

# Annual Governance Statement

## 2025-2026

*“How the council ensures it is governed effectively, complies with its governance framework, manages risk, and remains accountable for its decisions and actions.”*

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## Executive Summary

During the 2025 to 2026 financial year, Gloucestershire County Council continued to strengthen its governance arrangements across a period of significant organisational change, sustained demand and increased national expectations. The council remained focused on maintaining service stability, progressing major transformation programmes and managing emerging risks within a coherent governance framework. This Annual Governance Statement reflects an organisation that has consolidated its internal controls, enhanced oversight and continued to deliver critical services while preparing for future structural change.

Across the council, governance activity has matured and delivered measurable improvements. Children's Services has continued to build on its 2025 Ofsted judgement through strong oversight and focused improvement. Corporate Resources and Economy, Environment & Infrastructure have played a key enabling role, strengthening corporate assurance, financial control, programme governance and infrastructure oversight to support delivery and organisational resilience. The Fire and Rescue Service has maintained progress against its transformation commitments, closing all Causes of Concern and embedding improvements in culture, protection and operational assurance. Adult Social Care has responded proactively to its CQC assessment, strengthening commissioning, performance, data quality and its prevention-focused operating model. These -service level improvements demonstrate an organisation wide- commitment to accountability, assurance and service quality-.

A number of cross--cutting themes underpin governance activity during 2025/26:

- **Strengthened organisational resilience:**

The use of performance reporting, data and risk management has continued to improve, supporting a more consistent governance culture across the organisation.

- **Delivery of major transformation programmes:**

The council has advanced a significant portfolio of transformation, including the ICT and Digital Roadmap, the ERP One Programme, procurement reform, Children's and Adults transformation activity, and enhanced data and intelligence capacity.

- **Preparation for Local Government Reorganisation (LGR):**

LGR has become the dominant governance challenge – and opportunity - for the year ahead. All directorates are incorporating LGR requirements into their governance frameworks, including the establishment of the joint Portfolio and Programme Management Office.

- **Financial sustainability:**

Despite continuing national funding pressures, rising demand and inflation, and national policy changes and the Dedicated Schools Grant position, the council has maintained strong financial oversight through a robust Medium Term Financial Strategy.

- **Workforce, culture and leadership:**

Workforce capability and wellbeing remain central governance considerations. Leadership development, investment in digital and commercial skills and a focus on staff engagement have supported stability and readiness for future change.

- **Strengthening assurance and internal control:**

Improvements in information governance, contract management, commissioning oversight, inspection readiness and programme governance have reinforced the council's assurance environment.

Taken together, the work described in this Statement demonstrates a council that has strengthened its governance foundations during 2025/26 while preparing for significant structural, financial and operational change. As the council moves into 2026/27, governance attention will remain focused on sustaining improvement, managing financial risk, progressing major programmes of change and ensuring organisational readiness for Local Government Reorganisation.

Gloucestershire County Council is required under the Accounts and Audit Regulations 2015 to publish an Annual Governance Statement setting out compliance with its Local Code of Corporate Governance, how the effectiveness of arrangements has been reviewed and any planned changes needed to ensure continued robustness. The council has assessed its governance against the CIPFA SOLACE Delivering Good Governance framework and refreshed its Local Code to reflect updated principles. Systems of internal control manage risk to a reasonable level rather than eliminate all risk and therefore provide reasonable assurance.

Based on the evidence reviewed, the council concludes that its governance arrangements remained fit for purpose during 2025/26. The framework supported effective decision making, financial management and oversight of risk and performance. The council remains committed to strengthening governance and ensuring arrangements remain aligned with good practice. Looking ahead, the council will continue to develop its governance by progressing planned improvements and responding to significant changes in its operating environment, ensuring arrangements remain resilient, transparent and able to support both the organisation and the communities it serves.

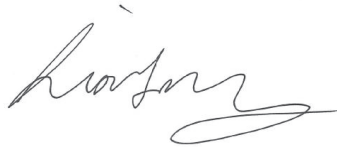
## Certification

The annual review has assessed the Council's governance arrangements in place during 2025/26. 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 page 7.

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:**

15/06/2026

3/6/26

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:** 15/06/2026

## Our Assessment of Effectiveness

Gloucestershire County Council (GCC) has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. This system is a key component of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk and therefore provides reasonable rather than absolute assurance of effectiveness.

The effectiveness of governance arrangements is monitored and evaluated throughout the year. Activity includes:

- Consideration of governance issues by the Corporate and Directorate Leadership Teams, including updates on risk registers, counter fraud activity and Internal Audit reports
- Preparation of a rolling audit plan by the Head of Audit Risk and Assurance (ARA), based primarily on the Council's assessment of risk
- The Annual Audit Opinion 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
- Ongoing assessment of internal management processes, including performance monitoring and compliance activity
- The independent views of external regulatory inspectorates, including Ofsted, HMICFRS and the Care Quality Commission
- Reports and findings from the external auditors, including regular progress updates and the Annual Audit Letter
- The annual report on Risk Management activity
- The Council's Risk Maturity Assessment, which currently places the organisation at Level 4 out of 5 ("embedded & engaged"). Improvements continue to be made in risk management. Assurance and reporting are strong at a strategic level, with Directorates and services continuing to strengthen their arrangements. Work remains ongoing to maintain Level 4.

