

# Cheltenham Borough Council Audit, Compliance and Governance Committee

**Meeting date:** 9 July 2025

**Meeting time:** 6.00 pm

**Meeting venue:** Council Chamber - Municipal Offices

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## **Membership:**

Councillors Adrian Bamford (Chair), Ashleigh Davies, Chris Day, Cathal Lynch, Ben Orme (Vice-Chair), Julian Tookey, Dr David Willingham

**Co-optee:** Duncan Chittenden

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**Phone:** 01242 264 129

# Agenda

**1 Apologies**

**2 Declarations of interest**

**3 Minutes of the last meeting (Pages 3 - 12)**

**4 Internal Audit Annual Opinion 2024-25 (Pages 13 - 36)**

Report of Lucy Cater, Assistant Director, SWAP Internal Audit

**5 Information Requests Annual Report 2024-25 (Pages 37 - 48)**

Report of Victoria Bishop, Governance, Risk and Assurance Manager

**6 Annual Governance Statement and Local Code of Corporate Governance (Pages 49 - 82)**

Report of Claire Hughes, Director of Governance, Housing and Communities

**7 Work Programme (Pages 83 - 84)**

**8 Any other item the chairman determines to be urgent and requires a decision**

**9 Date of next meeting**



# Cheltenham Borough Council

## Audit, Compliance and Governance Committee

### Minutes

**Meeting date:** 28 May 2025

**Meeting time:** 6.00 pm - 7.40 pm

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**In attendance:**

**Councillors:**

Adrian Bamford (Chair), Ashleigh Davies, Chris Day, Cathal Lynch, Julian Tooke and Dr David Willingham

**Also in attendance:**

Paul Jones (Deputy Chief Executive (Section 151 Officer)), Gemma Bell (Director of Finance and Assets and Deputy S151 Officer), Emma Cathcart, Lucy Cater, Nathan Coughlin and Victoria Bishop (Governance, Risk and Assurance Manager)

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#### 1 Apologies

Apologies were received from Councillor Orme and Duncan Chittenden.

#### 2 Declarations of interest

Councillor Tooke, as Chair of Cabinet Housing Committee, noted that there was some overlap between the work of that committee and some of the agenda items.

#### 3 Minutes of the last meeting

There were no amendments to the minutes of the meeting held on 25 February, which were signed by the Chair as a true record.

#### 4 Public and Member Questions

There were no public or Member questions.

## 5 External Audit Plan 2024-25

Nathan Coughlin (NC) of Bishop Fleming introduced the plan, which sets out the proposed approach to this year's external audit, to give a true and fair view of the financial statements for the council and group as a whole, including CBH and Gloucestershire Airport. He highlighted key points:

- materiality remains unchanged from previous years, based at a high level of 2% of overall expenditure to make sure there are no adjustments over that level which would require the audit opinion to be amended;
- risk areas are very similar to prior years, including some which are prescribed by auditing standards – in particular management override controls – and risks around valuations of land and buildings, investment properties, and heritage assets, all significant items on the balance sheet. As in previous years, Bishop Fleming's experts check the assumptions made by CBC's experts regarding valuations, yield rates, estimates etc to ensure that these are materially accurate, reasonable and appropriate;
- another significant risk is the valuation of the pension scheme, and again, Bishop Fleming uses its own experts to assess the reasonableness of the council's assumptions to the year end, and ensure that these have been calculated appropriately and put through the accounts into the financial statements properly. As in previous years, there are no concerns;
- there is a new risk around implementation of new accounting standards, which results in local authorities having to recognise longer-term lease commitments which were previously recognised as operating leases on the balance sheet; essentially the initial change will be the grossing up of the balance sheet, with some subtle changes to the income and expenditure account, where the charges will sit going forward. Broadly, this will increase the value of assets and liabilities on balance sheet;
- this has been flagged as an 'other' risk rather than a significant risk, as it is unlikely to be a materially significant balance, but it is a good opportunity to ensure that CBC is capturing all leases, including any that are embedded in contracts. Process management will be reviewed and calculations checked in terms of liability and assets to ensure that these are materially correct. Management is comfortable with this approach;
- finally regarding risk areas, a broad approach on the narrative around the narrative on rebuilding the assurance piece is to do a full audit on this year's income and expenditure and balance sheet; last year it was not possible to complete everything on income and expenditure, so attention was focussed on making sure the balance sheet was audited. There is more time this year, and the proposal is to present the audit fieldwork in late autumn, allowing space to make sure Members are 100% comfortable with everything on the balance sheet and income and expenditure account. There is still some uncertainty among all audit firms about the best way to build back assurance over reserves, but Bishop Fleming will do what it can this year to get back to a normal opinion over the next few years;

- a new and experienced manager has been appointed to the audit team to boost capacity, and will be working on the CBC audit;
- fees are set by the PSAA but are included for transparency, with a couple of things to be confirmed, including a review of the implementation of International Financial Reporting Standard 16 (IFRS16), which will involve an element of additional charge, and the additional procedures to build back assurance, although time has been saved by not having the repeat the work started last year.

In response to Members' questions, NC confirmed that:

- the timetable presents the process by which we will keep on track with the rowback of the backstop, setting out key deliverables on both sides. The ultimate backstop for next year is February 2026, but the proposal is to have the fieldwork finished by the end of 2025 and presented at the January 2026 committee;
- regarding valuations and the pension situation, there are no concerns arising from last year's process – this is a well-trodden path by management and Bishop Fleming, and the IFRS16 is not a problem, included to ensure that everything is captured in terms of the definition of a lease;
- regarding the valuation and assumption around Golden Valley, which is not yet built with no clear occupation rates, the auditors are looking at the position at March 2025, with the development still in early stages and only limited costs incurred other than the initial land costs and planning costs – the valuation judgement is not significant at this stage. The Deputy Chief Executive confirmed that it is just valued as land in the accounts at the moment; the valuation will increase with planning consent;
- regarding the timeline, whether all items can be met with current resources and local government reorganisation taking a lot of officer time, and whether there is a month or so of contingency at the end of it, the Deputy Chief Executive said that the work was done in a much shorter timeframe last year, and has every confidence that the timetable is achievable. NC added that work couldn't start till late November last year, but this is a different world, with accounts prepared by the end of June and time to get samples out early and allow managers time to respond. There is a large number of projects for the council this year, and a conscious decision has been made to use a narrower team over a longer period.

A Member asked whether, if management supply the required information in line with the timeline, NC can provide assurance that CBC will receive either a clean audit report or an 'except for reserves' type qualification rather than another disclaimer. He also asked why Bishop Fleming is going to do a substantive rather than controls-based audit, despite concluding that a control environment is effective. He said a substantive audit will be a lot more labour-intensive than a controls-based audit, with a potential cost fee implication.

NC understood the concern about getting back to a clean audit opinion as soon as possible and could give assurance about getting to a position where work on this year's balance sheet and income and expenditure account is complete, but the technical review is still ongoing about what that means and if the reserves piece is

still outstanding, he cannot provide any conclusions at this stage. The report will reflect that.

Regarding controls work, he said intensive work around substantive testing is the more common approach in the audit profession right now, whether transactional or using data analytics or AI tools, and is considered a more efficient way of doing things. He has no concerns about the control environment that suggest more work is needed, but the approach will be focussed primarily on transactional testing. There are risk areas around estimates and valuation judgements but Bishop Fleming will look at how the process is being followed and sample test valuations in portfolio, understand how assumptions been made for individual assets; this is not an approach that can be taken through the control environment route – a lot of council audit that doesn't lend itself as well to control environment process. As a result of those things combined, Bishop Fleming's approach is very much substantive for local authority audits.

### **6 Internal Audit Plan 2025-26 and Internal Audit Charter and Mandate**

Lucy Cater (LC) of SWAP introduced the item, which comprised the Internal Audit Plan, on which Members were consulted at the last meeting, and a revised version of the Internal Audit Charter and Mandate, which comes to committee for approval on an annual basis, and is now working to revised global audit standards.

In response to Members' questions, she confirmed that:

- there are two different audit areas for climate emergency: one where auditors talk to service areas and officers to see what they are currently doing to support CBC's commitment to the climate emergency and what more they can do, and the other where audit officers work with climate officers to see what the council is doing overall. She said a third strand of this work will be an audit of greenhouse gas emissions data;
- regarding the digital discrimination audit, accessibility and the need to consider those at both ends of the spectrum will be considered, to ensure that people without digital access are not excluded, and that new platforms are used in smart ways to reach people who value those platforms;
- following on from the disclaimer on the external audit report, increased reliance on the work of internal auditors, and time likely to be spent on core processes and numbers-based work, CBC has 360 days in the audit plan, with a maximum of 100 days looking at core financials, including revenues and benefits and some IT systems. With good processes in place, assurance can be taken from the previous years' work, and assurance is provided over three years of the whole system.

The Chair confirmed that there is reasonable emphasis on core work, with a good agenda of other items, and a broad enough spectrum of auditing climate change work.

A Member asked that councillor welfare should be looked at in addition to staff welfare, as some Members have had safety issues and have concerns – it would be

useful to make sure there is support for them in these specific circumstances. This request was noted.

**RESOLVED (unanimously) THAT:**

- 1. the proposed 2025/26 Internal Audit Plan and the Internal Audit Charter and Mandate is approved.**

## **7 Internal Audit Update**

Lucy Cater (LC) of SWAP presented the regular update on internal audit work undertaken since the last meeting, highlighting the three reports in the pack: Voids Review, Homelessness Deposit Rent Scheme, and Members' Allowances. She said the agreed actions are being followed up by the Governance, Risk and Assurance Manager and the SWAP team on behalf of the council.

In response to a request for further information, she said that the Void Process Report had been requested by the Director of Governance, Housing and Communities, following issues identified at CBH before the transfer. In response to a question from the Chair as to how long issues may take to be resolved; the Deputy Chief Executive confirmed that there will be a full Member update on housing on 23 June, but reminded Members that while he understood their concerns, it should be remembered that the council can only act on what it knows; independent auditors are able to look at all areas. He said voids are a systematic issue in that the workforce needs to turn round minor and major voids; the team is working with interims and new staff to get processes in place to ensure the council is complying with issues such as procurement, consumer standards, and health and safety. This will take time, but officers can give intermediate assurance that a lot of work is taking place in the background to resolve the issues. The Chair looked forward to having reassurance at the next meeting in July that discussions and processes are in place.

Other Members expressed strong concerns about this issue and the apparent lack of effective controls in all areas, suggesting that it needs to be a massive priority to take action and provide evidence as soon as the appropriate control environment is in place and operating effectively. LC confirmed that a full update and more information on the agreed actions will be provided at the next meeting.

On the subject of homelessness deposits, a Member was concerned that if we don't know how much recipients have paid against their advance, there could be a risk of someone overpaying if not told to stop their regular monthly payments. He also wondered if giving non-refundable grants would solve this issue and take away a lot of admin costs at the same time.

LC said homelessness deposits are considered as loans, with repayments being recycled to allow someone else to benefit. They are not considered as grants but her team could do a piece of work to look at what the Member is suggesting. The Deputy Chief Executive made the point that if these payments became grants, they would have to be funded from local taxation via a new pot of money, and would have

to come forward as part of budget proposals rather than as a recommendation from internal audit. The Director of CFEU added that this would also introduce the risk of fraud – repayment is more of a deterrent than free money via a grant scheme, which would also require an admin function to verify that the right people were getting the right money.

The Member pointed out that the council needs to comply with the Consumer Credit Act and is subject to statutory regulations through its activities; LC confirmed that she would email the Member figures to show how much money was outstanding at any point in time, and how many people were involved.

In response to further questions raised by a Member, LC and EC confirmed that:

- returning to the Voids Review, and whether any checks were carried out to ensure that particular contractors hadn't billed for work that wasn't carried out, CFEU has done a lot of background work on invoices but to get a case to a criminal standard, the council cannot undermine its own defence and must be pragmatic about resources and what it does or doesn't do;
- there have been no referrals for members' allowances, and any irregularities are more likely to be in error rather than fraudulent. Officers will be required to challenge any claims presented without receipts going forward;
- with reference to the Priority 1s on Page 65, No. 6205 has the wrong date and should have a timescale of 30 June like the others; more text will be provided next time.

No vote was required on this item.

### **8 Counter Fraud Unit Report (including RIPA/IPA update)**

Emma Cathcart (EC) Head of Service of CFEU presented her six-monthly update, which now includes a breakdown of financial impacts, as requested by Members of other councils. She highlighted the following:

- grants have been focussed on, following the update of the policy and more grants being administered. A toolkit has been introduced for staff members putting together grant applications as a guide to what they should and shouldn't do; CFEU will continue to offer support where it can;
- another focus is procurement, to support procurement teams across the council and ensure more transparency around the processes and ensure these are robust. This may also include a guide with quick and easy hints and tips for staff;
- the Gloucestershire Multi-Agency Approach to Fraud (MAAF) page is almost ready to be launched for businesses, residents and anyone visiting Gloucestershire, with a lot of local information and advice about victim support;
- also included are the usual updates around national fraud initiative matches, work with revenue and benefits on additional checks for single person discount, review of housing waiting list, and reactive work;
- CFEU has started producing an annual report for Cabinet Housing Committee on housing and tenancy fraud work to provide a wider understanding of the support available;



- an annual update on surveillance activity and the use of the investigatory powers act;
- there have been a number of RIPA applications concerned with overt activity, to ensure that the correct process is undertaken to ensure any activity is necessary and proportionate.

Members thanked EC and her team for their excellent work, and welcomed both the financial gains from extra revenue and loss avoidance, and the deterrents in place to tackle potential fraud.

In response to a Member question about the MAAF group and how soon this might be launched, EC confirmed that Tewkesbury Borough Council is building the group – an arduous process involving collating all the teams and getting the right information to make it local. She hopes to meet with TBC to review the work and launch the collective towards the end of July.

No vote was required on this item.

### **9 Whistle-blowing Policy update**

Emma Cathcart (EC), Head of Service of CFEU, introduced this review of the Whistle-blowing Policy, with changes highlighted in red. She said there were no significant changes, and the update has been done in communication with the six partner councils. The attached flow chart is a quick outline guide for staff, and guidance is also included to help those staff who receive reports. The updated policy covers Cheltenham, Stroud and Tewkesbury.

A Member asked for confirmation that it is understood that members of staff are not necessarily being malicious, vexatious or false when reporting what they consider to be an irregularity but which is in fact fine when viewed with an understanding of all the embedded controls. EC confirmed that her team would prefer people to come forward with concerns that are subsequently ruled out than to keep quiet.

