintained or recovered during an emergency.
- The Council's decision making process requires consideration of the economic, social and environmental impacts of policies and plans when taking decisions about service provision. In addition a sustainability check list is also included to ensure sustainability is also fully considered.
- Programme and project management arrangements require consideration of Political, Environmental, Societal (i.e. increased demand for a service and demographic changes), technological, legislative, economic and efficiency issues, risks and opportunities and value for money.

Principle D

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

Supporting Principles:

Determining interventions	Planning interventions	Optimising achievement of intended outcomes

How we do this:

Determining interventions

- The Council's decision making process ensures that decision makers receive objective and robust analysis of a variety of options indicating how the intended outcomes will be achieved, providing information on the risks and opportunities associated with those options, thus helping to inform those decisions.
- Public consultation is undertaken to ensure that feedback from citizens and service users are fully considered when making decisions about service improvements / changes.
- A corporate peer challenge is undertaken by the LGA every 5 years to establish overall health of corporate governance and areas for improvement. The most recent was in 2023.

Planning interventions

- The Gloucestershire Economic Growth Joint Committee, with the Local Economic Partnership, (replaced with City Region Board and Gloucestershire Economic Growth Scrutiny Committee from 1st April) are delivering an economic strategy.
- The Council Strategy defines the Council's key priorities and plans, following full consultation with the communities of Gloucestershire.
- The Council has developed Strategic Commissioning Intentions and Annual Service Plans with clearly defined outcomes and a balanced set of measures and risks to evaluate performance.
- Quarterly performance reports analysing trends and latest budget position are monitored by Cabinet and Scrutiny Committees and mitigation strategies are implemented to manage current and emerging risks.

Optimising achievement of intended outcomes

- The Council has developed and implemented a Budget and Medium Term Financial Strategy.
- The financial plans demonstrate how the Council's financial resources will be deployed over the next three years to deliver declared aims and priorities.
- The strategy sets out the overall shape of the Council's budget by determining the level of resources that will be available and how these are currently allocated between services.
- The Council ensures the achievement of 'social value' (i.e. a way of thinking about how scarce resources are allocated and used when awarding a contract) when commissioning services and service planning.

Principle E

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

Supporting Principles:

Developing the Council's capacity

How we do this:

- The Council participates in relevant benchmarking exercises and peer reviews to help inform how the resources are allocated, so that outcomes can be achieved effectively and efficiently.
- Collaborative working and alternative service delivery models are fully considered as part of the option appraisal process, when looking to determine how the Council's resources are allocated in order to meet our priorities.
- The Council has drafted an organisational and workforce strategy, due for release later in 2024.
- The Council has an Occupational Health Service that offers health assessments, health screening, health and well-being advice, ill health retirement advice, rehabilitation advice and advises managers on health related performance or attendance issues and an Employee Assistance programme which provides staff counselling and advice.
- Implementation of a Management Programme ('Growing Great Managers') which enables the development of our future leaders. Leadership and Management courses are available to support learning and development.

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

- The Council's Constitution clearly defines the statutory and distinctive leadership roles of the Leader of the Council and the Chief Executive, whereby the Chief Executive leads on implementing strategy and managing the delivery of services and other requirements set by members.
- A Member Development Programme approved by Group Leaders is in place, which supports continued Member development. This includes six key skills needed to be an effective councillor, namely local leadership, partnership working, communication, political understanding, scrutiny and challenge and regulation and monitoring skills.
- The Council's Performance Development Review is a 1:1 meeting for all leaders and employees. It is an opportunity to reflect on how the individual is performing, what is going well and also where the individual may need further support or development as part of their role.
- The above includes leadership skills and behaviours as these behaviours are essential for the delivery of our key priorities, to continue to support our savings targets, and form part of our on-going commitment to personal and professional development.

Principle F

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

Supporting Principles:

Managing Risk

How we do this:

- The Council has a Risk Management Policy / Strategy which clearly defines the roles and responsibilities for managing risk, confirming that risk management is an integral part of all our business activities including all aspects of business planning, option appraisals and decision making.
- Business Continuity arrangements are in place for critical services to ensure they can continue to operate in an emergency.
- The Audit and Governance Committee monitor the adequacy of the risk identification, monitoring and control of strategic and operational risk within the Council.