The Council also monitors governance arrangements relating to the two outside bodies it part owns with other local authorities:

- Adoption West, which provides adoption services on behalf of six councils across the region
- Ubico, an environmental services company jointly owned by seven local authorities

The Council appoints Directors to the boards of both organisations, who, alongside Directors from partner authorities, are responsible for ensuring that the Nolan Principles are embedded in their governance arrangements. Oversight of partnerships and joint working remains an important part of ensuring the Council's overall governance framework is consistently applied.

The Council also recognises the potential future implications of Local Government Reorganisation within the wider sector. As Gloucestershire progresses through the Local Government Reorganisation process The Council remains fully committed to continued collaboration with all six district councils, reflecting the shared approach taken so far, including the joint submission made by all seven councils and the ongoing programme of collective planning in advance of any decision by government. Including early consideration being given to how future changes could alter governance arrangements, roles, accountability structures and system leadership responsibilities. This continues to be an important area of horizon scanning within the wider governance review.

## Where our governance needs to improve

The review of the effectiveness of the Council’s governance framework has identified the following actions that will need to be addressed during 2026/27, which includes the carried forward actions from 2025/26.

The 9 issues below are brought forward from the Annual Governance Statement 2024/25 and have been updated for the latest status position for 2025/26.

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Executive Director’s Assurance Statement	<p><b>1) Children’s Services Ambitions Plan (incl. Families First Programme)</b></p> <p>Ofsted’s inspection in June 2025 confirmed that Children’s Services is now Good overall with two areas rated Outstanding, marking clear and sustained improvement. This progress continues to be supported through ongoing monitoring, strengthened governance and focused improvement activity across the service.</p> <p><b>Progress and oversight</b></p> <ul style="list-style-type: none"> <li>The Ambitions Board continues to lead improvement and transformation activity for Children’s Services and the Families First Programme. It now meets quarterly and reports into the corporate transformation board, ensuring strong alignment and oversight.</li> </ul>	Ongoing, monitored by the Ambitions Board quarterly	Executive Director of Children’s Services (DCS)

- The SEND and Inclusion Local Area Partnership Board oversees delivery of the SEND Local Area Plan and the response to the December 2023 SEND inspection. Work is underway to update local strategies in preparation for the forthcoming national reforms.
- Area SEND Inspection monitoring meetings with the Department for Education and NHS England have continued through 2025 to 2026, with both agencies recognising improved performance and quality. A performance dashboard now supports leaders and practitioners to track progress and act where needed.

**Regulatory and service developments**

- Department for Education monitoring in September noted clear progress in education health and care plan quality assurance, with the next visit focusing on transitions and preparation for adulthood.
- Two children’s homes registered in 2025 have now been inspected and rated Good. The registration process for the third home has continued, and inspection is expected shortly.
- The Youth Justice Service, which returned to the Council in 2024, was inspected in early 2025 and judged Requires Improvement, with inspectors noting significant improvement compared with the previous inspection.

Children’s Services also continues to operate in a challenging environment shaped by economic pressures and national policy changes (SEND reforms, Families First etc.). Despite strong progress and improved systems, rising demand and wider uncertainty will continue to test capacity. The main uncertainty is the potential disaggregation of statutory Children’s Social Care and Education services arising from a two unitary authority model, which presents strategic and operational risk to the Council. The complexity of safely transferring statutory duties, workforce, case management systems and safeguarding arrangements creates heightened risk to service continuity, regulatory compliance and outcomes for vulnerable children and young people. While the Directorate is actively identifying, managing and mitigating risks within its control, through robust planning, programme oversight and strengthened governance, the scale of system change means that risks outside of local governance controls, including national policy direction, timescales and inter authority dependencies, remain significant. These external risks have the potential to impact delivery and will require substantial management capacity and resource to