#### **RESOLVED THAT:**

- 1. the updated Policy is approved;**
- 2. the Director of Governance, Housing and Communities is authorised to approve future minor amendments to the Policy in consultation with the Counter Fraud and Enforcement Unit, Human Resources, One Legal and the Leader of the Council.**

### **10 Draft Accounting Policies 2024-25**

The Director of Finance and Assets confirmed that the finance team has a deadline of the end of June to produce a draft statement of accounts, and accounting policies

are key to that. She said there are no major changes from previous years, and the committee is asked to note the report, with the final statement of accounts brought back post-audit for sign-off and approval.

In response to Members' questions, she confirmed that:

- there is a typo in Paragraph 2.3 of the report – 31 May 2024 should read 31 May 2025;
- with the capital expenditure *de minimis* limit of £10k, if a projector with a value of £6k was capitalised, it would fall within fixed asset registers and be tracked; if it was a one-off expenditure purchased by a service, the expectation on the delegated budgets would be that the service would monitor and safeguard it in line with financial regulations. However, most of these types of assets are mostly bulk purchases of ICT equipment, which are capitalised, and registered and tracked by Publica;
- it is CBC's choice not to capitalise borrowing costs on assets under construction, and interest costs incurred within the financial years in these accounting policies have been credited to general reserves;
- regarding the depreciation of vehicles, plant and furniture, and whether it would be easier to do a straight line over their estimated useful life, this is, in effect, what we do already – the majority of accounting policies are taken from the set of model policies published in the Local Government Code of Practice, with that wording adopted. Ubico vehicles, for example, are depreciated over seven years;
- with reference to Paragraph 1.26, first bullet point, and whether this should refer to evidence of conditions before or during the reporting period rather than after, the reporting period means the year ending 31 March, and events after the balance sheet date would be anything done between that date of the reporting period and the sign-off of the final accounts that would potentially impact on events before. She will look at the wording again to avoid any potential confusion.

No vote was required for this item.

## 11 Review of Risk Register

The Governance, Risk and Assurance Manager introduced her review of the risk register, highlighting key points: how current risks are managed, using the new Verto system; two new risks added in March; one risk – High Street defects – closed; one risk materialised and being managed as an issue; and an overview of the risks that have increased since the last assessment, with the highest risks on the Corporate Risk Register summarised on the last page.

She said that Verto provides a lot more information and dashboards, and more detail can be provided in future if Members want it, but at the moment she is trying to give an overview of how risks are changing and the risk actions being undertaken.

In response to a Member's questions, she said that risks are reviewed on a regular basis, with assessment as to whether anything has changed set with the risk owner, and any potential consequences and necessary mitigation then addressed by Leadership Team. Changes in risks can be highlighted and shared with the committee for reassurance going forward.

Another Member expressed concerns about Risk 413 (M5 J10 Planning), saying that S106 payments are the responsibility of the developer and GCC, not CBC, and the subject of negotiation and discussions between those parties; he suggested that more evidence of fact around those outcomes is needed before it is included on CBC's risk register. The Deputy Chief Executive said that Risk 413 isn't Golden Valley Development-specific and could impact developments all across Cheltenham but the Member still felt that the risk was laid out in too simple a form. Officers agreed to discuss this off-line and consider wording the risk in a different way.

Members asked for more information to be provided around why risks are increased or reduced; the Governance, Risk and Assurance Manager agreed to include this in future. She confirmed that the High Street Defects risk had been closed because the risk was financial and litigation has been concluded.

Finally, a Member queried consistency of wording around the implications of the highest risks (Nos. 4 and 5), to make it clear that these would ultimately fall on the council, despite being distinct financially and requiring different sets of mitigations. The Director of Finance and Assets explained that the difference lies in how the risks are monitored around mitigating actions: Risk 4 (Government's Fair Funding Review) is a relatively new and external risk, documented at length in the budget papers this year, and the council has to be prepared to react to what it includes, the extent of which is not known at present; the mitigations for Risk 5 (Prioritisation of Capital Resources) are more within the council's control and being discussed at present, particularly within the outturn report and budget papers of the approved capital programme for 2025-26, and more condensed than in previous years because the Cabinet has worked on mitigations to address and prioritise those capital resources. Both risks have financial impacts which could be negative if not mitigated, but they are phrased differently because they have different mitigation.

No vote was required for this item.

## **12 Audit, Compliance and Governance Annual Report to Council, 2024-25**

The Chair said he would check what is required for this report to Council, recommended under CIPFA guidance, and welcomed Members' thoughts. The Deputy Chief Executive suggested focussing on the adoption and approval of the statement of accounts, which used to be the responsibility of Full Council. A Member suggested including information about the excellent work done by CFEU and Internal Audit

**13 Work Programme**

There were no comments on this item.

**14 Any other item the chairman determines to be urgent and requires a decision**

There were none.

**15 Date of next meeting**

The next meeting is scheduled for 09 July 2025.

**Cheltenham Borough Council****Audit, Compliance and Governance Committee****9<sup>th</sup> July 2025****Internal Audit Annual Opinion 2024-25**

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**Accountable member:**

Councillor Peter Jeffries, Cabinet Member for Finance & Assets

**Accountable officer:**

Paul Jones, Deputy Chief Executive, Section 151 Officer

**Ward(s) affected:**

N/A

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**Key Decision:** No**Executive summary:**

The Annual Internal Audit Opinion, Appendix 1, gives the opinion, of the Head of Internal Audit (SWAP Assistant Director) and, therefore, the officer responsible for the delivery of the internal audit function, which includes assessing the adequacy and effectiveness of internal control within Cheltenham Borough Council. The opinion is based on the adequacy of control, noted from a selection of risk-based audits carried out during the year and, other advice work on control systems including the proactive work of the service as it supports the control arrangements within change projects. The results of any external inspections also inform the opinion.

Throughout the year we have measured the degree of control assurance within the systems or elements of systems we have audited or supported by way of control advice. Overall, the opinion is that a 'Low Reasonable' assurance level can be given for the controls in place, within the areas where audit activity has taken place, to safeguard these systems which in turn support the delivery of the Council's overall business objectives.

Where operational control issues were raised, the risks associated with the control issues raised, in the audit reports, are being actively managed by the responsible Management.

### **Recommendations: That Audit, Compliance and Governance Committee:**

- 1. considers the attached reports and makes comment on its content as necessary.**
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## **1. Implications**

### **1.1 Financial, Property and Asset implications**

There are no financial, property and asset implications arising from this report.

**Signed off by:** Gemma Bell, Director Finance & Assets (Deputy Section 151 Officer), [Gemma.Bell@cheltenham.gov.uk](mailto:Gemma.Bell@cheltenham.gov.uk)

### **1.2 Legal implications**

As detailed in the report, it is a requirement under the CIPFA Public Sector Internal Audit Standards for the Chief Audit Executive to deliver an Annual Internal Audit Opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control. This is an important source of assurance that supports the Council's governance statement.

**Signed off by:** One Legal – [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

### **1.3 Environmental and climate change implications**

None arising from the report agreed actions

**Signed off by:** Maizy McCann, Climate Officer, [Maizy.McCann@cheltenham.gov.uk](mailto:Maizy.McCann@cheltenham.gov.uk)

### **1.4 Corporate Plan Priorities**

This report contributes to the following Corporate Plan Priorities:

- Making Cheltenham the Cyber Capital of the UK
- Working with residents, communities and businesses to help make Cheltenham #netzero by 2030
- Increasing the number of affordable homes through our £180m housing investment plan
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity

- Being a more modern, efficient and financially sustainable council

### **1.5 Equality, Diversity and Inclusion Implications**

No implications arising from the report agreed actions.

### **1.6 Performance management – monitoring and review**

The performance of SWAP Internal Audit Services is monitored by both the Audit, Compliance and Governance Committee and the Audit Partnership Board as detailed in the Internal Audit Charter.

Regular monitoring reports are provided to this Committee and, in the interim period regular meetings are held between Internal Audit and the Deputy Chief Executive. New and emerging risks are discussed, and the impact of the recommendations made by Internal Audit are discussed.

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## **2 Background**

2.1 The report outlines how the Internal Audit function has supported the Council in meeting the requirements of the Accounts and Audit (England) Regulations 2015. These state that: “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

2.2 Under the CIPFA Public Sector Internal Audit Standards the Chief Audit Executive must deliver an Annual Internal Audit Opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. The annual report must incorporate:

- the opinion;
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

## **3 Reasons for recommendations**

3.1 The Council must ensure that it has sound systems of internal control that facilitate the effective management of all the Council’s functions. The work delivered by SWAP Internal Audit Services, the Council’s internal audit service in

2023/24, is one of the control assurances available to the Audit, Compliance and Governance Committee, the Senior Leadership Team, and supports the work of the external auditor.

3.2 **‘Reasonable’** Assurance can be given that there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Some weakness in the design and/or inconsistent application of controls have been identified, actions agreed with officers and improvement plans agreed.

3.3 Officers from SWAP will be in attendance at the Committee meeting and will be available to address Members’ questions.

#### **4 Alternative options considered**

4.1 None

#### **5 Consultation and feedback**

5.1 The plan has been developed following consultation with and feedback from Service Managers Team, Leadership Team, the Internal Audit Team and the Audit, Compliance and Governance Committee.

#### **6 Key risks**

6.1 That potential weaknesses within the control framework are not identified and threaten the Council’s objectives to meet its corporate priorities.

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#### **Report author:**

Lucy Cater, Head of Internal Audit, Assistant Director, SWAP Internal Audit Services,  
[Lucy.Cater@swapaudit.co.uk](mailto:Lucy.Cater@swapaudit.co.uk)

#### **Appendices:**

Appendix A – Internal Audit Annual Opinion 2024/25

Appendix B – Finalised Audit Report



# Cheltenham Borough Council

## Internal Audit Annual Opinion Report 2024/25

# Internal Audit Annual Opinion – 2024/25: ‘At a Glance’

## Annual Opinion



We are pleased to offer Cheltenham Borough Council a **Reasonable Assurance** for 2024/25  
This assurance is based on information obtained from multiple engagements and sources, the results of which, when viewed together, provide an understanding of the organisation’s governance arrangements, risk management processes and internal control environment

## The Headlines

	<b>Audits undertaken for Accounts Payable and Revenues and Benefits (Council tax Support and Housing Benefits) resulted in Substantial Assurance with no agreed actions.</b> This signifies that internal controls are operating effectively and being consistently applied in these areas.
	<b>Significant risks were identified in respect of the reviews of Planning Service, Property and Estates (Health and Safety), Voids and Homelessness Deposit Scheme.</b> Progress is being made on the implementation of the agreed actions, which Internal Audit are monitoring.
	<b>26 reviews were included as part of the 2024/25 Internal Audit Plan.</b> Includes assurance, advisory and follow up reviews, and specific audit support. 5 reviews are at draft report stage and 3 are in progress.
	<b>Internal Audit staff supporting the Council.</b> Auditors continue to support the Council, by attending meetings, supporting projects and when necessary, conducting specific tasks for the Council.
	<b>Agreed Actions</b> Four agreed actions reported in 2023/24 remain open. Of the 26 actions agreed in 2024/25, 9 Priority 2 and 2 Priority 3 actions have been implemented, 15 actions remain open.

Assurance Opinions	2023/24	2024/25
Substantial	8	5
Reasonable	3	2
Limited	3	2
No	0	0
Support to the Council	5	5
Grant Certification	0	0
Advisory	2	3
Follow-Up	1	1
Agreed Actions	2023/24	2024/25
Priority 1	1	4
Priority 2	17	20
Priority 3	7	2
<b>Total</b>	<b>25</b>	<b>26</b>

## Executive Summary

Internal Audit provides an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.



### Purpose

The Head of Internal Audit (SWAP Assistant Director) should provide a written annual report to those charged with governance to support the Authority's Annual Governance Statement (AGS). This report should include the following:

- An opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment, including an evaluation of the following:
  - the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities;
  - whether the information technology governance of the organisation supports the organisation's strategies and objectives;
  - the effectiveness of risk management processes; and
  - the potential for the occurrence of fraud and how the organisation manages fraud risk.
- Disclose any qualifications to that opinion, together with the reasons for the qualification.
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and criteria.
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content and the Annual Internal Audit Opinion given.

## Executive Summary

### Three Lines Model

To ensure the effectiveness of an organisation's risk management framework, the Audit, Compliance and Governance Committee and Senior Management need to be able to rely on adequate line functions – including monitoring and assurance functions – within the organisation.

The 'Three Lines' model is a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:

- the first line – functions that own and manage risk.
- the second line – functions that oversee or specialise in risk management, compliance.
- the third line – functions that provide independent assurance.

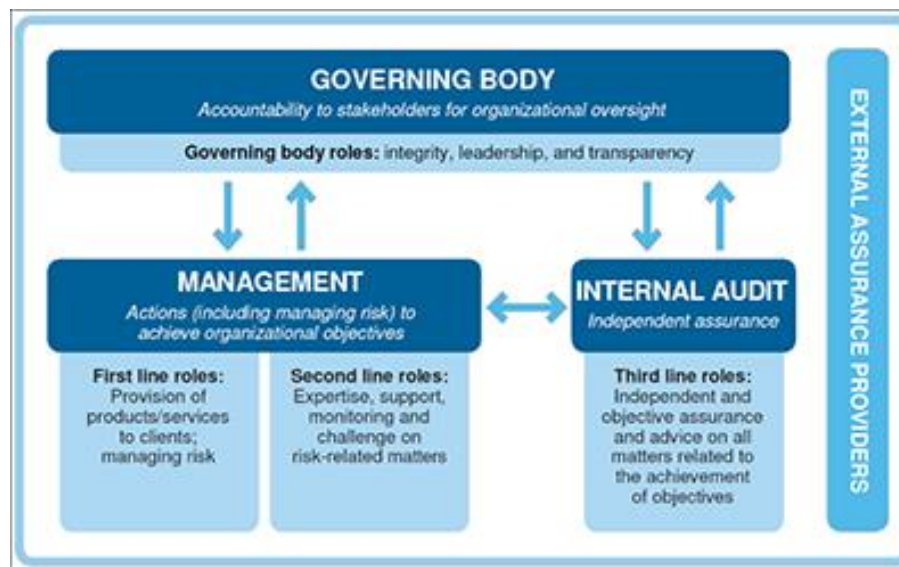


### Background

The Internal Audit service Cheltenham Borough Council is provided by SWAP Internal Audit Services. The team's work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The work of the team is guided by the Internal Audit Charter which is reviewed annually.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. This report summarises the activity of the Internal Audit team for the 2024/25 year.