Managing Performance

- The Council Strategy outlines our priorities which are built on five clear values i.e. Acting with Integrity, Focusing on Citizens/Communities and People, Proactively Challenging, Respecting and Valuing each other and Being Accountable. A business planning framework is in operation which includes our Commissioning Intentions which set out our strategic commissioning priorities and Service Plans which set out the key priorities/ tasks / targets / risks for the day job.
- Priorities are monitored through our performance management and programme and project management frameworks and overseen by, and reported to, the Corporate Overview Scrutiny Committee and Cabinet Members.

Robust internal control

- The Internal Audit (IA) service is 100% compliant with Public Sector Internal Audit Standards.
- Whilst improvement areas have arisen during the year from IA activity, action plans have been agreed with management to address them.
- 'Three lines of assurance' risk assurance model in place within the council (Page 7 above).
- Fraud is taken very seriously and policies and processes are established to deal with such occurrences: Counter-Fraud and Corruption Policy and Strategy and whistleblowing policy.

Managing Data

- Data is managed in accordance with the law. The key information management and security policies in place are: The Data Protection Policy, Freedom of Information Policy, Information Security Policy and the overall Information Strategy.
- Information Sharing protocols are in place when sharing data with third parties.
- Strategy ownership rests with Information Board members who are responsible for agreeing, monitoring, promoting and reviewing its implementation.
- Monitoring also includes reports to Audit and Governance Committee, internal / external audits and Information Commissioner reviews as appropriate.

Strong public financial management

- Robust budget management arrangements are in place including monitoring and review by the Corporate Overview Scrutiny Committee and Cabinet.
- External Audit review and report on the Council's financial statements (including this Annual Governance Statement), providing an opinion on the accounts and concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion).
- The Audit and Governance Committee monitor the effectiveness of the Chief Financial Officer's responsibility for ensuring an adequate internal / financial control environment.

Principle G

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

Supporting Principles:

Implementing good practices in transparency

Implementing good practices in reporting

Assurance and effective accountability

How we do this:

- Agendas and minutes of Cabinet and Committee meetings including Scrutiny are publically available on the Council's website.
- The Council has a Freedom of Information Act publication scheme (to ensure the members of the public have access to all recorded information held by the Council.
- Working towards compliance with the Local Government Data Transparency Code which sets out the minimum data that the Council should be publishing, the frequency it should be published and how it should be published e.g. expenditure exceeding £500, grants to voluntary, community and social enterprise organisations, senior salaries etc. This makes it easier for local people to contribute to the local decision making processes and help to shape public services.

- The published Annual Statement of Accounts is the statutory summary of the Council's financial affairs for the financial year. The purpose of the Annual Statement of Accounts is to give clear information on the income and expenditure of the Council and to demonstrate the Council's stewardship of public money for the year.
- The Council publishes an Annual Governance Statement and Local Code of Corporate Governance in order to report how we have monitored the effectiveness of our governance arrangements (self assessed against the seven key principles set out within our Code of Corporate Governance) in year and on any planned changes in the coming year.
- The Audit and Governance Committee review and approve the Annual Statement of Accounts and Annual Governance Statement.

- Accountability and decision making arrangements are clearly defined within the Council's Constitution. These accountabilities include arrangements when delivering services with our key partners.
- The Audit and Governance Committee provide independent assurance to the Council on the adequacy and effectiveness of the governance arrangements and internal control environment operating within the Council.
- Risk based internal auditing provides ongoing assurance that the key risks material to achieving the Council's objectives are being managed.
- Peer reviews and benchmarking undertaken to ascertain good practice and implement improvements as identified.

What are the key roles of those responsible for developing and maintaining the Governance Framework?