	<p>navigate safely. Despite this the service remains focused on maintaining stability, strengthening practice and ensuring that children and families receive effective support throughout the year ahead.</p>		
<p>Chief Fire Officer's Assurance Statement</p>	<p><b>2) Gloucestershire Fire and Rescue Service (GFRS) improvement plan.</b></p> <p>The Service has continued to make significant progress across the Transformation Programme and the Areas for Improvement (AFIs) identified by His Majesty's Inspectorate of Constabularies and Fire and Rescue Services. The Improvement Board continues to oversee the Transformation Programme, chaired by the Chief Executive and attended by elected members, senior leaders and sector partners.</p> <p><b>Progress on Independent Review actions</b></p> <p>The Service has continued to embed learning from the Independent Review, introducing a buddying system to support new recruits and transferees and delivering a series of events designed to strengthen psychological safety and connection across the workforce. The "making a difference" award was presented with the involvement of a bereaved family, reflecting the Service's commitment to recognising positive impact in a meaningful way. The Independent Review has now been formally archived with Gloucestershire Archives, ensuring its lessons are preserved and accessible. To support continued progress, a light touch review by West Midlands Employers is planned for spring 2026.</p> <p><b>Cause of Concern progress</b></p> <p>The three Causes of Concern identified during the 2023 inspection have all been closed:</p> <ul style="list-style-type: none"> <li>• culture (closed January 2025)</li> <li>• equality diversity and inclusion (closed August 2025)</li> <li>• protection and fire regulation (closed January 2025)</li> </ul>	<p>Actions and progress are monitored by the Improvement Board quarterly.</p>	<p>Chief Fire Officer</p>

	<p>A revisit letter from the Inspectorate praised the pace of improvement and progress made in promoting equality and inclusion. The Service is now preparing for the next full inspection which begins in March 2026, with fieldwork scheduled for May.</p> <p>For Gloucestershire Fire and Rescue Service, the move to a separate Fire Authority because of a two unitary authority LGR outcome presents a distinct and substantial risk. Establishing a new standalone governance, funding and accountability framework, while maintaining frontline service delivery and statutory compliance, introduces operational, financial and organisational complexity. The Service is actively working to identify and mitigate risks within its control, including governance design, workforce transition and asset management. External factors that fall outside of direct local governance control, such as legislative arrangements, national guidance and structural dependencies, present a risk to the smooth establishment of a new Fire Authority and will require dedicated resource and sustained attention to manage effectively.</p>		
<p>Exec Director's Assurance Statement</p>	<p><b>3) ICT Transformation Roadmap</b></p> <p>The council has continued to strengthen its Digital and ICT service following the end of the outsourced enterprise support contract in September 2024. Bringing resources back into the organisation has enabled important redesign of processes, improved customer experience and provided stronger control over risk, security and performance.</p> <p>The ICT transformation programme has continued to progress well, with significant improvements in infrastructure, networks, WIFI and the movement of legacy applications into cloud environments. A major programme to upgrade more than 4500 devices to Windows eleven was completed successfully, avoiding additional costs and enabling staff to benefit from a more modern and resilient operating environment. Performance, incident management and problem resolution have continued to improve, supported by a stronger approach to risk management and more proactive monitoring of services.</p> <p>The impact of ICT issues on staff wellbeing has reduced considerably, and feedback on reliability and support is now very positive. Only a small number of legacy systems continue to cause concern and these are scheduled for replacement during 2026. The rapid pace of change in the</p>	<p>Quarterly review of roadmap progress ICT Governanc e Board, the Digital and Data Transform ation Board and the</p>	<p>Executive Director for Corporate Resources</p>

	<p>technology sector, including developments in artificial intelligence, continues to create new demands for skills, governance and clear prioritisation. The service has begun to develop the capability needed to support wider use of automation and AI so that the council can meet increasing demand and financial pressures. The approval of the Stronger Futures Technology workstream in April 2026 will strengthen this work. This workstream will roll out Microsoft Copilot and targeted automation to priority teams, reduce repetitive admin and speed up every day work. Improve decision-making using better data and insight.</p> <p>Digital and ICT also continues to play a critical role in preparing for Local Government Reorganisation. Work is focused on ensuring modern and supported systems, consistent technology standards, modern working practices, accessible digital services and a clear focus on the customer experience. This approach will help ensure that any future unitary arrangements can operate on a stable, secure and resilient digital foundation. Add landing legal and safe, reference significant work that would be needed.</p>	<p>Stronger Futures Board</p>	
<p>Exec. Directors Assurance Statement and CQC inspection report</p>	<p><b>4) Adult Social Care transformation and CQC inspection</b></p> <p>Inspectors from the Care Quality Commission published their assessment of Gloucestershire’s Adult Social Care service in January 2025, following inspection under the new assessment framework. The rating of <i>requires improvement</i> aligned with the council’s own self-assessment and confirmed a clear understanding of strengths and areas for development. The inspection took place during the council’s five-year transformation programme, which continues to deliver positive change. The council has committed investment (re-purposed from an existing budget) to accelerate transformation and support the new target operating model which focuses on prevention, independence and community-based support. Publication of the Older People’s Prevention Strategy marked an important step in this shift. The council has also approved the return of reablement, occupational therapy and community mental health services from the NHS, with redesign and transition work underway for delivery in 2026.</p> <p>Over the past year Adult Social Care has continued to improve assessment times, reviews and financial processes. The average wait for an assessment has reduced to fourteen days and the number of people waiting has fallen by more than seventy five percent. Reviews have increased</p>	<p>Reinspection possible by Autumn 2026</p>	<p>Exec. Director for Adults Social Care</p>