The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines model shown below.



## Internal Audit Opinion 2024/25

The Head of Internal Audit (SWAP Assistant Director) is required to provide an opinion to support the Annual Governance Statement.



### Annual Opinion

On the balance of our 2024/25 audit work for Cheltenham Borough Council, enhanced by the work of external agencies, I am able to offer a **Reasonable Assurance** opinion in respect of the areas reviewed during the year.

Audit work is planned to ensure that sufficient assurance will be available to inform the annual opinion as well as supporting the key priorities that underpin CBC's Corporate Plan (2023 – 2027):

- Enhance Cheltenham's reputation as the cyber capital of the UK
- Working with residents, communities and businesses to help make Cheltenham net zero by 2030
- Increasing the number of affordable homes through our £180m housing investment plan
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Being a more modern, efficient and financially sustainable council

Our audit work supports each of these priorities, whether as an assurance audit, an advisory piece of work, ad hoc requests or support to the council.

The professional requirements of PSIAS have remained unchanged for 2024/25 and in line with these, audit priorities have been agreed throughout the year, and this work supports the annual opinion.

The Annual Opinion is based on information obtained from multiple engagements and sources, the results of which, when viewed together, provide an understanding of the organisation's governance arrangements, risk management processes and internal control environment and facilitate an assessment of overall adequacy and effectiveness. Opinions are a balanced reflection across the year and not a snapshot in time. In forming this opinion, the following sources of information have been used:

- *Completed audits which evaluate risk exposures relating to the organisation's governance, operations and information systems, reliability and integrity of information, efficiency and effectiveness of operations and programmes, safeguarding of assets and compliance with laws and regulations.*
- *Observations from consultancy / advisory support.*
- *Follow up of previous audit activity, including agreed actions.*
- *Assurances from other key sources and providers, including third parties, regulator reports etc.*
- *Ongoing support and advice relating to the risks associated with payments administered following the pandemic.*

Alongside direct internal audit work, the Head of Internal Audit can also place reliance on:

- *Work and investigations undertaken by the Council's Counter Fraud and Enforcement Unit.*
- *Updates and PSN certification undertaken by the Council's ICT Team.*

The following are considered key pieces of audit work that support the annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control.

- *Business Continuity*
- *Continuous assurance*
- *Key financial audits*
- *Information governance and security*
- *Key front line services*

*Furthermore, the Head of Internal Audit, or member of the Audit Team is an attendee at the following meetings:*

- *Procurement and Commissioning Group*
- *Corporate Governance Group*
- *Senior Leadership Meetings*



## Summary of Audit Work 2024/25

### Definitions of Corporate Risk

#### High Risk

Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

#### Medium Risk

Issues which should be addressed by management in their areas of responsibility.

#### Low Risk

Issues of a minor nature or best practice where some improvement can be made



### Significant Corporate Risks

Our audits examine the controls that are in place to manage the risks that relate to the area being audited. We assess the risk at a 'Corporate' level once we have tested the controls in place. Where the controls are found to be ineffective and the 'Corporate risk' as 'High' these are brought to the Audit, Compliance and Governance Committee attention.

We identified significant weaknesses in the following audits:

#### Planning Service Review

- No clear separation between Committee Members, objectors or commentators
- Electronic Voting system not in place
- Lack of awareness of Planning Committee Procedures
- No Conflicts of Interest were declared
- Lack of formal communication
- Viability Statements not published

#### Property and Estates (Health and Safety)

- No overarching policies or procedures for the Team
- Manual processes are in place which are unreliable – property data, health and safety compliance data, lease renewals
- Risk assessments had not been undertaken for relevant properties
- Lack of evidence of reporting to Members.

#### Voids

- No Voids Management Policy or Procedure
- Non-Compliance with Financial Rules – Procurement
- Non-Compliance with Financial Rules – Multiple Works Orders
- Quotations are not accessible and poor records maintenance
- Orders raised and approved by the same officer – no segregation of duties
- Declarations of Interest not recorded
- Ineffective Budget Monitoring
- Lack of Management Oversight

### Homelessness Deposit Scheme

- Unsigned loan agreements
- Weakness of Internal Controls – Financial and Administrative
- No follow-up action of Non-Payment of Loan Instalments
- Inadequate Management Information

To ensure control weaknesses are being addressed we have continued to follow-up all agreed actions made in previous years audits as well as current year ones which have passed their implementation dates. We have also introduced a process whereby the CFO receives a monthly report of all agreed actions which can be followed up with Officers and Publica where appropriate. There are currently four historic outstanding agreed action which have passed their implementation dates. We can confirm 9 Priority 2 actions and 2 Priority 3 actions from audits undertaken in 2024/25 have been implemented.

All audits, and progress against agreed actions, have been reported throughout 2024/25 to the Audit, Compliance and Governance Committee.





## Summary of Audit Work 2024/25

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

### Assurance Definitions

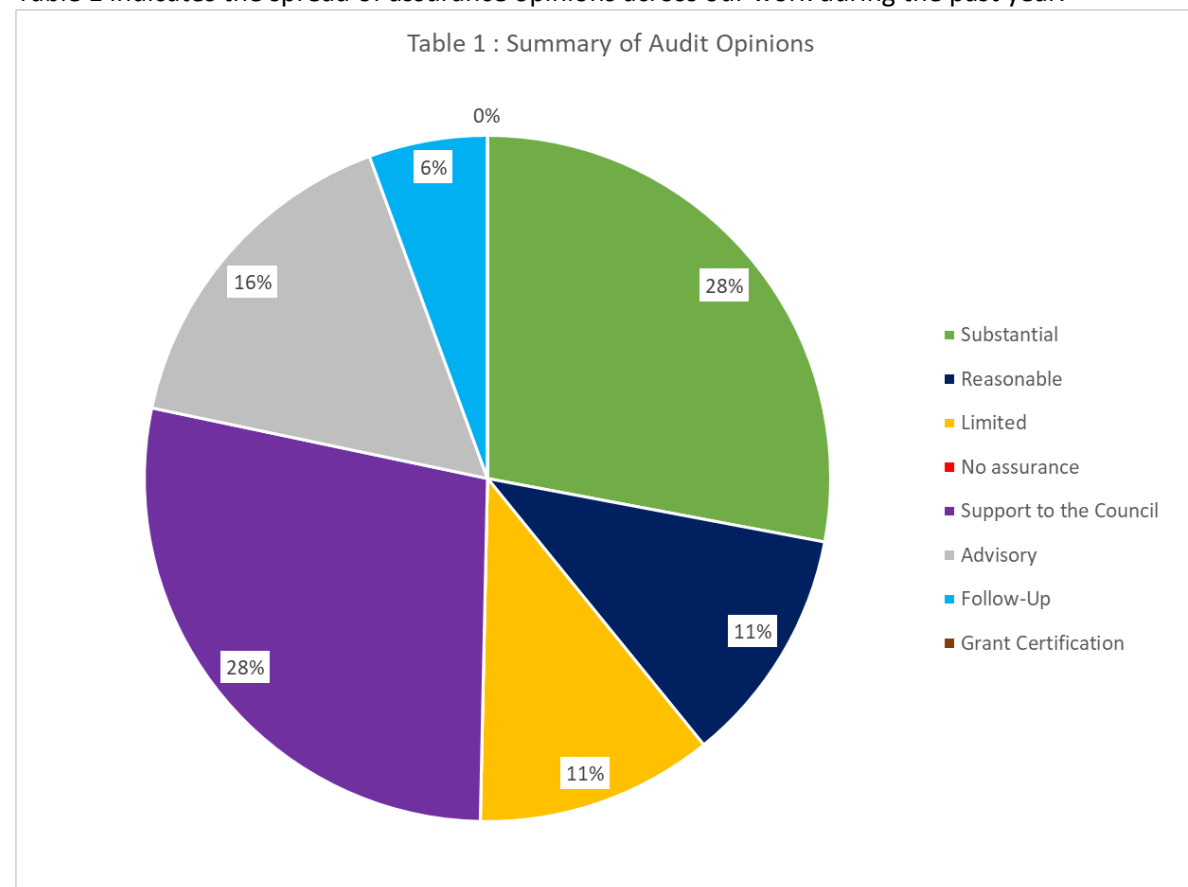
<b>No</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.



### Summary of Audit Opinion

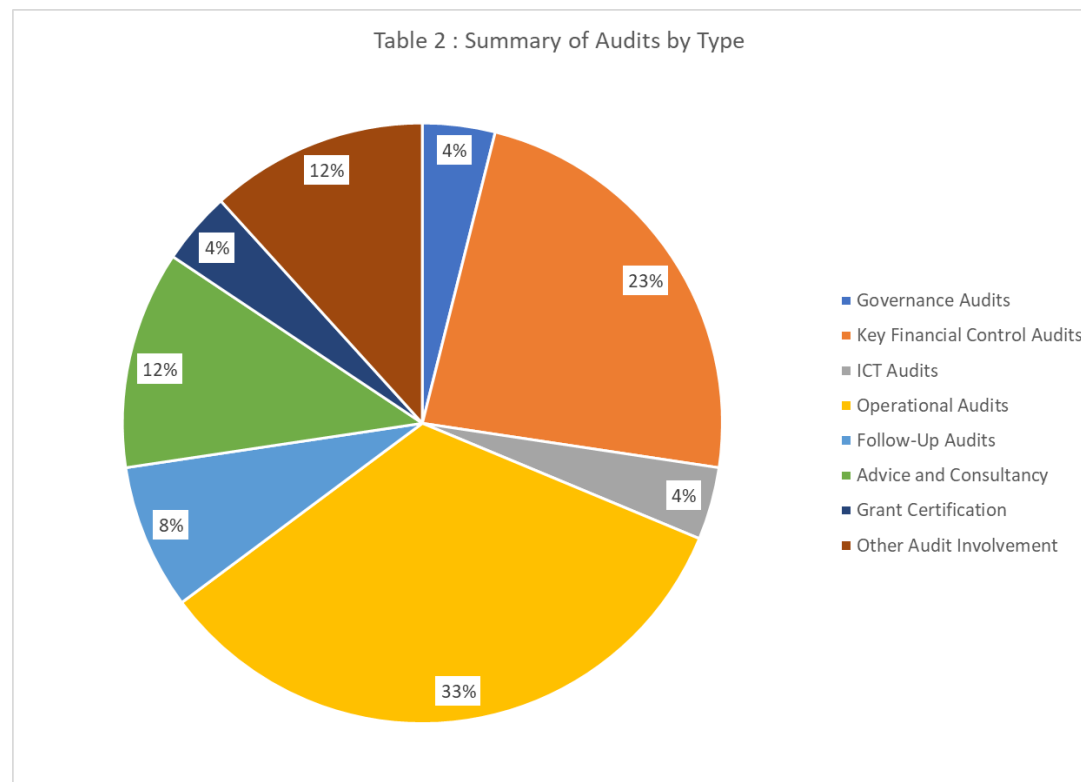
The following two charts summarise the audit opinions and audit work, and involvement, during 2024/25.

Table 1 indicates the spread of assurance opinions across our work during the past year.



## Summary of Audit Work 2024/25

Table 2 indicates the audit work by type.



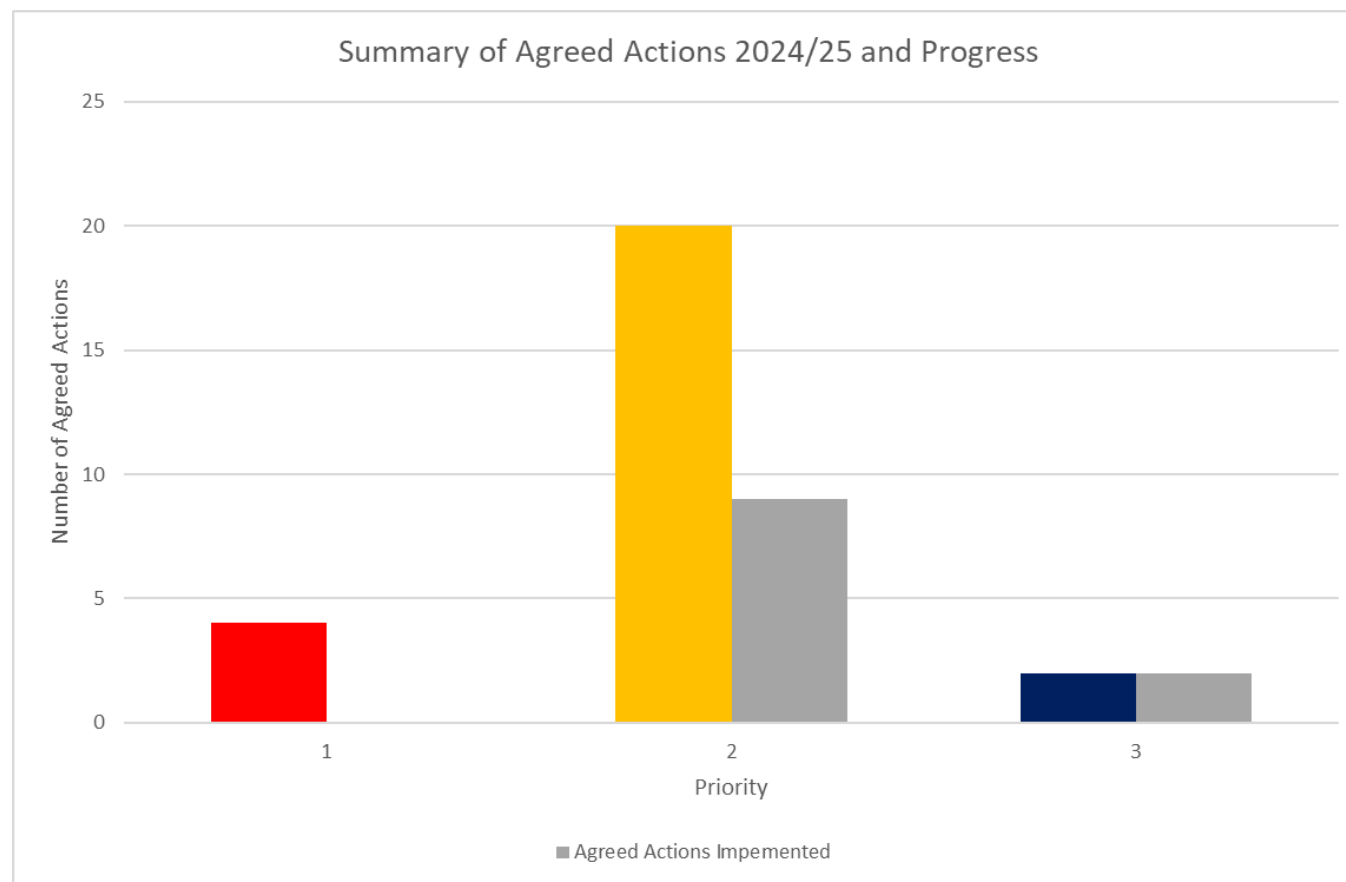
## Summary of Audit Work 2024/25

### SWAP Performance - Summary of Audit Actions by Priority

We rank our actions on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of major concern requiring immediate corrective action



### Priority Actions



### Added Value

Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.