The Council	- Approves the Council Strategy. - Approves the Constitution (including Contract Procedure Rules and Financial Regulations). - Approves key policies and budgetary framework.
Cabinet	- The main decision-making body of the Council. - Comprises the Leader of the Council and nine Cabinet Members who have responsibility for particular portfolios.
Audit and Governance Committee	- Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. - Promotes high standards of member conduct. - Approves the Annual Statement of Accounts and Annual Governance Statement.
Scrutiny Committees	- There are seven Scrutiny Committees aligned to the Council's corporate priorities. - They hold Cabinet and Officers to account and scrutinise performance.
Chief Executive Corporate Leadership Team	- Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues. - Oversees the implementation of council policy. - Influencing a corporate culture and fostering a culture of high ethical standards and integrity.
Chief Financial Officer (s151)	- Accountability for developing and maintaining the Council's governance, risk and control framework. - Contribute to the effective corporate management and governance of the Council.
Monitoring Officer	- To report on contraventions or likely contraventions of any enactment or rule of law. To report on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation. To establish and maintain registers of member interests and gifts and hospitality. To advise Members on the interpretation of the Code of Conduct for Members and Co-opted Members. - Overall responsibility for the maintenance and operation of the Confidential Reporting Procedure for Employees. (Whistleblowing) and contributes to the effective corporate management and governance of the Council.
Internal Audit	- Provides independent assurance and annual opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework. - Delivers an annual programme of risk based audit activity, including counter fraud and investigation activity. - Makes recommendations for improvements in the management of risk.
External Audit	- Audit / review and report on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion).
Managers	- Responsible for developing, maintaining and implementing the Council's governance, risk and control framework. - Contribute to the effective corporate management and governance of the Council.

How has the Council addressed the governance improvement actions from 2023/24?

The Annual Governance Statement 2023/24 contained the following key improvement actions. Details of the issues and how they have been addressed during the year have been reported to the Audit and Governance Committee at their meeting on 31st March 2024. Please note that whilst improvement plans are in place to address these issues, due to their significance in relation to governance and inherent risk, eight of the thirteen issues have been carried forward into the 2024/2025 Action Plan to enable their ongoing monitoring.

2023/24 Review Reference	Action	Current Status
Safeguarding Inspection	1) Children's Services Ambitions plan	C/F into the 2024/25 AGS Action Plan - see update
Corporate Governance	2) Gloucestershire Fire and Rescue Service (GFRS) improvement plan	C/F into the 2024/25 AGS Action Plan - see update
Exec. Directors Assurance Statement	3) The recruitment and retention of employees.	Removed from the Action Plan. Activity in this area has made a significant shift in the indicators and risk level. Activity to monitor has moved into business as usual, and while risks remain, this will be monitored via the strategic risk and corporate reporting.
Exec. Directors Assurance Statement	4) ICT Governance – Transformation Roadmap	C/F into the 2024/25 AGS Action Plan - see update
Exec. Directors Assurance Statement	5) Adult Social Care transformation – readiness for CQC assurance	C/F into the 2024/25 AGS Action Plan - see update
Exec. Directors Commissioning Intentions	6) Equalities, Diversity and Inclusion development work	Removed from the Action Plan. Resources are in place and activity has moved to business as usual monitoring.
Exec. Directors Assurance Statement	7) Securing developer contributions for infrastructure schemes	Removed from the Action Plan. Recent successful delivery of contributions and collaboration with partners. This remains a risk area, but activity will be business as usual, and will be monitored through the strategic risk register and performance reporting.

2023/24 Review Reference	Action	Current Status
Annual Auditors report	8) Dedicated Schools Grant Deficit	C/F into the 2024/25 AGS Action Plan - see update
Exec Directors Assurance Statement	9) Procurement and Contract Management Oversight	C/F into the 2023/24 AGS Action Plan - see update
Exec Directors Assurance Statement	10) Enterprise Resource Planning (ERP) system replacement – 'One Programme' implementation.	C/F into the 2023/24 AGS Action Plan - see update
Exec Directors Assurance Statement	11) Strengthening Portfolio Management Office (PMO) oversight of project and programme management.	Removed from the Action Plan. All recommended activity to establish PMO and Transformation teams delivered, Transformation Boards in place and monitoring with Cabinet oversight moved into business as usual.
Exec Directors Assurance Statement	12) Development of our Data and Intelligence capability.	C/F into the 2023/24 AGS Action Plan - see update
Corporate Peer Challenge feedback report	13) Strengthening Overview and Scrutiny of decision-making.	Removed from the Action Plan. Improvements made to decision publication timeline, processes and Member training, and moved into business as usual.

What are the key 2024/25 Governance matters identified?

The review of the effectiveness of the Council's governance framework has identified the following actions that will need to be addressed during 2025/26, which includes the carried forward actions from 2023/24.

Previously identified issues

The eight issues below are brought forward from the Annual Governance Statement 2023/24, and have been updated for the latest status position for 2024/25.