	<p>and financial assessments are now completed more quickly with reduced backlogs and a better customer experience. The online financial assessment tool is supporting faster decisions, with more than one thousand assessments completed by December 2025. Work continues to reduce delays in deprivation of liberty safeguards assessments and strengthen safeguarding practice. An independent review in October 2025 confirmed good progress and set out recommendations for the year ahead.</p> <p>Inspectors noted continued variation in people’s experiences but recognised improvements in identifying and addressing these inequalities. Leadership, staff commitment and partnership working, especially with health partners on hospital discharge and mental health support, were identified as strengths. Improvements in assessment, care planning, reviews and transition planning continue, supported by stronger commissioning and focus on early intervention. Support for unpaid carers remains positive, with further work underway to better align assessments and improve access to information and advice.</p> <p>The Directorate has continued to strengthen its data and intelligence culture, with activity aligned to the corporate Data and Intelligence Strategy. Initial dashboards have been developed to support both operational and strategic decision making, improving visibility and consistency across services and reinforcing good information governance practices. Increased transparency, supported by the combined use of data and lived experience, is enabling a clearer understanding of impact and strengthening accountability across the Directorate.</p> <p>Looking forward, Adult Social Care will continue to embed improvements, strengthen equality and inclusion and build a more mature and consistent approach to data and intelligence. The transformation programme will maintain its focus on prevention, digital innovation, community support and improving people’s experiences so that residents receive consistent, high quality care that supports independence and wellbeing.</p> <p>The proposed disaggregation of Adult Social Care and Public Health functions under a two unitary authority model introduces risk relating to the continuity of care, statutory compliance, partnership arrangements and the stability of commissioned services. The transition will require careful management of complex system interdependencies, including health integration, provider markets</p>		
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	<p>and critical public health functions. The Directorate is taking a proactive approach to risk mitigation within its span of control, supported by established governance arrangements and detailed transition planning. However, a number of key risks sit beyond the Council's direct control, notably those linked to national reform, funding arrangements and system wide coordination, which represent significant threats. These will demand ongoing focus and are likely to require considerable resource to manage effectively throughout the transition period.</p>		
	<p><b>5) Dedicated Schools Grant Deficit</b></p> <p>The national position on Dedicated Schools Grant funding continues to present a significant governance challenge, with high needs pressures driving substantial deficits across many local areas and creating long term financial uncertainty. The Department for Education has extended the statutory override to March 2028 and signalled its intention for future SEND deficits to be managed jointly between central government and local authorities. Gloucestershire received its schools funding settlement in late December, with High Needs funding held flat for 2026 to 2027 and no inflationary increase. This leaves the settlement around £0.5 million below the level required to deliver the National Funding Formula locally.</p> <p>In February 2026, the Government published proposed SEND reforms in the Schools White Paper, along with intentions to fund up to 90% of the existing deficit, subject to agreed reform plans. GCC considers itself well placed to meet the Government conditions due to its programme participation and governance arrangements, but the remaining 10% and funding of ongoing demand remain a considerable challenge.</p> <p>In response to external review, including KPMG's assessment of governance arrangements, the Council has strengthened its approach to managing the Dedicated Schools Grant deficit through clearer oversight, defined accountability and more robust financial planning processes. This reflects wider sector learning that effective management of DSG pressures requires strengthened strategic planning, improved integration with wider financial strategies and enhanced governance and scrutiny arrangements. The Council has embedded these principles through the development of a comprehensive Deficit Management Plan and supporting governance structures, ensuring</p>	<p>Ongoing – milestones as set out in the Delivering Better Value Programme Plan</p>	<p>Director of Education (Delivery of DBV Programme) S151 Officer (Adequacy of Reserves)</p>

	<p>regular monitoring, transparent reporting and clear ownership of delivery. However, the DSG deficit remains a significant financial risk within the national context, driven by increasing demand and systemic funding pressures, with national arrangements such as the statutory override and reform programmes continuing to shape the Council’s risk position</p> <p>The Council will continue to monitor its DSG position closely, work with the Schools Forum and follow Department for Education requirements, including preparing management plans where appropriate.</p>		
<p>Exec Directors Assurance Statement</p>	<p><b>6) Transforming procurement and contract management to deliver better value, transparency, and social impact</b></p> <p>The third party spend workstream within the Stronger Futures programme is focused on reducing avoidable cost and inefficiency, improving control, transparency and compliance, and strengthening commercial discipline so the Council operates more consistently as a single organisation. This work aligns with the procurement and contract management improvement programme and supports the delivery of sustainable, evidence based savings that can be reflected in future financial planning.</p> <p>During 2024 to 2025 the Council continued to strengthen its procurement and contract management arrangements, including progression of a new Commercial Strategy, due to be finalised in 2026. This establishes a more consistent approach to how the Council procures and manages goods and services, alongside a focus on income generation and organisational capability. The implementation of the new Enterprise Resource Planning system is improving visibility of third party spend, strengthening financial controls and supporting compliance with procurement requirements. Data cleansing activity has reduced the number of purchase orders raised without a contract, with remaining cases subject to regular Director level oversight, and action underway to address identified gaps in understanding. Additional capacity is being introduced through the establishment of a Purchasing Support Hub, supported by strengthened leadership through the appointment of a Head of Strategic Procurement.</p>	<p>Throughout 2026/27</p>	<p>Director of Finance and Procurement</p>