### Added Value

Throughout the year, SWAP strives to add value wherever possible i.e. going beyond the standard expectations and providing something 'more' while adding little or nothing to the cost.

#### Corporate Groups

During the year we have attended a number of corporate groups to act as a 'critical friend'.

#### Benchmarking

During the year we have provided benchmarking data across either the SWAP partnership or the wider reach of the Local Authority Chief Auditors Network (LACAN). This data is useful for services to develop and improve their own systems and processes so that business objectives can be achieved with continually decreasing resources.

#### News Roundup

We produce a fortnightly newsletter that provides information on topical areas of interest for public sector bodies.

#### Client Liaison

The Auditors meet regularly with Service Managers to discuss potential operational risks and issues, identify areas for audits and plan up-coming audits.

#### Audit Protocol

We have an audit protocol which defines the role of the audit team and what is required for an audit. The aim of the protocol is to improve the audit process for our audit clients and to ensure we can deliver an excellent audit in an efficient and effective manner.

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS).



### SWAP Performance

The Global Internal Audit Standards set out an obligation for SWAP to monitor and report on its performance to our Partners. This includes two principal dimensions; the quality of work that we complete relative to those Standards and the quality of service we provide to Partners.

On Standards compliance, SWAP recently commissioned an External Quality Review which reported in January 2025. That review, completed by Devon Assurance Partnership, concluded that SWAP “generally conforms” to Standards, which is the highest rating then-available in the Institute of Internal Audit’s Quality Manual.

Beyond that periodic review, we also have a variety of internal systems aimed at quality assurance. We are currently reviewing those systems in the wake of new Global Internal Audit Standards which came into effect in the UK public sector on 1 April 2025. We will report outcomes of this review alongside our annual opinion work later in the year.

On quality of service, we collect both quantitative and qualitative data. Our principal vehicle for quantitative data is the Post Audit Questionnaires distributed to key contacts following each individual audit engagement. Unfortunately, at CBC only a quarter of questionnaires issued were returned, which does not provide sufficient quantitative data to draw conclusions. We are engaged in discussions with Senior Leadership Team to try and improve response rates.

Qualitatively, as well as informal feedback through regular contact, we monitor formally through our Operational and Ownership Board structure. SWAP is owned by its Partners, each of whom provide a representative to our Owners Board. Each Board meets regularly to oversee SWAP’s performance, with direct links to our Executive Leadership Team and Chief Executive to discuss the service we provide.

From 1 April 2025 the new Global Internal Audit Standards apply, alongside the UK Public Sector Application Note and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government. We will report conformance against these new Standards as part of our 2025/26 conclusion.



## Summary of Internal Audit Work 2024/25

Audit Type	Audit Area	Status	Opinion	No of Actions
<b>2024/25 Finalised and Completed Reviews</b>				
Operational	Funding Provided by Government	Final Report	Low Substantial	1
Operational	Planning Service Review	Final Advisory Report	N/A	5
Key Financial Control	Accounts Payable – Qtly Review – 2023/24	Final Report	High Substantial	0
Operational	Appointment of Consultants	Final Report	Mid Reasonable	2
Operational	Property and Estates – Health and Safety	Final Report	Mid Limited	3
Key Financial Control	Revs and Bens – Council Tax and NNDR	Final Report	High Substantial	1
Key Financial Control	Revs and Bens – Council Tax Support and Housing Benefits	Final Report	High Substantial	0
Operational	CBH – Voids Review	Final Advisory Report	N/A	8
Operational	Homelessness Deposit Scheme	Final Report	Low Limited	4
Operational	Members Allowances	Final Report	Low Reasonable	2
Key Financial Control	Accounts Payable – Qtly Review – 2024/25	Final Report	High Substantial	0

## Summary of Internal Audit Work 2024/25

Audit Type	Audit Area	Status	Opinion	No of Actions
Support	Business Grant Funding – Aged Debt	Complete	Support to the Council	N/A
Follow-Up	Follow-Ups of Agreed Actions in Substantial and Reasonable Audits	Complete	Follow-Up	N/A
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	Completed	Support to the Council	N/A
Other Audit Involvement	Management of the IA Function and Client Support	Completed	Support to the Council	N/A

## Summary of Internal Audit Work 2024/25

Audit Type	Audit Area	Status	Comment
Draft Reports			
Operational	Counter Fraud and Enforcement Unit		
ICT	Disaster Recovery – Revenues and Benefits		
Key Financial Control	Payroll – Publica Controls		
Key Financial Control	Payroll – Council Controls		
Governance	Data Maturity		
In Progress			
Operational	Recharging Mechanisms (Housing Services)		
Follow-Up	Grant Income		
Grant Certification	Carbon Data 2023/24		
Ongoing Audit Support / Other Involvement			
Advisory	Procurement and Commissioning Group		Support complete for 2024/25, will continue into 2025/26
Advisory	Housing Services Transition into CBC		Support complete for 2024/25, will continue into 2025/26
Advisory	Corporate Governance Group		Support complete for 2024/25, will continue into 2025/26
Support	Elections		Support complete for 2024/25, will continue into 2025/26

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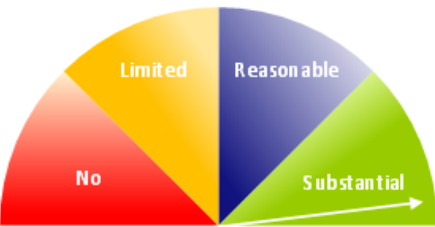
The following are the Internal Audit reports, of each audit review finalised,  
since the last Committee update

# Accounts Payable – Final Report – June 2025

## Audit Objective

To identify potential duplicate payments, summarise, and present to the AP team for remedial action.

## Executive Summary



### Assurance Opinion

The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

### Management Actions

Priority 1	0
Priority 2	0
Priority 3	0
Total	0

### Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

## Key Conclusions



Accounts Payable (AP) use Business World to process payments on behalf of partner organisations and Councils. We used BW to generate AP reports capturing payments to suppliers for the full financial year starting 1<sup>st</sup> April 2024 until 31<sup>st</sup> March 2025.

A total of 176,692 lines of transactional data was analysed. We cleansed the data and applied conditional formatting to highlight potential duplicate transactions. These transactions were inspected to establish whether mitigating circumstances could be identified (e.g. credit note). 73 suspected duplicates with a potential overpayment value of £37,340.55 were forwarded to the AP team for further investigation. This represents 0.0175% of total payments analysed.

At the time of writing this report, AP are managing 9 unresolved payments totalling £13,137.67. We will continue to monitor these transactions through to resolution.

## Audit Scope

Our review covers the full 2024/25 Financial Year. We check for potential duplicate payments at Councils and organisations hosted on Business World.

Findings have been summarised and reported to the Accounts Payable team throughout the year, for further review and remedial action where necessary.

## Next Steps

AP continue to work with officers and suppliers to rectify the unresolved duplicate transactions. Our AP continuous duplicate payment analysis will continue into 2025/26.



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## Cheltenham Borough Council

### Audit, Compliance & Governance Committee

**09 July 2025**

### Information Requests Annual Report 2024-25

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**Accountable member:**

Councillor Rowena Hay, Leader of the Council

**Accountable officer:**

Victoria Bishop - Governance, risk and assurance manager

**Ward(s) affected:**

N/A

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**Key Decision:** No

**Executive summary:**

Cheltenham Borough Council is responsible for ensuring that it meets its legal requirements under the Freedom of Information Act (2000) and the Environmental Information Regulations (2004).

This report details the Council's handling of information requests made during 2024-25. The number of information requests received reduced since the previous year, but an upwards trend from 2020 still remains. The council has responded to 87.8% of requests within the statutory 20 working day deadline.

**Recommendation: That Audit, Compliance and Governance**

- **considers the progress report and makes comment on its content as necessary.**
-

## **1. Implications**

### **1.1 Financial, Property and Asset implications**

None

### **1.2 Legal implications**

The legal implication of not dealing with requests within the legal timescale or not applying the exemptions in accordance with the relevant legislation is that the ICO can take action against the council and the results of that action are published.

**Signed off by:** Claire Hughes, Director of Governance, Housing and Communities  
[claire.hughes@cheltenham.gov.uk](mailto:claire.hughes@cheltenham.gov.uk)

### **1.3 Environmental and climate change implications**

None

### **1.4 Corporate Plan Priorities**

None

### **1.5 Equality, Diversity and Inclusion Implications**

None

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## **2. Performance management – monitoring and review**

2.1 Information requests are monitored via the annual report to the Audit, Compliance & Governance Committee and two Key Performance Indicators (KPI) targets: % change in FOI requests received when compared with the previous year % - FOI requests responded to within timescale

## **3. Background**

- 3.1. The Council is committed to Freedom of Information as an essential part of the openness and transparency of local government.
- 3.2. The Council proactively makes available as much information as possible on its website and follows the ICOs model publication scheme. Where themes of information requests are identified, information is published on the council's website to reduce further potential requests for information. The Council publishes all information released in response to Freedom of Information requests in its disclosure log.

- 3.3. Requests are answered by the business area responsible for the subject matter of the request, the information is then quality checked by the information officer before being returned to the requestor. Response times are monitored and managed by the information officer. Reminders are sent out before the deadline and any overdue responses are repeatedly followed up.
- 3.4. The responsibility for providing the information lies with the Service Manager. The information officer is available to guide and support Service Areas when responding to requests, particularly in the application of exemptions. Either the Service Area or Information Officer can request additional support from One Legal.
- 3.5. The council has seen a decrease in the number of information requests it receives. Namely the number of EIR requests. Last year we amended our process to reduce the number of EIR requests, this has had a positive impact.
- 3.6. The council has now migrated to a new online platform for managing FOI's. Overall, the transition has been successful, any issues are being escalated to the Governance Risk and Assurance manager who is discusses solutions with the IT applications analyst and the commercial and business development manager.
- 3.7. This years report includes data mostly from the previous process, with only 20 cases logged on new online platform in that financial year. However next year's report (25-26) will pull data from purely the online platform, and all the disclosure logs will be automatically produced.
- 3.8. EIR's, SAR's and Internal reviews are still dealt with outside of the online platform and are managed on a spreadsheet.

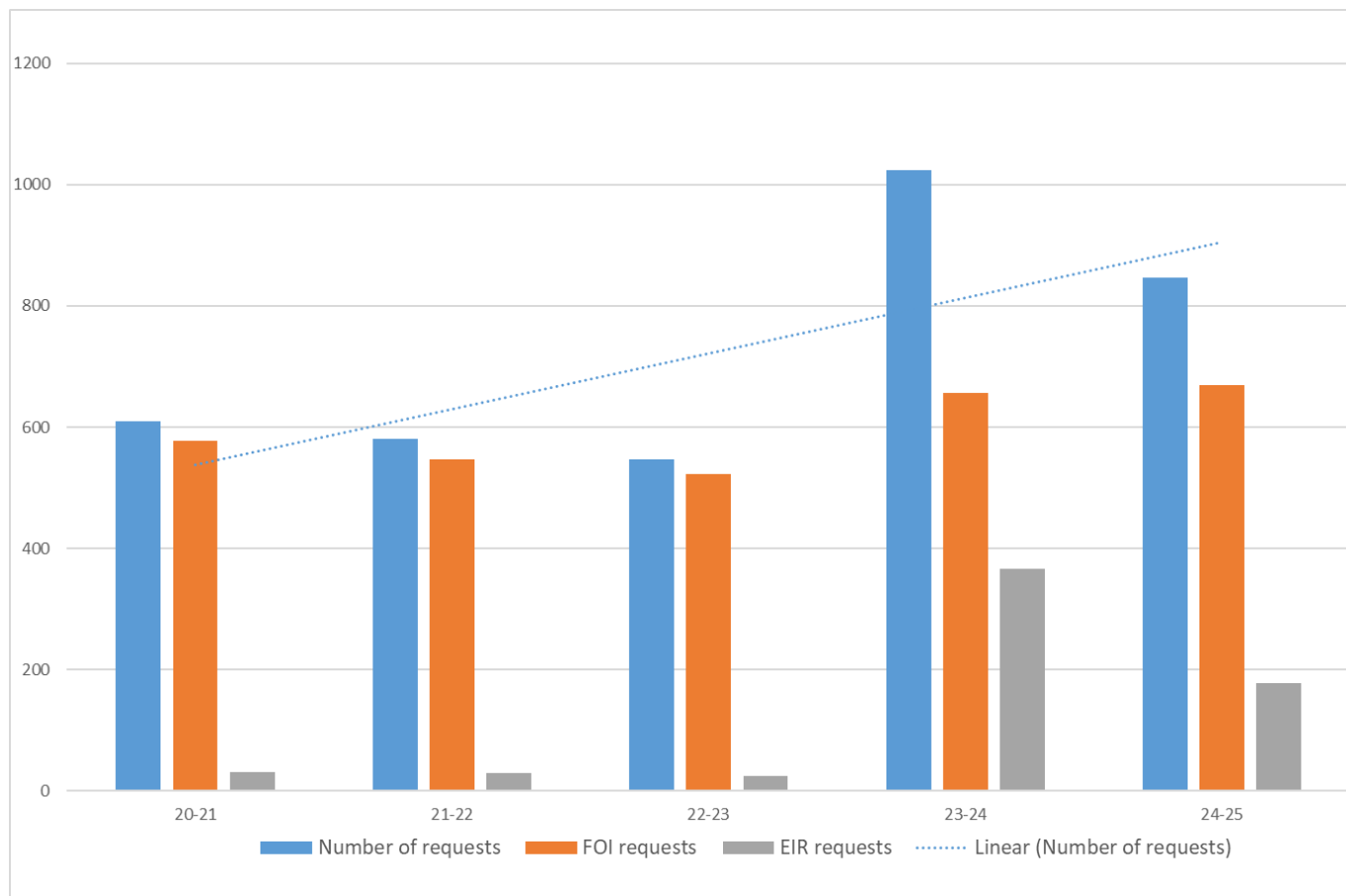
#### **4. Statistical detail of request handling 2024-25**

- 4.1 The types of information that are formally treated as Freedom of Information (FOI) or Environmental Information Regulations (EIR) requests and that are reflected in the following statistics are: those submitted directly or passed to the Council's Information Officer; and requests for information that do not reflect day-to-day business because they are usually quite voluminous or involve the collation of information from many Council services; and/or the requester has asked that their request be dealt with under the FOI Act or the EIRs.