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Executive Director's Assurance Statement	**1) Children's Services Ambitions Plan.** Ofsted completed their ILACS inspection of Children's Services in June 2025, and found the council's Children's Services to be Good in its overall effectiveness, with judgements of Outstanding in two of four categories, and good in the remaining two categories (*In February 2022, they had awarded a judgement of 'requires improvement' for all inspection elements*). • The Ambitions Board continues to operate as the children's improvement and transformation board attended by senior leaders, partners and members. It now meets quarterly, reports to the newly established corporate transformation board and will act as the programme board in 2025-26 for the DfE Families First Partnership Programme • The Ambitions Plan has been refreshed for the forthcoming year to reflect our continuous improvement and transformation plans. • The SEND and Inclusion Local Area Partnership Board oversees the SEND Local Area Plan which includes our response to inspection recommendations from the SEND and Local Area Inspection of December 2023; activity linked to our lead role in the SEND and Change AP Pilot programme and Delivering Better Value in SEND plan.	Ongoing, monitored by the Ambitions Board quarterly	Executive Director of Children's Services (DCS)

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
	Regulatory inspection activity continues: • The Focused Visit undertaken by Ofsted in January 2025 to consider arrangements for older children in care and care leavers made two recommendations and found that "Strong corporate and political support has led to an impressive level of dedication and ambition for care leavers in Gloucestershire, which has significantly improved the experiences of many care leavers." • There have been two monitoring visits following the SEND inspection of December 2023 and a performance dashboard has been developed to support leaders, managers and practitioners in tracking progress and taking appropriate remedial action where necessary. The challenging operating context and continued demand for education health and care plans (EHCP) has resulted in slower progress in improving the timeliness of EHCPs despite significant additional investment. Further measures to secure additional educational psychology capacity, should see improvement by July 2025 • Additionally, Hartwood House, our short break home for disabled children was inspected in February 2025 and judged to be Good overall. • In the forthcoming year we anticipate the Ofsted registration and inspection of at least three of our four new children's homes, a monitoring inspection at Hartwood House, a full inspection under the Inspection of Local Authority Children's Services framework and an HMI Probation led Youth Justice Inspection. We may also have a thematic SEND inspection and will continue with six monthly DfE/NHSE monitoring of actions in response to the recommendations of the 2023 SEND Local Area inspection. • We anticipate a challenging year given the current geopolitical and socioeconomic landscape. Policy reforms such as the reform of the benefit system will push more children and families into poverty and in turn, place more families into positions where they require additional help and support. Whilst the improvements we are making aim to build system resilience to shocks and stressors and improve governance and risk management, we do not underestimate the likely increasing demand and challenging operating context over the forthcoming year. We also note the potential impacts of time spent in local government reform and will maintain a focus on contributing to the design and evidence base for arrangements that will improve outcomes for children and families.		

Chief Fire Officer's Assurance Statement	**2) Gloucestershire Fire and Rescue Service (GFRS) improvement plan.** The Service was inspected by His Majesty's Inspectorate of Constabularies and Fire & Rescue Services (HMICFRS) in November 2023 and the findings published in May 20024. In their feedback report, the inspectors identified three Causes of Concern (CoC) relating to: 1. Culture, 2. Equality, Diversity & Inclusion 3. Protecting the public through fire regulation In response to the report, the Service submitted a high-level action plan to HMICFRS in June 2024 detailing activity that aims to resolve the Cause of Concern recommendations. Subsequently, the Service's Transformation Team scoped the remaining areas for improvement from the report and expanded the high-level action plan to create the Transformation Programme 23-26. The governance for the Transformation Programme 23-26 remains under the control of an Improvement Board which is chaired by the Chief Executive and also contains the Leader of the Council, the Lead Cabinet Member for Community Safety, HMICFRS & LGA representation and the service's Principal Officers. HMICFRS returned to Gloucestershire in early January to conduct a Revisit Inspection to formally monitor the progress the Service has made against its Transformation Programme. During this visit, HMICFRS *removed* two of the three causes for concern: Notably, the values and culture cause for concern was removed. The Service was recognised for having significantly improved and embedded its target values and culture among its workforce. The Service's extensive efforts to embed the workplace charter has ensured that the values and behaviours are embraced by the workforce. Embedding its target values and culture has been further supported by senior managers being more visible and approachable and displaying the Service's values. Considerable wellbeing support is available; and training to address inappropriate behaviours has been well received with the workforce confident to challenge should they	Actions and progress are monitored by the Improvement Board quarterly.	Chief Fire Officer