	<p>PwC has completed the diagnostic phase of its review of the future operating model for procurement and contract management, which will inform a transformation programme to improve consistency, capability and governance resilience. These developments provide assurance that the Council is strengthening its control environment in relation to third party spend. However, there remains a significant risk associated with the potential disaggregation of services through LGR, which may impact contract continuity, commercial arrangements and the ability to operate at scale. Aggregation of services will also provide challenge to deliver at pace. These risks sit largely outside of the Council's direct control and represent a material governance challenge, which is likely to require sustained management focus and resource as future arrangements become clearer.</p>		
<p>Exec Directors Assurance Statement</p>	<p><b>7) Enterprise Resource Planning (ERP) system replacement – ‘One Programme’ implementation</b></p> <p>A revised programme scope and timeline were agreed by April 2024 and strengthened governance arrangements were established, including the creation of the Digital and Data Governance Board. This Board, chaired by senior leaders and involving cabinet representation, continues to provide strategic oversight, accountability and assurance for the delivery of the council’s major ICT transformation activity, including the ERP replacement.</p> <p>Following two months of structured training, communication and readiness, the system go-live went ahead as planned on 31 March 2026 for the HR, payroll and finance modules.</p> <p>GCC is the first local government authority to implement RISE with SAP – a significant achievement.</p> <p>There is an extended ‘hypercare’ period during which the One Programme team is supporting GCC and our customer and partner organisations to embed the system. The next phase of the programme is the release of two additional modules: the Learning Management System (LMS) and Performance &amp; Goals (P&amp;G), due at the end of April 2026. The LMS provides a fully linked learning management system, enabling performance improvement through training. P&amp;G supports staff development, regular performance conversation and embedding of our values and behaviours.</p>	<p>Spring 26</p>	<p>Executive Director for Corporate Resources</p>

	<p>Work is also underway on the third phase of the programme and the Target Operating Model. Phase 3 will deliver further enhancements to the existing modules to ensure optimal functionality and value for money as well as giving consideration to whether to implement a further module – Supplier Management – to support the Council’s increased ambitions around contract management..</p> <p>As implementation progresses, governance oversight will remain centred on ensuring that the new ERP system delivers a single source of real time data, strengthens financial controls, simplifies and standardises business processes, improves reporting capability and supports more effective decision making across payroll, workforce, finance, procurement and purchasing functions.</p> <p>However, Local Government Reorganisation and the associated aggregation and potential disaggregation of services, presents a further governance risk to the programme, particularly in maintaining system integrity, data continuity and consistent processes across any future organisational structures. While mitigation activity is being considered within the programme’s control, the scale and timing of structural change introduces significant uncertainty and will require sustained management oversight and resource to ensure that the benefits of the ERP investment are protected.</p>		
<p>Exec Directors Assurance Statement</p>	<p><b>8) Development of our Data and Intelligence capability</b></p> <p>Following approval of the Data and Intelligence Strategy in September 2024, this year has seen the Data and Intelligence Programme complete its first full year of operation as a core element of the council’s transformation portfolio. The programme now provides a structured and well governed framework for improving data quality, skills, governance and insight across the organisation, supported by investment in the Medium-Term Financial Strategy.</p> <p>Significant progress has been made in developing the council’s technical expertise and wider data culture. Technical roles in areas such as data engineering, data management and analytics have been strengthened, including the addition of a new data engineer and the continuation of the council’s apprenticeship model into its third year. A council wide skills survey has established a</p>	<p>Ongoing throughout 2026/27</p>	<p>Director of Policy, Performance &amp; Governance</p>