#### **5. Number of requests received**

- 5.1 4.847 requests for information were received in the year 2024-25. This is a reduction from the previous year however still shows an overall upward trend since 2020-21. Of the requests received, 669 were under the FOI act, and 178 were handled under the EIR's.

5.2 Upon review of the 2024-25 data, we can see that it is number of EIR requests that have reduced significantly as opposed to FOI requests. FOI requests have more steadily increased over the years and have only had a slight drop this year, whereas the EIR requests dropped from 367 to 178 in 2024-25. Last year we amended our process to reduce the number of EIR requests, this has had a positive impact.



### 5.3 2024-25 Information requests by Service Area

Service area (From spreadsheets)	Number of Requests
Multiple Service Areas	175
Planning	95
Housing Services (formally CBH)	75
Finance	55
Revs & Bens	54
HR	43
Environmental Health	43
Property and Assets	39
ICT (Publica)	39
Licensing	35
Clean Green	27
Communities & Wellbeing	27



<b>Cemeteries and Crematoriums</b>	19
<b>Housing Strategy</b>	17
<b>Neighbourhood Team</b>	10
<b>Parking (Revs &amp; Bens)</b>	8
<b>Customer Services and Business Support</b>	7
<b>Democratic Services</b>	6
<b>Procurement</b>	6
<b>Public Protection</b>	6
<b>Parks and Public Realm Manager</b>	6
<b>Elections</b>	5
<b>Private Sector Housing</b>	5
<b>Climate Change Team</b>	5
<b>Corporate Projects</b>	4
<b>Marketing Cheltenham</b>	3
<b>One Legal</b>	3
<b>Building Control</b>	2
<b>Commercial &amp; Income Generation</b>	1
<b>Counter Fraud</b>	1
<b>Solace</b>	1
<b>Ubico</b>	1
<b>Corporate Director &amp; Monitoring Officer</b>	1
<b>Golden Valley</b>	1
<b>Grand Total</b>	<b>825</b>

#### 5.4 \*2 Service areas were blank as they were not for CBC

<b>Service area (from online platform)</b>	<b>Number of Requests</b>
Safeguarding and Equality Diversity and Inclusion	3
Environmental Health - Environmental Protection, Food Safety, Regulatory Health and Safety, Animal Licensing	3
Planning	2
Public Realm, Parks & Gardens/Green Space Development	2
Environmental Services	2
Housing Options	2
Public realm CCTV, animal control, emergency planning, anti-social behaviour (Solace)	1
Business Rates	1
Finance & Assets	1
Communications and Marketing	1
Parking Services	1
Property - Works & Maintenance Team	1
<b>Total</b>	<b>20</b>

## 6. Response Timeframe by Service Area

Service Area (From spreadsheets)	Number of Requests	Number responded to in 20 days	% on time	Max Response time
Clean Green	27	12	44.44%	114
Building Control	2	1	50.00%	41
Planning	95	81	85.26%	36
Multiple Service Areas	175	155	88.57%	34
Neighbourhood Team	10	7	70.00%	33
Communities & Wellbeing	27	23	85.19%	31
Housing Services (formally CBH)	75	53	70.67%	31
Finance	55	45	81.82%	28
Revs & Bens	54	49	90.74%	28
Private Sector Housing	5	4	80.00%	28
Licensing	35	32	91.43%	26
ICT (Publica)	39	38	97.44%	26
HR	43	40	93.02%	25
Environmental Health	43	37	86.05%	25
Housing Strategy	17	12	70.59%	25
Democratic Services	6	5	83.33%	25
Elections	5	4	80.00%	24
Procurement	6	5	83.33%	23
Property and Assets	39	30	76.92%	22
Customer Services and Business Support	7	7	100.00%	17
One Legal	3	3	100.00%	17
Cemeteries and Crematoriums	19	19	100.00%	16
Public Protection	6	6	100.00%	16
Golden Valley	1	1	100.00%	16
Climate Change Team	5	5	100.00%	15
Parks and Public Realm Manager	6	6	100.00%	14
Solace	1	1	100.00%	14
Corporate Director & Monitoring Officer	1	1	100.00%	14
Marketing Cheltenham	3	3	100.00%	12
Parking (Revs & Bens)	8	8	100.00%	9
Corporate Projects	4	4	100.00%	6
Counter Fraud	1	1	100.00%	3
Commercial & Income Generation	1	1	100.00%	2
Ubico	1	1	100.00%	1

- 6.1 Due to the low numbers of cases that were logged in the online platform in this financial year we have not broken-down response times by area for cases in the online platform.

## 7. Personal data requests including Subject Access Requests (SAR)

- 7.1 Across the year 2024-25, 31 personal data requests were received (these numbers are not included in the total for information requests as they are recorded separately). Most cases were dealt with within the statutory calendar month requirements, excluding one case that took 117 days because the clarification was not provided by the requestor.

Service Area	Number of requests
Revs & Bens	15
Housing	6
Multiple Service Areas	4
Elections	3
Democratic Services	1
HR	1
Environmental Health	1

## 8. Internal reviews and Appeals to the ICO

- 8.1 Where an applicant is dissatisfied with the way in which the Council has handled an information request, they can request an internal review.
- 8.2 Of the requests received, only 11 (1.3%) resulted in an internal review being requested. This is a reduction on last year by 6 cases. 100% of requests for review received were responded to within the review timeframes. Of the one case that was not responded in the 20-day timeframe, an extension was sought and it was dealt with within 40 days. If an applicant is unhappy with the outcome of our internal review, an appeal can be made to the Information Commissioner for a decision on whether we have appropriately handled the request and internal review.

## 9. Performance management – monitoring and review

- 9.1 The council has responded to 88% of requests within the statutory 20 working

day deadline. This equates to 745 requests of the 847.

9.2 In 13 cases a clarification was requested. In cases such as these the clock is stopped until we received the clarification. In 19 cases we requested an extension, therefore we would not be within the 20-working day deadline, but have communicated this with the requestor.

9.3 Unfortunately, this brings us just under the ICO target of 90%. The Governance Risk and Assurance manager will work with the information Governance officer to improve the response rate within the 20-working day deadline, however it is noted that those responded to outside of the 20 day deadline was higher in Q1 of 24/25 and has improved since then.

## 10. % change in FOI requests received when compared with the previous year

10.1 The percentage change in the total number of FOI requests received compared with the total number received in the previous year – this indicator gives an indication of workload. This KPI is reported annually.

Period	KPI data
Annual 2024/25	The council received 19.2% less requests than the previous year.

## 11. % FOI requests responded to within timescale

11.1 The number of FOI requests responded to within the 20 day timescale set within the FOI and EIR legislation, expressed as a percentage of total FOI requests received. This KPI is reported quarterly.

Period	Target	Actual
Q1 2024/25	90%	81.9%
Q2 2024/25	90%	90.2%
Q3 2024/25	90%	88.8%
Q4 2024/25	90%	91.5%

**12. ICO compliance statistics**

Period	Q1	Q2	Q3	Q4
The number of requests received during the period	243	205	153	246
The number of the received requests that have not yet been processed	0	0	0	7
The number of the received requests that were processed in full within the statutory deadline	199	185	136	225
The number of the received requests that were processed in full where the deadline was extended (within the legislation)	4	1	9	5
The number of the received requests where the processing took longer than the statutory deadline	44	20	17	21
The number of requests where the information was granted in full	218	194	148	222
The number of requests where the information was refused in full	14	0	1	0
The number of requests where the information was granted in part and refused in part	0	0	0	1
The number of requests received that have been referred for internal review	3	1	0	7

**Report author:**

Victoria Bishop, Governance Risk and Assurance Manager,  
[Victoria.bishop@cheltenham.gov.uk](mailto:Victoria.bishop@cheltenham.gov.uk)

**Appendices:**

- i. Risk Assessment

**Background information:**

- All disclosure logs have now been updated and can be found on the website here - [Disclosure log \(FOI\) | Data protection and freedom of information | Cheltenham Borough Council](#). The disclosure log does not hold personal information, however it does show what kind of requests we get and what the responses were.

**Appendix 1: Risk Assessment**

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1	If the exemptions are not utilised correctly it may lead to information being inadvertently published in the public domain, which could lead to reputational damage	Victoria Bishop	3	2	5	Reduce	Information Governance officer has been on training which included information about exemptions and monitors the exempts used by officers	Victoria Bishop	Page 47
2	If there is poor request handling it may result in ICO Interventions and ICO decision notices being issued, which could lead to reputational damage	Victoria Bishop	4	2	6	Reduce	Requests are now handled in our online platform, this has presented some initial issues but long term should reduce the risk. In addition, we have clear internal review processes and escalation process for officers not responding.	Victoria Bishop	

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
3	If personal information is not correctly redacted it may lead to a data incident	Victoria Bishop	4	3	12	Reduce	This risk is currently higher as we have had some internal reviews relating to redactions, as such we are looking at what further training we are providing to officers. This risk is somewhat mitigated by the information governance officer checking redactions where possible.	Victoria Bishop	Page 48



## **Cheltenham Borough Council**

### **Audit, Governance and Compliance Committee**

**09 July 2025**

## **Annual Governance Statement and Local Code of Corporate Governance**

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**Accountable member:**

Councillor Rowena Hay, Leader of the Council

**Accountable officer:**

Claire Hughes, Director of Governance, Housing and Communities (Monitoring Officer)

**Ward(s) affected:**

All

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**Key Decision:** No

**Executive summary:**

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. This includes a statutory duty to prepare an Annual Governance Statement as part of the Statement of Accounts.

In preparing the Annual Governance Statement, the council should seek to assess itself against its Local Code of Corporate Governance. This report brings forward to members the draft Annual Governance Statement is for the period 1 April 2024 to 31 March 2025 and the Local Code of Governance for 2025.

**Recommendations: That the Audit, Compliance and Governance Committee:**

- 1. approves the draft 2024/25 Annual Governance Statement and**

## **2. approves the 2025 Local Code of Corporate Governance.**

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### **1. Implications**

#### **1.1 Financial, Property and Asset implications**

There are no financial or property implications associated with this report.

A copy of the draft Annual Governance Statement has been published with the draft accounts and a final version will be published as part of the final accounts in due course.

**Signed off by:** Gemma Bell, Director of Finance and Assets  
[gemma.bell@cheltenham.gov.uk](mailto:gemma.bell@cheltenham.gov.uk)

#### **1.2 Legal implications**

The Accounts and Audit Regulations 2015 6 (1) (a) requires the Council to conduct an annual review of the effectiveness of the system of internal control, and (b) to prepare an Annual Governance Statement.

**Signed off by:** Claire Hughes, Director of Governance, Housing Communities (Monitoring Officer)

#### **1.3 Environmental and climate change implications**

There are no environmental or climate change implications arising from this report

**Signed off by:** Claire Hughes, Director of Governance, Housing Communities (Monitoring Officer)

#### **1.4 Corporate Plan Priorities**

This report contributes to the following Corporate Plan Priorities:

- Being a more modern, efficient and financially sustainable council

#### **1.5 Equality, Diversity and Inclusion Implications**

An equality impact assessment is not required for this report.

#### **1.6 Performance management – monitoring and review**

Performance against the actions identified in the Annual Governance Statement will be monitored by the Corporate Governance Group and reported to the Audit, Governance and Compliance Committee.

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## 2 Background

- 2.1 Cheltenham Borough Council is committed to the principles of good corporate governance and confirms its ongoing commitment and intentions through the development, adoption, monitoring and maintenance of its Local Code of Corporate Governance. The Council recognises that achieving high standards of corporate governance encourages stakeholders to have confidence in us and allows the Council to undertake its community leadership role.
- 2.2 In April 2021 the Council adopted the Local Code of Corporate Governance which was based upon the CIPFA/SOLACE publication entitled *“Delivering Good Governance in Local Government; Framework 2016 Edition”*. This Local Code was reviewed in April 2024 and was used as the basis for developing the draft AGS for the period 1 April 2024 to 31 March 2025 (Appendix 2).
- 2.3 In preparing the draft AGS for 2024/25 the following areas have been identified as areas of focus for the financial year 2025/26
- Safeguarding
  - Partnership Register
  - Commissioned Services Assurance
  - Housing Compliance
- 2.4 Each of these areas are set out in more detail in section 7 of the AGS and progress against them will be monitored by the Corporate Governance Group and reported to the Audit, Compliance and Governance Committee.
- 2.5 To ensure that the Council continues to operate in a robust governance framework and to meet the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 (England) which requires the authority to conduct a review at least once a year on the effectiveness of its system of internal control a further review of the Local Code of Corporate Governance has been completed and the 2025 version is attached at Appendix 3 for approval.

## 3 Reasons for recommendations

- 3.1 Both the Local Code of Corporate Governance and the Annual Governance Statement demonstrate the Councils compliance with the Accounts and Audit Regulations 2015 as well as its commitment to good governance.
- 3.2 Once finalised the AGS will form part of the Annual Statement of Accounts.