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
	see or hear anything inappropriate. HMICFRS recognised the overall positive changes in workplace culture and values and the Service's continued ambitious plans. The protection cause for concern was also removed following the revisit to the Service. HMICFRS commended the improvements in the GFRS protection services, observing that effective resources are now in place to support all aspects of the protection function. The Service is on track to meet its risk-based inspection targets and has introduced robust enforcement procedures, including increased inspection visits and 24 hour a day, seven day a week duty fire safety support. HMICFRS then visited the service between 9 and 10 July 2025 to review progress against its ambitious action plan. The third cause for concern in promoting equality, diversity and inclusion (EDI) has also been lifted, meaning all recommendations have now been completed. A revisit letter from HMICFRS said the service had worked at pace to address outstanding recommendations and it had made good progress to improve the way it promotes EDI. EDI objectives were now included in the staff appraisal process, helping to raise staff awareness of them. Positive action training is shared with watch managers to support the work to recruit a more diverse workforce, and the service has introduced 'the big conversation'. These face-to-face conversations encourage staff to have open and honest conversations on a specific topic each month and EDI objectives were the first topic discussed.		

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Exec Director's Assurance Statement	**3) ICT Transformation Roadmap** The council has a challenging transformational investment programme for ICT, which has included infrastructure, networks / WIFI, the rollout of Microsoft 365 and the move to the Cloud. Significant improvements have been made, priority 1 incidents have fallen, and a recent peer challenge of cyber resilience gave a good bill of health. However, challenges continue, and in the Corporate Peer Challenge (Nov 2023) and staff survey 2024, evidence showed that there was much still to do, including recognising the ongoing impact to the wellbeing of staff where shortfalls occur. This is being regularly monitored by Executive Director of Corporate Resources, the Director of Digital and People Services and the Assistant Director for Digital and ICT. Recent progress includes: • Feedback from the 2025 Corporate Peer Challenge review visit praised the notable progress on ICT stability and the impact on staff. Staff survey initial results also show a significant shift in the reliability of tools for working. • The refocused Digital & Data Governance Board has been established to provide senior leadership / Member assurance and oversight of the Data and ICT investment and major programmes. • The Digital Strategy has been approved by cabinet and oversight of the projects identified to deliver the strategic outcomes will be through the ICT governance board. • The outsourced enterprise support contract came to an end in September 2024. Work is underway to develop the digital and ICT service with investment in digital innovation and enhanced security skills. Bringing resources back inhouse is enabling process redesign which will aim to improve the customer experience. • Security improvements remain a top priority with further investment in the ability to identify and resolve vulnerabilities. • The M365 programme continues to deliver resilient ways of working. Work is underway to scope a Modern Ways of working Programme which will include the rollout of Windows 11, digital skills and updating Digital and ICT processes.	Quarterly review of roadmap progress by Digital Board	Director of Digital and People Services

Exec. Directors Assurance Statement and CQC inspection report	**4) Adult Social Care transformation and CQC inspection** Inspectors from the Care Quality Commission carried out a full assessment of Gloucestershire's Adult Social Care service in September 2024. Gloucestershire was rated '*requires improvement'* under the new CQC assessment process which looks at nine areas spread across four themes. This outcome matches with the council's own published self-assessment, demonstrating that it knows its services well. Inspectors noted that the county's Adult Social Care Services are in the middle of large-scale, five-year transformation programme which they could see is already having a positive impact on services. They said there was a clear strategy to improve quality, enhance commissioning and develop the use of data. The council is investing an additional £5.6m in its adults transformation plans over the next two years. This is in addition to the £224.264m already committed to adult social care in the 2025/26 budget which was approved by full council in February 2025. Inspectors found that overall people's experiences of adult social care were mixed, and that there was often a difference depending on where people lived, and the type of needs they had. They acknowledged that the council had started some good work to identify these inequalities and make improvements, but the work wasn't yet embedded. Inspectors highlighted a strong leadership with good strategic oversight and a passionate and committed workforce. They highlighted the strong partnership and joint working between the council and its health partners to make sure people were discharged from hospital quickly. They found that a creative approach to providing people with mental health care and support was reducing the demand for inpatient hospital treatment. They were pleased to see the number of initiatives to support people to stay healthy and independent, with specialist resources for those with a learning disability or autism. However, the report noted some inconsistencies in functions delegated to health partners, such as mental health and occupational therapy. The CQC found that waiting times for assessments, care planning and reviews had improved significantly, but said there were still some inconsistencies. Inspectors said people wait too long for a deprivation of liberty assessment and recognised the council is undertaking work to address this.	Progress visit possible by Spring 2026	Exec. Director for Adults Social Care