	<p>clear baseline of organisational need, and work is progressing to introduce a network of Data Champions to support ongoing cultural development.</p> <p>Work to improve the availability and usefulness of data has also progressed well. Roadmap delivery groups are now in place across all directorates, and a growing suite of operational and strategic Power BI dashboards is being used within Adults, Community Safety, Education and other targeted services, following a significant amount of groundwork on data quality and information governance. These dashboards are already supporting improved visibility and more efficient working practices, with benefits realisation now being formally monitored. Development of a Single View for children’s services data sharing is underway with partners, and a pilot of the Fabric data collaboration platform has been established to support future development.</p> <p>The programme has also advanced the council’s approach to data quality and governance. A draft Data Quality Framework has been produced and adopted by CLT, ahead of wider training and implementation. The Ethical Data Stewardship Commitment has also been endorsed by the Corporate Leadership Team and is now embedded within strategic work. Information and technical governance gap analyses are underway to inform future improvement planning and support a more robust and consistent approach to assurance.</p> <p>An assurance review at the start of 2026 has identified areas for improvement and focus, including wider recognition of data as an asset and Data Ownership across the organisation, and the learning to date on the groundwork needed to establish Data Quality and trust before building dashboards and monitoring for systems and datasets. Work in 2026 will continue to embed these improvements, alongside planning for Local Government Reorganisation, to develop the data culture further and deliver the next phase of the roadmap to ensure that insight and analysis continue to support strong decision making, accountability and service improvement across the council.</p> <p>Local Government Reorganisation and associated aggregation and potential disaggregation of services presents a further governance risk in relation to data continuity, system alignment and the maintenance of consistent standards across any future organisational structures. While mitigation activity and forward planning are underway within the programme’s control, these factors introduce a level of uncertainty that will require sustained oversight and resource to ensure</p>		
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	<p>that the progress made in strengthening the Council’s data and intelligence capability is maintained.</p>		
<p>Exec Directors Assurance Statement</p>	<p><b>9) Preparation (Delivery) for Local Government Reorganisation and Devolution</b></p> <p>The English Devolution White Paper and the statutory invitation to remaining two tier areas continue to have a significant effect on the operating environment for the council and its district partners. This year has seen the conclusion of the proposal stage, with three submissions now provided to the Secretary of State. Two proposals, the Single Unitary and the East and West Two Unitaries, were submitted jointly by all seven Gloucestershire councils, while Gloucester City Council submitted a separate Greater Gloucester and Gloucestershire Unitary proposal. With the proposals now in place, the work of the previous cross-partner workstreams has transitioning into a fully established joint LGR Portfolio which is overseeing preparation for the new authority(ies).</p> <p>The emerging LGR Portfolio requires considerable resource to establish and operate, and early cost estimates suggest an overall financial requirement between £21 million and £30 million pounds, with an indicative expectation that the County Council will contribute around fifty five percent. A reserve has been created to build the funding to cover the county council’s contribution. As the programme moves towards implementation, which requires capacity from across the council, it remains essential that GCC maintains continuity of service and does not lose focus on critical transformation activity required to deliver financial sustainability.</p> <p>The programme continues to work to a timetable that anticipates the vesting of one or two new councils on 1<sup>st</sup> April 2028. Cross-council engagement has increased, including the creation of joint work across 11 initial programmes, including People and Culture, Communications, Engagement and Branding to ensure the workforce is informed, supported and able to adapt to the scale of change ahead. Workshops bringing together colleagues from all seven councils and Publica have strengthened shared understanding and will help ensure staff experience is managed consistently during transition. This reflects the programme’s commitment to place people at the centre of the LGR journey.</p> <p>Key governance considerations at this stage include:</p>	<p>Prog. likely to continue until April 2028</p>	<p>Deputy Chief Exec. &amp; Executive Director for Corporate Resources</p>

	<ul style="list-style-type: none"> <li>• Workforce stability: Maintaining capacity and wellbeing while navigating uncertainty will continue to require careful management.</li> <li>• Transformation capacity: LGR activity is taking place alongside major organisational change, requiring close oversight of competing priorities and resource pressures.</li> <li>• Partnership relationships: Effective collaboration remains essential across all seven councils and with wider system partners. Misalignment between reforms in health, criminal justice and local government could create risk without strong coordination.</li> <li>• Cross-cutting governance integration: All directorates are embedding LGR considerations into their governance frameworks, recognising that reorganisation affects every service area and all major projects.</li> </ul> <p>In addition, councils across Gloucestershire have issued shared guidance on contract management and procurement planning to support a coordinated transition and protect service continuity.</p> <p>As the programme enters its next phase post decision – expected in July, the council will continue to monitor risks closely through established governance routes, ensuring that preparations for LGR proceed in a controlled and transparent manner while core services remain stable and transformation priorities continue to be delivered.</p>		
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## New Issues reported here for the first time in 2025/26 AGS

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Preparation for national	<p><a href="#"><u>Public Office Accountability Bill</u></a>  <b>Public Office (Accountability) Bill</b></p> <p>The proposed Public Office (Accountability) Bill is expected to introduce new statutory duties that will have significant implications for local authority governance and assurance arrangements.</p>	2026/27 and update through	Deputy Chief Exec. & Executive Director for