## 4 Alternative options considered

- 4.1 None

## **5 Consultation and feedback**

5.1 Both documents have been considered by the Leadership Team and Internal Audit.

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### **Report author:**

Lucy Cater, Assistant Direct, SWAP Internal Audit Services

### **Appendices:**

- i. Risk Assessment
- ii. Draft Annual Governance Statement 2024-25
- iii. Local Code of Corporate Governance 2025

### **Background information:**

None

**Appendix 1: Risk Assessment**

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1.	If the Council fails to conduct an effective review of its governance arrangements there will be an increased risk of failing to maintain good conduct and ethical standards	Claire Hughes	4	2	8	Reduce	<p>Ensure certificates of assurance are collected from partner organisations and reviewed</p> <p>Ensure annual employee declaration process is completed</p> <p>Ensure directors and head of service statements of assurance are completed and collected</p> <p>Ensure effective audit recommendations are in place</p> <p>Ensure effective counter fraud arrangements are in place</p>	<p>Claire Hughes</p> <p>Claire Hughes</p> <p>Claire Hughes</p> <p>Paul Jones</p> <p>Paul Jones</p>	<p>Annually – complete by end of May</p> <p>Annually – complete by end of June</p> <p>Annually – complete by end of May</p> <p>Ongoing</p> <p>Ongoing</p>

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
2.	If the Council fails to prepare an Annual Governance Statement it will fail to comply with the statutory requirements putting the Council at risk of legal challenge	Claire Hughes	4	2	8	Reduce	Ensure that data from all of the above is used to inform the AGS	Claire Hughes	Annually



# Annual Governance Statement

## 2024/25

Cheltenham Borough Council (“the authority”) is responsible for ensuring that:

- Its business is conducted in accordance with the law and proper standards;
- Public money is safeguarded and properly accounted for
- Public money is used economically, efficiently and effectively; and
- There is a sound system of governance, incorporating the system of internal control and risk management

The authority has a Best Value 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 these responsibilities, the authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and including arrangements for the management of risk.

The authority has developed and approved a code of corporate governance, which is consistent with the core principles and sub-principles as set out in the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)” (‘the Framework’). This statement explains how the authority has complied with the code and also meets the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 (England) which requires the authority to conduct a review at least once a year on the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts.

In addition to this, CIPFA issued its “Statement on the Role of the Chief Finance Officer in Local Government (2015)”. The Annual Governance Statement (AGS) reflects compliance with that Statement for reporting purposes. The Executive Director Finance and Assets is the Statutory Section 151 Officer (S151 Officer) for Cheltenham Borough Council.

In February 2021 CIPFA published Bulletin 06, the Application of the Good Governance Framework 2020/21, which contains guidance concerning the impact of the continuing Covid-19 pandemic on governance in local government bodies and the requirements of the Delivering Good Governance in Local Government Framework 2016 CIPFA and Solace (the Framework). It also takes into account the introduction of the CIPFA Financial Management Code 2019 (FM Code) during 2020/21. This AGS has been prepared taking into account this latest guidance.

## **2. Purpose of Governance Framework**

The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled including activities through which it is held accountable by, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- Identify and prioritise the risks to the achievement of the authority’s policies, aims and objectives;
- Evaluate the likelihood of those risks occurring;
- Assess the impact should those risks occur; and
- Manage the risks efficiently, effectively and economically

The governance framework has been in place at the authority for the year ended 31 March 2025 and up to the date of approval of the Annual Statement of Accounts.



### 3. Governance Environment

The key elements of the authority's governance arrangements are outlined in the Local Code of Corporate Governance. The governance framework includes arrangements for:

- Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users;
- Reviewing the authority's vision and its implications for the authority's governance arrangements;
- Measuring the quality of services for users, ensuring that they are delivered in accordance with the authority's objectives and ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of the executive (Cabinet), non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication;
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff;
- Reviewing and updating Financial Rules, Contract Rules, Constitution, Scheme of Delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;
- Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained;
- Ensuring the authority's financial management arrangements meet the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015)*;
- Undertaking the core functions of an Audit Committee, as identified in *CIPFA's Audit Committees: Practical Guidance for Local Authorities*;
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- Whistleblowing referrals and for receiving and investigating complaints from the public;
- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by the appropriate training;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation; and
- Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the authority's overall governance arrangements.

## 4. Principles Framework

The main areas of the authority's governance framework and the assurance on compliance are set out over the next pages under the headings of the core principles and sub-principles from the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016).

Governance Principle	Sub-Principle	Assurance on Compliance
<b>Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>	<b>Behaving with integrity</b>	<ul style="list-style-type: none"> <li>• The political and executive leadership sets the tone for CBC and ensures that the required policies are put into place and monitored.</li> <li>• The Council's Constitution sets out how decisions are made and the procedures that are followed to ensure these are efficient, transparent and accountable to local people.</li> <li>• Statutory Officers' responsibilities are defined in the Constitution and are employed in accordance with statutory guidance.</li> <li>• The Employee Code of Conduct (updated September 2024) forms part of the Constitution and sets out the behaviours expected of employees.</li> <li>• The Members' Code of Conduct forms part of the Constitution sets out the standards of conduct expected by Members of the Council.</li> <li>• The Planning Code of Conduct and Probity in Licensing supplement the Members Code of Conduct and set out the standards of conduct expected from members dealing with planning and licensing matter</li> <li>• The Protocol for Member/Officer Relations is designed to guide Members and Officers of the Council their relations with one another to maintain the integrity of local government.</li> <li>• The standards committee (merged with the Audit, Compliance and Governance Committee as at March 2025) is in place to promote and maintain high standards of conduct and to assist Members and Co-opted Members to observe the Code of Conduct.</li> </ul>
	<b>Demonstrating strong commitment to ethical values</b>	<ul style="list-style-type: none"> <li>• In accordance with the Localism Act 2011 we have adopted a Code of Conduct for our Councillors that is in keeping with the general principles of public life and based upon the Local Government Association Model. All Councillors and co-opted Members undertake that they will observe the Code of Conduct.</li> <li>• All members keep their register of interests up to date. The registers are available for public viewing either at the Council Offices or via the website. Members are reminded bi-monthly of the need to keep their register of interests up to date</li> <li>• Members are required to declare relevant interests at meetings, and these are recorded in the minutes.</li> <li>• The Employee Code of Conduct provides guidance to our employees on the ethical framework within which we seek to conduct its activities; and on the processes that the Council uses to ensure compliance with the highest ethical standards. In addition, our values support the Nolan principles.</li> <li>• A register of gifts and hospitality is maintained for both Officers and Members. The officer register is monitored by the Corporate Governance Group.</li> </ul>

	<b>Respecting the rule of law</b>	<ul style="list-style-type: none"> <li>• The roles and responsibilities of Members and all holders of an office are set out in the authority's Constitution, specifically the member role profiles.</li> <li>• Codes of Conduct set out the standards of behaviour that are expected of our Councillors and Officers. Should these standards be breached, they will be dealt with, either through the standards process via the Audit, Compliance and Governance Committee or, in relation to Officers, action taken under our capability and/or disciplinary procedures.</li> <li>• The Whistleblowing Policy adopted by the Council ensures its effectiveness from a safeguarding perspective and to make it easier for staff to raise concerns about malpractice or illegal activity. The Policy contains clear guidance about how to report a concern, who to contact and sources of internal and external support. Communications on reporting whistleblowing concerns are issued to all staff at least annually.</li> <li>• Internal audit reviews are designed to ensure services are complying with internal and external policies and procedures and statutory legislation. Where non-compliance is identified, this is reported to management and to Members via the Audit, Compliance and Governance Committee. The Corporate Governance Group and Leadership Team review the list of audit actions on a quarterly basis.</li> <li>• CBC work with a Gloucestershire wide Counter Fraud and Enforcement Unit to help prevent and detect fraud and corrupt practices, including abuse of position. The service reports to the Audit, Compliance and Governance Committee twice a year and to the Cabinet Housing Committee annually specifically on housing related fraud. We also have a dedicated anti-fraud and corruption policy.</li> </ul>
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Governance Principle	Sub-Principle	Assurance on Compliance
<b>Principle B - Ensuring openness and comprehensive stakeholder engagement</b>	<b>Openness</b>	<ul style="list-style-type: none"> <li>• The annual accounts are published in a timely manner and in accordance with specified timescales so that the financial position and performance of the authority is open to public scrutiny.</li> <li>• Committee meetings, agendas and minutes are published in accordance with the Forward Plan and publication of agendas is done in accordance with the Local Government Act 1972.</li> <li>• Council, Cabinet and Committee reports clearly outline their purpose, so the public can understand what the decision is aiming to achieve.</li> <li>• Council, Cabinet and Committee reports address financial, legal, equalities, risk and sustainability implications to allow public scrutiny and aid Members in their decisions making.</li> <li>• All public meetings that take place in the council chamber are webcast live to the council's YouTube channel. All recordings are available to view for a period of 4 years from the date of the meeting.</li> <li>• Members and the public are able to ask questions at Council, Cabinet, Housing Cabinet Committee</li> </ul>

		<p>and the Overview and Scrutiny Committee. Processes are in place which facilitate public participation at Audit, Licensing and Planning Committee meetings. All meetings are held in public unless exempt business is under discussion.</p> <ul style="list-style-type: none"> <li>• CBCs petition scheme makes provision for the submission of petitions</li> <li>• Overview and Scrutiny committee promotes open and transparent decision-making, democratic accountability and holds the Cabinet to account for its decisions. In 2025 the committee will welcome two independent co-opted members.</li> <li>• Officer and individual Portfolio Holder decisions are published on our website</li> <li>• Transparency data is published on the website and includes supplier payments, senior management structure charts, annual pay policy statement, and our gender pay gap report for the previous financial year. Where data is not available in the published data sets, instructions are available on how to make a Freedom of Information Request and the procedure that will be followed to answer the request.</li> </ul>
	<p><b>Engaging comprehensively with institutional stakeholders</b></p>	<ul style="list-style-type: none"> <li>• We engage with large numbers of stakeholders through forums such as Leadership Gloucestershire, Southwest Councils and the Local Government Association.</li> <li>• We have a comprehensive engagement system with statutory stakeholders such as the NHS, Gloucestershire County Council and the Gloucestershire Police.</li> <li>• We are members of the District Councils' Network (DCN) a cross-party member led network of councils.</li> <li>• We engage with further subject based stakeholders particularly around economic development such as the Cheltenham BID, The Cheltenham Economic Advisory Board, The Cheltenham Culture Board and our partners in the Golden Valley Project. We hold a statutory responsibility around the duties of the Community Safety Partnership, made up of both statutory agencies and co-operating bodies within the borough and the county (known as the 'responsible authorities')</li> <li>• As part of the budget setting process consultation takes place through the authority's website and by attendance at meetings of the parish councils and business community by the Deputy Chief Executive and Cabinet Member Finance / Leader of the Council.</li> <li>• Engagement with staff happens in a number of ways; whole authority staff sessions, directorate team meetings, monthly managers meetings and one-to-one meetings</li> <li>• We have an active C5 group that regularly brings together the five parish councils of Cheltenham to discuss shared issues, opportunities and challenges.</li> </ul>

	<b>Engaging with individual citizens and service users effectively</b>	<ul style="list-style-type: none"> <li>Local focus and community group engagement are undertaken by our communities and partnership team and community investment officers with wider engagement taking place across our service areas.</li> <li>Our Solace Partnership comprising of Cheltenham Borough Council, Gloucester City Council and Gloucestershire Constabulary come together with communities to prevent, investigate and tackle anti-social behaviour (ASB) in Cheltenham and Gloucester.</li> <li>The Communications team and our Marketing Cheltenham Team ensure that specific matters are placed in the media and engage with the media over enquiries on specific matters.</li> <li>Engagement and consultation with the public is undertaken through public meetings, surveys and other mechanisms as required throughout the year or around specific topics.</li> <li>Surveys of our tenants are carried out monthly by Accuity and reported to the Cabinet Housing Committee. The results also inform our Tenant Satisfaction Measures submission.</li> <li>Our Tenant and Leaseholder panels provide forums for actively sharing and housing related information and for receiving input into the delivery of our services.</li> <li>A Statement on Community Involvement is approved which sets out the opportunities by which the public and organisations can engage with the planning system, including the procedures and methods used to consult on planning applications.</li> <li>Our resident survey provides an opportunity for residents to feed back on the services we provide.</li> <li>Planning has a particular focus on engagement with statutory consultation forming part of each planning proposal.</li> <li>We have a customer feedback policy and process which enables residents to provide feedback, to raise complaints or provide us with a compliment.</li> <li>We have a detailed housing complaints process for anyone wishing to raise a complaint in relation to housing services.</li> </ul>
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Governance Principle	Sub-Principle	Assurance on Compliance
<b>Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits</b>	<b>Defining outcomes</b>	<ul style="list-style-type: none"> <li>Our Corporate Plan sets out CBC's purpose, principles and priorities for the future, developed to make the biggest difference to Cheltenham's communities, businesses and residents, in line with Cheltenham's place vision.</li> <li>The Borough has a statutory development plan in place made up of the Gloucester, Cheltenham and Tewkesbury Joint Strategic Plan (adopted 2017) and The Cheltenham Plan (adopted 2020), together these plans make provision for the long term growth of our area delivering sustainable, social and environmental benefits across the Borough up to 2031.</li> </ul>

		<ul style="list-style-type: none"> <li>The Local Development Scheme, which sets out the key milestones for the preparation of its statutory development plan, as required by the Planning and Compulsory Purchase Act 2004 (as amended) has been updated and was adopted by Cabinet in February 2025.</li> </ul>
	<b>Sustainable economic, social and environmental benefits</b>	<ul style="list-style-type: none"> <li>Our pathway to Net Zero sets out our aims to achieving our target of CBC and Cheltenham becoming carbon neutral.</li> <li>We actively monitor our progress against this pathway and publish our key achievements. We also report our scope 1, 2 and 3 emissions.</li> <li>CBC have developed an award winning environmental impact assessment tool which ensures that the environmental impacts of all new projects and policies are properly assessed. The result of the assessment is captured within decision making reports to facilitate informed decision making.</li> <li>We are committed to social value and how we can drive this through our own procurement, decision-making and project delivery. Our Golden Valley Social Value Strategy 2024 sets out how we will integrate social value into every stage of the development.</li> </ul>

Governance Principle	Sub-Principle	Assurance on Compliance
<b>Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes</b>	<b>Determining interventions</b>	<ul style="list-style-type: none"> <li>A mixed economy approach to service delivery is in place to deliver the priority outcomes of Members.</li> <li>To operate within a more constrained financial cost base CBC has over a number of years created a number of new organisations to deliver services once provided in house.</li> <li>Each partner service is assigned a client officer who undertakes frequent and direct liaison with the service provider and monitors the contract performance and delivery.</li> <li>A member of the Leadership Team holds accountability for these services and provides the strategic guidance and support to the client officers.</li> <li>The Leadership Team and client officers keep relevant Cabinet members apprised of commissioned service performance as well as Cabinet Members being engaged directly in performance meetings with commissioned service providers.</li> <li>In 2024 the council commissioned Local Partnerships to undertake a review of its commissioned services and the assurance process surrounding it. The keys findings were accepted by the council and have been adopted or are within the AGS action plan for the forthcoming year.</li> <li>The council has demonstrated that where commissioned services or outsourced services are no longer best delivered externally it will intervene and bring services back in house, as evidenced by services returned from Publica and in July 2024 its Housing Services from Cheltenham Borough Homes</li> <li>Regular Peer Reviews are undertaken for quality assurance with the most recent being in July 2023 with a follow up in March 2024.</li> </ul>