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
	Whilst access to home care differs across the county, a new hyper localised approach to commissioning care is helping to overcome these challenges. Work is also already underway to improve support for young people transitioning to adulthood by starting this earlier. Inspectors found unpaid carers had a timely assessment of their needs, and the community support available through Gloucestershire Carers Hub was viewed positively by both carers and partners. However, some carers were not always informed of their right to support, and inspectors felt that assessments for unpaid carers and the person they care for could be better aligned. Steps are already being taken to make progress in the areas that inspectors found needed improvement. The council has invested £600k from the government's Accelerated Reform Funding to further boost its plans to transform the information, advice, guidance and support available to carers. It has also undertaken an end-to-end review of its financial assessment and payments process, and recently extended its Online Financial Assessment tool to make it easier for individuals, their families and carers to complete a financial assessment at a time which suits them. This new tool reduces the need for face-to-face appointments, helps people to plan ahead and make informed choices about their care.		

Auditor's Annual Report	**5) Dedicated Schools Grant Deficit** The Council is operating with a growing deficit against its Dedicated Schools Grant (DSG). If the current statutory override was to be removed the deficit would need to be met through the use of General Fund balances, putting pressure on budgets and financial sustainability. The external auditors, KPMG, have reported in their Annual Report 2023/24 that there is a risk that the council does not have adequate arrangements in place to prevent the DSG deficit from increasing. The Council's position is that the DSG high needs deficit is a national issue, driven by a rising level of need and changes to the SEND Code of Practice in 2014; as such it needs a national solution. This was reinforced by Gloucestershire's contribution to the DfE's Delivering Better Value programme, which found that appropriate mitigations and improvement plans are in place. The Council continues to work with the DfE and Swindon to test national policy reform. Initial testing, whilst positive in relation to SEND practice, does not evidence significant impact on the financial pressures experienced by local authorities. As such the DfE are adapting policy reforms to align with findings from the DBV programme and place stronger emphasis on mainstream inclusion. It is generally accepted that the Statutory Override will need to be extended until a long-term national solution is found. The risk of the DSG deficit impacting the long-term sustainability has been acknowledged in the s151 officer's section 25 statement in the MTFS documents approved by Council each February, in each quarterly finance report to Cabinet and as part of the Council's strategic risk register – see strategic risk 2.4c. The council has modelled a range of additional options to affect the deficit should the national solutions not manifest. These still do not provide a pathway to a balanced in-year budget and would materially impact education provision in the county. The position as it stands is a draw on the council's cash balances impacting on the levels of cash available for investment and funding of the council's day to day operations. Plans will also be developed to address the impact on the council's balance sheet should the statutory override cease as currently understood and discussions will continue with DfE.	Ongoing – milestones as set out in the Delivering Better Value Programme Plan	Director of Education (Delivery of DBV Programme) S151 Officer (Adequacy of Reserves)

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Exec Directors Assurance Statement	**6) Procurement and Contract Management Oversight** The Council has identified weaknesses in its arrangements for overseeing procurement and contract management, particularly where that activity is undertaken within Directorates, rather than centrally by the Strategic Procurement Team. Over the last year, the significant efforts have been made to address the weaknesses identified in previous audit work looking at the way some contracts are managed. Actions undertaken include: • refreshing the council's contract management framework • improved use of the council's Procurement Pipeline with Directorate Leadership Teams • reporting of strategic procurements through Finance, Performance & Risk quarterly meetings with the Leader and Cabinet Member • reporting of direct awards to Audit & Governance Committee • improvements to online guidance and toolkit Further progress will be made in 2025/26 to include: -implementing the new corporate e-procurement/contract management system to give greater visibility of spend both within and outside of contracts - creation of a sourcing support hub within Strategic Procurement The commencement of the Procurement Act 2023 in February 2025 has brought with it significant new requirements in terms of publication of procurement and contract management notices. Many of these requirements will be automated with the introduction of the new ERP system, but that will also give greater internal and external visibility to procurement and contract management activity, including any compliance issues which may become apparent.	March 2026	Director of Policy, Performance & Governance