<p>legislation change</p>	<p>While not yet enacted, the direction of travel indicates strengthened expectations around transparency, ethical conduct, and organisational accountability.</p> <p>Key provisions include a statutory duty of candour, enhanced ethical standards aligned to the Nolan Principles, and the introduction of new statutory offences relating to conduct in public office. These changes are likely to increase requirements for robust record keeping, clear decision-making processes, and demonstrable openness in dealings with investigations and inquiries.</p> <p>The potential implications for the council are wide-ranging, affecting all service areas and reinforcing the need for strong internal controls, effective training and awareness, and a culture that supports transparency and accountability. There may also be increased scrutiny of the council’s approach to legal representation and engagement in investigations and inquests.</p> <p>In anticipation of these changes, the council will need to review its governance framework, codes of conduct, and assurance processes to ensure they remain compliant with emerging statutory requirements. This includes strengthening documentation standards, whistleblowing and reporting mechanisms, and alignment with the council’s broader risk management framework.</p> <p>This will continue to be monitored as part of the council’s governance review processes and may form a more substantive governance issue as the legislative position becomes clearer.</p>	<p>Audit Committee</p>	<p>Corporate Resources</p>
<p>Improvement project</p>	<p><b>Review of the corporate Portfolio Management Office (PMO), Capital Strategy Board and transformation.</b></p> <p>During 2025 to 2026 the council continued to strengthen its corporate governance arrangements through the introduction of new structures designed to support clearer oversight of investment, improve organisational grip on complex change and ensure alignment with the council’s strategic priorities. The Capital Strategy Board, which is newly established, provides an emerging but important mechanism for improving the quality and transparency of capital planning. Although early in its development, the Board has strong potential to bring greater discipline to investment decisions, ensure alignment with strategic objectives and improve the way financial, risk and performance information is used to inform choices about the council’s capital programme.</p>	<p>2026/27 and update through quarterly financial monitoring or MTFS process</p> <p>Transformation Executive Board</p>	<p>Deputy Chief Exec. &amp; Executive Director for Corporate Resources</p>

	<p>Alongside this, work has progressed on the wider review to strengthen accountability, refresh governance frameworks and improve consistency across decision-making processes. The maturing corporate portfolio now plays a central role in tracking progress across the council’s key enabling programmes, ensuring that transformation activity is aligned with the Council Strategy, that capacity is carefully managed, and that crosscutting risks and dependencies are clearly understood. This approach is particularly important given the intersection between ongoing organisational transformation and the emerging requirements of Local Government Reorganisation. The Portfolio Management Office continues to support this work by providing reporting insights, structure, and dedicate collaborative space for challenge and assurance across the council’s portfolio, helping to prioritise activity, manage competing demands and maintain oversight of benefits, risks and sequencing.</p> <p>Collectively, these developments strengthen the council’s governance foundations and provide a more coherent framework for managing large scale change, enabling more consistent, transparent and evidence based decision making as the organisation prepares for the significant transformation ahead.</p>		
	<p><b>Climate Strategy - Net Zero 2030</b></p> <p>The council continues to deliver its commitment to reduce corporate carbon emissions to net zero by 2030 and support the county in achieving net zero by 2045, as set out in the Council Strategy and Climate Change Strategy. These commitments require that climate considerations are embedded within decision-making, capital investment, procurement, and service planning.</p> <p>Governance and assurance arrangements have continued to strengthen during the year. Climate-related objectives are aligned to Cabinet-approved plans, with regular monitoring and public reporting of progress against emissions targets. Internal governance boards provide oversight of delivery, including risks, dependencies, and resource implications, ensuring that climate impacts are considered alongside financial and operational priorities.</p> <p>During 2025/26, governance has been supported by improved processes for measuring and reporting emissions, particularly in relation to purchased goods and services (Scope 3), alongside</p>	<p>Ongoing throughout 2026/27 &amp; updates to Environment Scrutiny</p>	<p>Executive Director for Economy, Environment &amp; Infrastructure</p>

	<p>development of the Local Nature Recovery Strategy and planning for further investment in electric vehicle infrastructure.</p> <p>The scale and complexity of delivering net zero presents ongoing governance challenges, including the need for improved data quality, significant future investment, and sustained collaboration with partners. These factors mean climate action will remain a significant cross-cutting governance issue, requiring continued oversight and integration within the council's broader risk management and assurance framework.</p>		
	<p><b>Financial sustainability</b></p> <p>Gloucestershire County Council continues to operate within a challenging financial environment, with sustained pressures arising from increasing demand for services, inflationary cost increases, and the additional complexity associated with preparations for Local Government Reorganisation. These pressures reflect a wider sector context in which available funding is not keeping pace with demand and cost growth.</p> <p>Maintaining financial resilience remains a key governance priority. The council's Medium Term Financial Strategy (MTFS) provides a structured framework for identifying and managing financial risks, informing decision-making, and monitoring performance against budget throughout the year. This is supported by regular financial reporting, Member oversight, and the statutory role of the Section 151 Officer in providing assurance on the robustness of estimates and the adequacy of reserves.</p> <p>Delivery of the council's savings and transformation programmes, including the new Stronger Futures Programme, is critical to maintaining a balanced financial position. These programmes are subject to established governance arrangements, with oversight of delivery, risks, and dependencies. However, the scale of required savings, combined with demand volatility in key service areas, presents an ongoing risk to financial sustainability and increases reliance on the successful delivery of planned transformation activity.</p> <p>As Local Government Reorganisation progresses, financial governance arrangements will remain essential in managing uncertainty, maintaining stability, and ensuring that the council is able to meet its statutory obligations while preparing for transition. This includes maintaining strong</p>	<p>2026/27 and update through quarterly financial monitoring or MTFS process</p>	<p>Deputy Chief Exec. &amp; Executive Director for Corporate Resources</p>