		<ul style="list-style-type: none"> <li>• CBC have an Overview and Scrutiny Committee whose role it is to deliver measurable outcomes which benefit the effectiveness of the Authority and the community.</li> </ul>
	<b>Planning interventions</b>	<ul style="list-style-type: none"> <li>• Performance, audit, risk, finance information and contract management are used to identify areas of concern and plan required interventions.</li> <li>• Corporate risks are considered by the Leadership Team on a monthly basis.</li> <li>• Operational risks are monitored and managed at Manager level.</li> <li>• Any strategic risks scoring 16 or more are escalated to the corporate risk register discussed by the Leadership Team and considered by members of the Cabinet and the Audit, Compliance and Governance Committee. Housing strategic risks are also considered by the Cabinet Housing Committee.</li> <li>• Our Leadership Team has strategic oversight of major issues affecting the Council with a well-developed forward plan.</li> <li>• Budget monitoring is designed to capture and incorporate internal &amp; external factors and to enable the authority to respond appropriately.</li> </ul>
	<b>Optimising achievement of intended outcomes</b>	<ul style="list-style-type: none"> <li>• We continue to work on achieving the aims of our commercial strategy that sets out the authority's ambition to be an enterprising and commercially focused authority.</li> <li>• CBC's approach to drive down the Council's net costs and increase income via a commercial mind-set with the aim to hold down council tax as far as possible, now and in the longer term helps the Authority protect frontline services.</li> <li>• Following the refresh of the Corporate Plan for 2023-2027, the drive towards financial sustainability includes the review and re-alignment of our resources to ensure the key priorities are able to be delivered over this period. Reflecting our continued development as a council, and the transition of housing services back in house we are refreshing our corporate plan and have re-evaluated our structures.</li> <li>• CBC's Capital Strategy 2025 to 2026, Investment Strategy 2025 to 2026 and Treasury Management Strategy 2025 to 2026 were refreshed and approved by full council in February/March 2025.</li> <li>• The authority's budgets are prepared annually in accordance with objectives, strategies and the MTFS is finalised following consultation with Members, customers, stakeholders and officers.</li> <li>• Financial stewardship in respect of both capital and revenue proposals is reviewed and challenged by the Budget Scrutiny Working Group and considered regularly by the Leadership Team.</li> <li>• The MTFS is a live document and is updated as necessary, to respond to the changing environment and in such circumstances would be discussed by the Leadership Team to determine any necessary mitigating actions that would then be discussed with the Cabinet.</li> </ul>

Governance Principle	Sub-Principle	Assurance on Compliance
<b>Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it</b>	<b>Developing the entity's capacity</b>	<ul style="list-style-type: none"> <li>• The Chief Executive is responsible for the organisation of the staff.</li> <li>• Leadership and Management is delivered through the Leadership Team consisting of the Chief Executive, Deputy Chief Executive and Directors to ensure proper oversight of the whole business. The Leadership Team meet every other week and have leadership / manager briefing on a monthly basis. In addition, the statutory officers meeting fortnightly and the housing leadership team monthly. These meetings sit alongside departmental management team meetings. Monthly all staff webinars are in place and are utilised not only for knowledge sharing but as a development opportunity on a wide range of topics e.g. change management.</li> <li>• 1:1 conversations are held with our people about performance and development and our performance policy is invoked when required During 2024/25 we continued to work on our organisational review to ensure our resources are structured to deliver our corporate plan and reflect our changing organisation, noting specifically that our workforce almost doubled in size with the return of housing services from Cheltenham Borough Homes in July 2024.</li> </ul>
	<b>Developing the capability of the entity's leadership and other individuals</b>	<ul style="list-style-type: none"> <li>• We have a programme of training available for both Councillors and Officers at all levels.</li> <li>• All new employees take part in an induction programme and ongoing staff development needs are identified through our system of 1:1 meetings</li> <li>• There is mandatory compliance training for all staff and members on key items and policies via our Learning Management System and this includes training on Equality, Diversity and Inclusion.</li> <li>• Professional members of staff are required to undertake additional training requirements (continuing professional development) as set by their professional bodies.</li> <li>• We continue to run a range of leadership programmes for our people designed to give them behaviours and skills for the future. In addition, we support the employment of graduates and apprentices We offer mentoring and coaching both internally and where appropriate via external providers and are actively preparing for the implementation of the Housing Regulators Competency and Conduct Standard.</li> <li>• All new Members undertake a comprehensive Members induction programme that is delivered after each borough election</li> <li>• New Members are matched with a senior officer under a "buddy" system to provide practical support as they develop into their roles.</li> <li>• Training is provided for Members on an ongoing basis as appropriate and necessary. Members on certain committees (e.g. Planning and Licensing) are required to undertake initial and ongoing "top up" training in order to take their place on the committee.</li> <li>• In 2023 the Council established a member development to provide oversight to member induction and development. Subsequently a member development strategy was adopted in December 2024</li> </ul>



		<p>and applied for member development charter status with southwest councils which we successfully gained in May 2025.</p> <ul style="list-style-type: none"> <li>The authority is a member of the Local Government Association who provide individual mentoring and support to Members and officers as necessary or requested.</li> </ul>
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Governance Principle	Sub-Principle	Assurance on Compliance
<b>Principle F - Managing risks and performance through robust internal control and strong public financial management</b>	<b>Managing risk</b>	<ul style="list-style-type: none"> <li>Our Risk Management Policy are in place and subject to regular review. Our risk maturity assessment assed us at Level 3. Work continues to develop in this area with a view to working towards Level 4.</li> <li>Officers are required to maintain the CBC Service / Operational Risk Registers. The Leadership Team and Informal Cabinet reviews the corporate risk register on a monthly basis, the Audit, Compliance and Governance Committee on a quarterly basis and cabinet twice yearly. In addition Housing strategic risks are considered by the Compliance Monitoring Group monthly, the Housing Leadership Team quarterly and the Cabinet Housing Committee twice yearly.</li> <li>Any strategic level risks that score 16 or above are incorporated in the corporate risk register.</li> <li>The Audit, Compliance and Governance Committee reviews and approves the Risk Management Policy on a regular basis. Risks are identified when undertaking Internal Audit reviews and reported when necessary.</li> <li>A risk-based Audit Plan is drafted annually following consultation with Officers, Members and the Deputy Chief Executive. The Audit Plan is approved at Audit, Compliance and Governance Committee prior to the financial year.</li> </ul>
	<b>Managing performance</b>	<ul style="list-style-type: none"> <li>Organisational performance against the authority's corporate plan objectives is reviewed by the Leadership Team to ensure key programmes of work remain on track to achieve CBC goals and objectives.</li> <li>Principal performance KPI's and targets are being developed throughout the organisation and reported to Leadership Team Quarterly and Cabinet yearly</li> <li>Individual programmes and projects have their own targets and performance expectations and are reported via the programme/project boards as required.</li> <li>Programmes and Projects are tracked through and reported to the Leadership Team.</li> <li>In Housing Services compliance performance is monitored monthly by the Compliance Monitoring Group and Housing Leadership Team and quarterly by the Cabinet Housing Committee. The Committee also receives quarterly reports on complaints and performance and 6 monthly reports on Tenant Satisfaction Measures.</li> </ul>

	<b>Robust internal control</b>	<ul style="list-style-type: none"> <li>• CBC corporate governance group meets on a quarterly basis, chaired by the Chief Executive and its attendees are the other statutory officers, internal audit, counter fraud, risk management and Human Resources.</li> <li>• Assurance is gained through regular internal audits and reporting.</li> <li>• External Audit recommendations are reported to Audit, Compliance and Governance Committee following the completion of their annual audit process with follow-ups of recommendations also reported. Any recommendations are incorporated into the planning for the next years Audit.</li> <li>• Internal Audit is delivered through SWAP Internal Audit Services (SWAP) and processes ensure compliance with Public Sector Internal Auditing Standards.</li> <li>• Internal Audit agreed actions are followed up and reported to Audit, Compliance and Governance Committee with further follow up being reported where agreed actions have not been implemented in full.</li> <li>• Copies of all Internal Audit reports are provided to the Deputy Chief Executive and / or Monitoring Officer who ensures that other relevant Directors and Officers are made aware of any significant issues or recommendations.</li> <li>• Audit reports, once completed are discussed with the service manager. Executive summaries, including findings, and progress on the Annual Plan are reported to Audit, Compliance and Governance Committee, on a quarterly basis.</li> <li>• Agreed Actions made in audit reports are followed up one month after the agreed target implementation date. High priority agreed actions are reported to Audit, Compliance and Governance Committee with quarterly updates on progress.</li> <li>• A Counter Fraud and Enforcement Unit supports all the Gloucestershire Local Authorities, West Oxfordshire District Council and other third parties. Where investigations identify possible improvements to the internal control framework, the Counter Fraud and Enforcement Unit will liaise with the Internal Audit Team to ensure the improvements are followed up and implemented by Management.</li> </ul>
	<b>Managing data</b>	<ul style="list-style-type: none"> <li>• Our Data Protection Policy provides a framework for all other Information security and Information Management Policies all of which are available to all data users on the Councils intranet.</li> <li>• These policies also provide the responsibilities and accountabilities for the roles of the Data Protection Officer, Senior Information Risk Officer (SIRO) and the Single Point of Contact (SPoC).</li> <li>• All officers and Councillors are required to undertake mandatory e-Learning training on information governance.</li> <li>• The importance of reporting breaches of Data Protection legislation is well publicised and individual officers are welcomed when they come forward to report incidents.</li> <li>• The authority is part of the Gloucestershire Information Sharing Partnership. This will enable data to be shared when necessary.</li> </ul>

		<ul style="list-style-type: none"> <li>Audit reviews ensure data is held securely whether electronic or hard-copy.</li> </ul>
	<b>Strong public financial management</b>	<ul style="list-style-type: none"> <li>The Finance Strategy sets the overall direction for how we will fund our activities and invest in the future.</li> <li>We have a budget setting process with the Budget and Medium Term Financial Plan decided annually by Council.</li> <li>We have in place a statutory Section 151 Officer with finance teams that support the budget holders.</li> <li>The MTFS is reviewed and updated on a regular basis so that Members and the Leadership Team are aware of the financial standing of the authority in terms of delivering against cost reduction or revenue raising targets.</li> <li>Performance against budget is reported to Cabinet and any significant variances explained.</li> <li>Financial Procedure Rules and Contract Procedure Rules are in place.</li> <li>The Statement of Accounts is produced and published annually in accordance with statutory legislation.</li> <li>The Treasury Management Panel, Asset Management Working Group and Budget Support Working Group all provide valuable input into the development of the councils overall financial position.</li> <li>Aligned with the accounts the production of this Annual Governance Statement that identifies how the authority has met its governance reporting obligations.</li> </ul>

Governance Principle	Sub-Principle	Assurance on Compliance
<b>Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>	<b>Implementing good practice in transparency</b>	<ul style="list-style-type: none"> <li>Agendas for all Council meetings are publicly available on website and meetings are accessible on YouTube and promoted via social media.</li> <li>Performance monitoring reports considered by Overview and Scrutiny are published on the authority's website in accordance with publication standards and guidelines.</li> <li>Data in respect of transparency is published on the authority's website.</li> <li>We have a Whistleblowing Policy in place.</li> </ul>
	<b>Implementing good practices in reporting</b>	<ul style="list-style-type: none"> <li>We have in place comprehensive procedures for the making of decisions, either by Full Council, Committee, Cabinet or individual decisions made by Directors and Cabinet Members.</li> <li>All reports are taken through Democratic Services and require clearance by Legal, Finance, HR and Property/Assets and risk and environmental implications for every report are identified.</li> <li>Reports for Council, Committees and Cabinet business and minutes of these meetings are available on our website, save for reports which contain information that is exempt from publication.</li> </ul>

	<b>Assurance and effective accountability</b>	<ul style="list-style-type: none"> <li>• The Constitution sets out the executive arrangements and the roles and responsibilities of the Leader of the Cabinet, the Cabinet and each of the Portfolio Holders individually and the roles and responsibilities of other Council Members.</li> <li>• The Constitution sets out the functions of Council, Cabinet and the various committees.</li> <li>• We have an effective Overview and Scrutiny function whose responsibilities are also set out in the Constitution.</li> <li>• The principal roles and responsibilities of the Chief Executive and senior officers, including the Chief Financial Officer (Section 151 Officer) and the Monitoring Officer, are also set out in the Constitution.</li> <li>• Internal Audit processes ensure compliance with Public Sector Internal Auditing Standards. Internal Audit agreed actions are followed-up and reported to Audit Committee, further follow-up is planned if agreed actions have not been implemented in full.</li> </ul>
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## 5. Review of Effectiveness

The authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers, the annual opinion from the Head of Internal Audit, the officer Corporate Governance Groups and comments made by the external auditors, other review agencies and inspectorates.

The authority's process for maintaining and reviewing the effectiveness of the governance framework has included the following:

- Directors and Heads of Service complete an Annual Assurance Statement at the end of each financial year. These governance declarations provide appropriate management assurance that key elements of the system of internal control are in place and are working effectively and help to identify areas for improvement.
- Annual Assurance Statements are also completed by Client Officers in respect of external service providers, The Cheltenham Trust, One Legal, Publica, Ubico, SWAP and CFEU.
- Where the assurance review highlights elements that do not fully or partially meet the systems of internal control then the Directors and Client officers explain what action needs to be taken within an agreed timeframe.
- Leadership Team review the Corporate Risk Register on a monthly basis and service risk registers are managed by each manager.
- The SWAP Assistant Director (Head of Internal Audit) provides the Audit, Compliance and Governance Committee, as the Committee charged with governance, with an Annual Opinion on the control environment of the authority, which includes its governance arrangements.
- Investigation of, and decisions on, allegations of failure to comply with Members Code of Conduct are considered and determined through processes involving the Monitoring Officer/Independent Person(s) as set out in the Constitution.
- The Deputy Chief Executive ensures training and awareness sessions are carried out for the Audit, Compliance and Governance Committee periodically.
- The External Auditors present progress reports to the Audit, Compliance and Governance Committee. The Chief Executive and Deputy Chief Executive attend audit liaison meetings with the external auditors on a regular basis.
- The External Auditor's Annual Audit Letter and follow-up of management responses to issues raised in the Letter or other reports are overseen by the Audit, Compliance and Governance Committee.
- Performance with regard to achievement of corporate priorities, budgets and risk are reported and monitored as outlined in this statement.
- The Audit, Compliance and Governance Committee review the Annual Governance Statement.
- The Audit, Compliance and Governance Committee review the Annual Statement of Accounts and reports from both Internal Audit (SWAP) and External Audit, including quarterly progress reports.
- Council approves the annual budget, reviews and approves the Treasury Management Strategy.
- Internal Audit monitors the quality and effectiveness of systems of internal control. Audit reports include an opinion that provides management with an independent judgement on the adequacy and effectiveness of internal controls. Reports including agreed actions for improvement are detailed in an action plan agreed with the relevant Director/Service Manager.
- In 2024 Local Partnerships were commissioned to undertake a review of our approach to assurance around our commissioned services.
- The council has also completed a self assessment against the Local Governance improvement and assurance framework developed by the LGA.