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Exec Directors Assurance Statement	**7) Enterprise Resource Planning (ERP) system replacement – 'One Programme' implementation.** A review of the One SAP 'ERP' Programme in late 2023/24, highlighted the need to review and reset the programme's scope, governance and timeline in order to ensure a safe launch of the new system. This 'reset' revised the programme scope and timeline to be agreed by end April 2024, and revised governance established. A new ICT 'Digital and Data' Governance Board was established, with senior leaders and cabinet members to oversee significant transformation of our ICT services, including the ERP replacement. This added improved governance and assurance to the delivery of our outcomes. Whilst good progress has been made over the course of 2024/25 to implement the cloud based SAP system, it has not been possible to meet the planned 31st March go-live date due to challenges with the payroll data migration. The programme is now being remapped to address this issue and a revised go-live date will be agreed, working with our system implementation partner HCL and system provider, SAP.	Currently under review, anticipated early 2026.	Executive Director for Corporate Resources

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Exec Directors Assurance Statement	**8) Development of our Data and Intelligence capability.** Following several years of pilot development, the GCC Data and Intelligence Strategy was approved by Cabinet in Sept 24, with additional investment in this area included in the MTFS for 2025/26. The Data and Intelligence Programme has now been stood up, with additional resources and a cross-organisational programme board, overseen by the Digital and Data Transformation Board. Progress to date includes: - Developing the technical roles and skills required in key areas such as data engineering, data management and analytics, and a needs analysis for the wider cultural change needed in skills awareness, - Additional technical capacity has been created within the Digital and ICT function, including a new Data Engineer post, - A data apprenticeship programme for key roles (Piloted April 24, reviewed summer 25), - Work to outline a Data Quality Framework, and introducing standards for data governance that can be applied across the whole council, - Reviewing the council's data needs and creating a roadmap for the ongoing development of data and analytical products, - Establishing governance to oversee the ongoing development and prioritisation of data and analytical products.	Review March 2026	Director of Policy, Performance & Governance

New Issues reported here for the first time in 2024/25 AGS

One new issue has been identified through the AGS process this year:

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Exec Directors Assurance Statement	**9) Development of proposals for Local Government Reorganisation and Devolution:** The English Devolution White Paper and subsequent Local Government Reorganisation statutory invitation to remaining two-tier areas like Gloucestershire has fundamentally changed the operating environment and medium to long term trajectory of the council and its district council partners. Significant resource has already been diverted to respond to the government's initial deadline of 21st March with further planning in place to progress towards final submissions on 28th November 2025. Programme teams and cross-partner workstreams have been established to ensure delivery against the Governments challenging timeline, but a number of governance issues need to be closely monitored: • **Workforce stability** to continue to deliver our priority business as usual outcomes. There is an increased risk around recruitment and retention due to any uncertainty in the process, as well as managing the welfare or staff through periods of change. • **Transformation capacity**. There are high levels of transformation activity in the organisation already, and this new set of priority work will need to be delivered on top of ongoing programmes. The cost and availability of any additional resources will also be a factor. • **Relationships with partners**. Due to the nature of the process, not all partners to the reorganisation will agree on the recommended solutions, but must remain working well together to not only resolve those issues, but to continue to deliver business as usual outcomes. Added to this are the pressures on other partners such as the NHS, which is also undergoing significant local and national reorganisation.	Programme likely to continue until April 2028	Deputy Chief Exec. & Executive Director for Corporate Resources

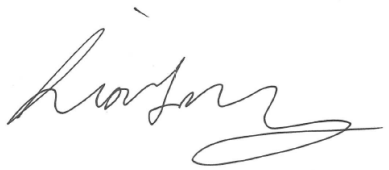
Certification

The annual review has assessed the Council's governance arrangements in place during 2024/25. To the best of our knowledge, the governance arrangements as defined above and within the Council's Local Code of Corporate Governance have been operating effectively with the exception of those areas identified on pages 21–32.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness, and we will monitor their implementation and operation during the year and as part of our next annual review.

We will also ensure that the AGS is current at the time of publication and reflects any further impacts on governance. Where necessary a second conclusion on the adequacy of governance arrangements during this period will be included to make clear the impact.

Signed:



Lisa Spivey
Leader of the Council

Jo Walker
Chief Executive

Date: 8th July 2025 3rd June 2025

I can confirm that 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.

Signed:

Nina Philippidis

Deputy Chief Executive, and Executive Director of Corporate Resources (Section 151 Officer)

Date: **2nd June 2025**