	<p>financial control, ensuring transparency of decision-making, and continuing to align resources to priorities within a constrained funding environment.</p> <p>This will remain a key area of focus within the council's governance framework, given the level of financial risk and the importance of maintaining sustainable service delivery.</p>		
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## How we have improved our governance arrangements in 2025–26

The Annual Governance Statement 2024/25 identified priority governance improvements linked to increased risk, inspection activity and major transformation. Progress, actions and outcomes have been reported to the Audit and Governance Committee. Where improvement activity remains ongoing, actions have been carried forward into the 2025/26 Action Plan. The matters below demonstrate where governance has strengthened sufficiently for actions to be completed or embedded, and therefore no longer require inclusion on the action list.

### Children's Services

Governance within Children's Services has continued to strengthen, supported by sustained service improvement and positive inspection outcomes. Ofsted has confirmed an overall Good judgement, with two areas rated Outstanding. Oversight arrangements are now embedded through established boards, with improved performance management, stronger capacity controls and routine external and internal assurance.

Actions previously focused on inspection readiness and recovery have been removed from the list as they have been completed and replaced by stable, embedded governance and monitoring arrangements.

### Gloucestershire Fire and Rescue Service

Formal governance actions arising from HMICFRS inspection findings have been completed. All three Causes of Concern identified in 2023—culture, equality, diversity and inclusion, and protection—have now been closed. Ongoing improvement is embedded within the Transformation Programme and overseen through established governance, with focus now on continuous improvement rather than recovery.

Actions linked to responding to inspection findings have therefore been removed from the action list as the identified issues have been resolved and governance is embedded.

### Digital and ICT Transformation

Significant progress has been made in stabilising and modernising the council's digital and ICT environment. System performance has improved, incident volumes have reduced and staff wellbeing indicators are positive. Key corrective actions, including the Windows 11 rollout and strengthened digital governance, have been delivered.

Earlier stabilisation actions have been removed from the list as the ICT environment is now stable and governance has shifted to future capability and resilience.

### **Adult Social Care**

Governance in Adult Social Care has strengthened following the CQC assessment, with measurable improvements in timeliness, consistency and financial processes. Waiting times have reduced, reviews are completed more reliably, and digital tools now support more efficient assessments. Leadership, partnership working and data led oversight are more mature and embedded.

Actions previously included to address service recovery have been removed as improvements are now sustained business as usual practice rather than ongoing governance issues.

### **Procurement and Contract Management**

Weaknesses identified through earlier audits are being addressed through refreshed frameworks, improved reporting and strengthened leadership capacity. Collective oversight has been established through the setting up of the Procurement and Contract Management Board, which will begin to benefit from improved reporting following the implementation of SAP Ariba in April 2026. A Purchasing Support Hub has been stood up within the Strategic Procurement Team to assist with the implementation of the system, and ensure compliance with Procurement legislation, by ensuring that all payments are linked to a valid contract.

With external expertise from PwC, the Board has undertaken a detailed diagnostic of the Council's procurement and contract management capacity, and identified a number of opportunities for further improvement going forward, including driving a more strategic, whole life-cycle approach to contract management, within a wider Council Commercial Strategy.

### **Enterprise Resource Planning (ERP) Programme**

Governance actions arising from the ERP programme reset have been completed, including strengthened oversight, remapped delivery and full technical assurance. The programme has passed its technical gateway and key risks, including payroll migration, have been addressed.

As a result, the new system was able to go live at the beginning of April 2026, supported by robust Hypercare arrangements which will remain in place to support people in using the new system, until such a time as the conditions allow ownership to transfer to Business as Usual teams.

## Forward look on governance

- **Local Government Reorganisation (LGR):** LGR remains the most significant governance challenge for 2026/27, presenting both risk and opportunity as the council works with district partners to redesign governance structures, accountability, workforce arrangements and systems in preparation for the next phase of the timetable.
- **Strengthening Corporate Governance and Programme Oversight:** The Programme Management Office and maturing corporate portfolio arrangements will provide clearer prioritisation, stronger oversight of dependencies and improved alignment of resources, ensuring transformation remains deliverable alongside LGR activity while protecting core services and organisational resilience.
- **Dedicated Schools Grant (DSG) Oversight:** DSG will continue to require close governance attention due to ongoing national policy changes, with transparent reporting, partnership working with schools and integration into MTFS and financial risk management remaining essential.
- **Financial Sustainability:** Continued demand pressures and funding uncertainty mean the Stronger Futures Programme and a robust Medium Term Financial Strategy remain central to maintaining financial stability, managing long-term risk and delivering savings during the LGR transition.
- **Cross-Cutting Governance Integration:** Directorates are embedding LGR considerations into their governance frameworks, with sustained focus on data, digital capability, procurement reform and risk management to support organisational readiness and reduce duplication as structural change progresses.