Audit statement – 'On the balance of our 2024/25 audit work for Cheltenham Borough Council, enhanced by the work of external agencies, I am able to offer a XXXXXX Assurance opinion in respect of the areas reviewed during the year.'

## 6. Governance Issues During 2023/24

In preparing the 2023/24 statement and reviewing the effectiveness of the governance arrangements the governance issues listed below were identified. Updates as to the progress are included within the table:

No.	Key Area of Focus	Planned Actions	Update
1.	Transition of Cheltenham Borough Homes	<p>Ensure workstreams remain on track for transition to take place on 1 July</p> <p>Establish appropriate governance arrangements to facilitate the transition, including relevant updates to the Constitution</p> <p>Conduct a TUPE compliant transfer</p> <p>Ensure compliance with new Housing Regulations, reporting regularly to relevant committee/Cabinet</p>	<p>COMPLETED</p> <p>The transition of Cheltenham Borough Homes was successfully completed on 1 July 2024.</p> <p>New governance arrangements are in place, and we have developed a consumer standards improvement programme which reports regularly to the Cabinet Housing Committee</p> <p>The governance arrangements will be reviewed once they have been in operation for 12 months. Initial feedback received via external assurance processes is that the structure provides a sound basis for appropriate levels of assurance.</p>
2.	Strategic Procurement	Recruit a new strategic procurement manager with a view to undertaking a review of the Council's procurement activities to identify best practice, value for money and delivery of social value	<p>COMPLETED</p> <p>A strategic procurement manager was recruited and took up their post with effect from 1 September 2024.</p>

## 7. Governance Issues During 2024/25

In preparing the 2024/25 statement and reviewing the effectiveness of the governance arrangements the following areas have been identified as areas of focus for the next financial year:

No.	Key Area of Focus	Planned Actions
1.	Safeguarding	<p>Implement a new safeguarding policy which incorporates the council's extended role in the delivery of housing services.</p> <p>Roll out safeguarding training to all staff and elected members.</p>
2.	Partnership Register	<p>In response to the Value for Money review completed by external auditors Bishops Flemming create a partnership register which includes:</p> <ul style="list-style-type: none"> <li>• A central record of Council's partnership activity, including partnership governance arrangements</li> <li>• An assessment of partnership risks and subsequent mitigations through the inclusion of a partnership risk register.</li> <li>• Best practice information for officers in respect of partnership management</li> </ul>
3.	Commissioned Services Assurance	<p>In response to the Local Partnerships Review consider ways of strengthening the assurance process for commissioned services, including by further development of the annual assurance process and the client management role.</p>
4.	Housing Compliance	<p>Continue to develop the approach to property compliance reporting including:</p> <ul style="list-style-type: none"> <li>• Completing of a data validation exercise</li> <li>• Creating a compliance strategy</li> <li>• Updating compliance policies</li> <li>• Implementing a standardised performance framework</li> </ul>

## 8. Approval of Leader and Chief Executive

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit, Compliance and Governance Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

**Signed on behalf of Cheltenham Borough Council:**

**Rowena Hay**  
**Leader of the Council**

**Date: xxxx**

**Gareth Edmundson**  
**Chief Executive**

**Date: xxxx**





# Local Code of Corporate Governance

July 2025



**CHELTENHAM**  
BOROUGH COUNCIL



[www.cheltenham.gov.uk](http://www.cheltenham.gov.uk)



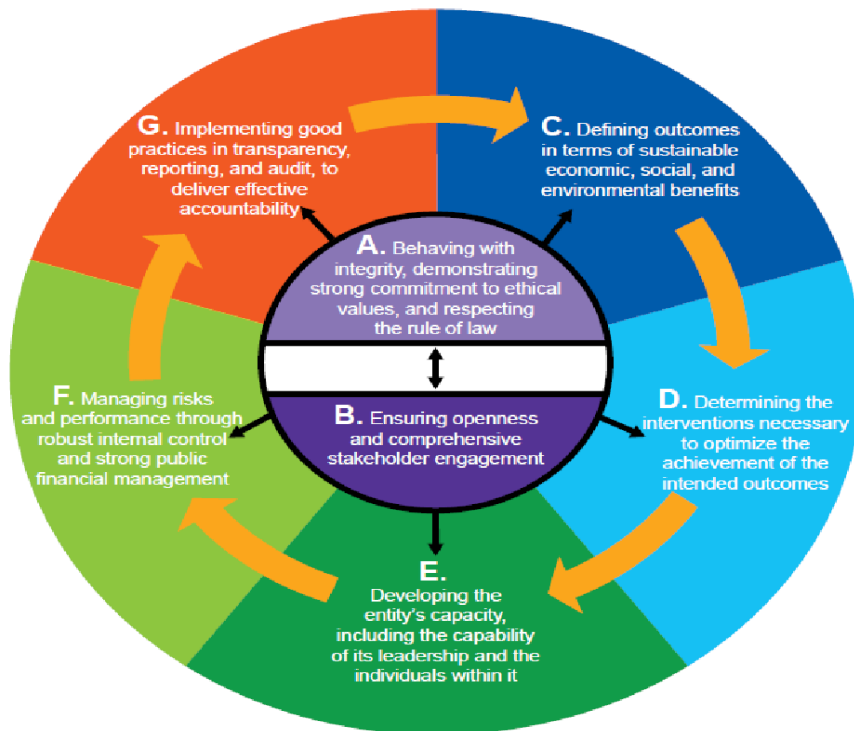


## Delivering Good Governance

- 1.1** The Delivering Good Governance in Local Government; Framework, published by CIPFA in association with SOLACE, sets the standard for local authority governance in the UK. The concept underpinning the framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:
- Resources are directed in accordance with agreed policy and according to priorities
  - There is sound and inclusive decision making
  - There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities
- 1.2** Governance is a term used to describe the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved.
- 1.3** Good governance enables the Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times.
- 1.4** The Delivering Good Governance in Local Government Framework, sets out seven core principles of governance as detailed in the diagram below. Cheltenham Borough Council is committed to these principles of good governance and confirms this through the adoption, monitoring and development of the document – The Council's Local Code of Corporate Governance.
- 1.5** Our Local Code is underpinned by the Delivering Good Governance in Local Government; Framework and is comprised of policies, procedures, behaviours and values by which the Council is controlled and governed. These key governance areas and how the Council provides assurance that is complying with these are set out in more detail within its Governance Assurance Framework.
- 1.6** The Council recognises that establishing and maintaining a culture of good governance is as important as putting in place a framework of policies and procedures. The Council expects members and officers to uphold the highest standards of conduct and behaviour and to act with openness, integrity and accountability in carrying out their duties.
- 1.7** This diagram illustrates how the various principles for good governance in the public sector relate to each other. Principles A and B permeate the implementation of Principles C to G.
- 1.8** Further information regarding each of the principles and the behaviours and actions that demonstrate good governance in practice are detailed below.



**Achieving the Intended Outcomes  
While Acting in the Public Interest at all Times**



## 2. Status

- 2.1** Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published Statement of Accounts. This is known as an Annual Governance Statement.
- 2.2** The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be prepared in accordance with proper practices in relation to accounts. Therefore, a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government; Framework (2016) and this section of the Code.

## 3. Monitoring and Review

- 3.1** The Council will monitor its governance arrangements for their effectiveness in practice and will report them on a continuing basis to ensure that they are up to date. The Council's Governance Assurance Framework sets out in more detail how the Council will seek assurance on its adherence to the adopted principles of governance.
- 3.2** On an annual basis, the Chief Executive and Leader of the Council will publish an Annual Governance Statement which will:
- Assess how the Council has complied with this Local Code of Corporate Governance
  - Provide an opinion on the effectiveness of the Council's arrangements
  - Provide details of how continual improvement in the systems of governance will be achieved.
- 3.3** The Audit, Compliance and Governance Committee considers the Annual Governance Statement before it is published as part of the Council's financial statements.



#### 4. Cheltenham Borough Council's Corporate Governance Principles

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

The Council fosters a culture of behaviour based on shared values, ethical principles and good conduct. It puts in place arrangements to ensure that Members and employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.

The Council does this by:

- Establishing and keeping under review:
  - a Member Code of Conduct;
  - a protocol governing Member/Officer relations;
  - protocols for members and officers dealing with licensing and/or planning matters;
  - a protocol for the attendance of officers and members at meetings of another public authority;
  - Employee Code of Conduct;
  - systems for reporting and dealing with any incidents of fraud and corruption;
  - Whistleblowing policy
- Appointing an Audit, Compliance and Governance Committee that has responsibility for promoting and monitoring the application of many of the above protocols;
- The Monitoring Officer, supported by independent persons, receiving and determining any complaints about an elected member (of the Borough or a Parish Council)

##### **B: Ensuring openness and comprehensive stakeholder engagement**

The Council engages with local people and other stakeholders by:

- Forming and maintaining relationships with the leaders of other organisations;
- Holding all Member decision-making meetings in public (except where information to be discussed is exempt);
- Live broadcasting its cabinet, committee and council meetings;
- Providing and supporting ways for citizens to present community concerns to the Full Council, Cabinet and Committee meetings, including procedures for raising public questions and presenting petitions;
- Carrying out public consultation on budget priorities, major service changes and projects as required;
- Conducting resident and business surveys;
- Promoting the use of community forums/panels on specific issues

##### **C: Defining outcomes in terms of sustainable economic, social and environmental benefits**

The Council's corporate priorities, set out what the Council hopes to achieve; on its own or in partnership with others. These priorities are supported by this Code as good governance should underpin all the work of the Council.

The Council's five key priorities are set out in the Corporate Plan 2025-2028, which was updated in July 2025:

- Key priority 1: Securing our future
- Key priority 2: Quality homes, safe and strong communities



- Key priority 3: Reducing carbon, achieving council net zero, creating biodiversity
- Key priority 4: Reducing inequalities, supporting better outcomes
- Key priority 5: Taking care of your money

These priorities are underpinned by a number of objectives and associated actions.

### **D: Determining the intervention necessary to optimise the achievement of the intended outcomes**

The Council has a Corporate Governance Group who provide strategic oversight of governance whilst seeking to continually enhance our three lines of defence. Their regular oversight facilitates key intervention as required.

The Leadership Team provides strategic leadership for the council, overseeing a working environment which supports the effective delivery of the corporate plan, maintains all necessary standards of compliance and good practice, and ensures the council is a great place to work.

The Strategic Housing Leadership Team provides strategic oversight to our housing services, supporting the delivery of the key elements of the corporate plan and Housing Revenue Account business plan as well as overseeing compliance with all statutory requirements.

The Council engages with the Local Government Association to share good practice and from time to time engages in a peer challenge process of functions.

Risk is managed by way of operational risk registers and a strategic risk register. The strategic risk register is reviewed at least quarterly by the corporate governance group, the leadership team and the Audit, Compliance and Governance Committee and every six months by Cabinet. In addition, the Strategic Housing Risk Register is considered by the Compliance Monitoring Group and Strategic Housing Leadership Team quarterly and the Cabinet Housing Committee every six months.

Performance management and service planning is linked to the Corporate Plan and includes appropriate KPIs on business performance. Key indicators are reported to the leadership team on a quarterly basis.

A robust system of budgetary control is in operation. Monthly budget monitoring is carried out between individual budget holders and the finance team. Any variances identified are recorded, monitored and reported on a quarterly basis to the Cabinet and Budget Scrutiny Working Group.

As part of the annual budget setting process through October to February, a revised budget is produced which formally reflects the variances in the base budget for the year for both the general fund and Housing Revenue Account. An annual outturn report on overall financial performance, including movement on usable reserves, is considered by Cabinet and Full Council each July.

### **E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.**

Ensuring the leadership team have clearly defined and distinctive leadership roles within a structure whereby the team lead in implementing strategy and managing the delivery of services.



Ensuring staff have access to a suitable induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged. Officers are supported in their development through the use of corporate training offered via a range of channels, including face to face and web-based delivery. We operate a number of apprenticeships and employee graduates. Where required as part of their job, officers are actively encouraged to fulfil their Continuing Professional Development requirements and budget is made available for this purpose. In addition, in our housing services we are actively working towards fulfilling the competency and conduct standard set out by the Housing Regulator in preparation from this becoming law.

Operations, performance and the use of assets are reviewed on a regular basis to ensure their continuing effectiveness.

To ensure that members have the skills to operate effectively the Council provides a detailed induction programme for all new members. This is supplemented with additional training throughout their term of office including:

- Running a range of training sessions on a variety of topics;
- A specific requirement for members of the planning and licensing committees to have attended training before determining any applications, together with a continuing requirement for planning committee members to attend at least 1 further training session per year;
- The use of bespoke external training as and when required.
- A dedicated members hub

The Council also has a member development group who have created a member development strategy which was approved by Full Council in December 2024. In May 2025 the Council achieved the South West Councils Councillor Development Charter Status.

### **F: Managing risks and performance through robust internal control and strong public financial management**

The Council explains and reports regularly on activities, performance and the Council's financial position, in terms of both the general fund and housing revenue account, through reports to Cabinet, Committees and Full Council. Timely, objective and understandable information about the Council's activities, achievements, performance and financial position is provided. This includes publication of:

- An annual budget proposal including reserves statement and Medium Term Financial Strategy
- Annual Capital, Investment and Treasury Management strategies
- Quarterly budget monitoring reports
- Annual Outturn Report
- Externally audited accounts including an Annual Governance Statement<sup>1</sup>.

The Council aims to ensure that it makes best use of resources and that tax payers and service users receive good value for money. The Council does this by:

- Delivering and enabling services to meet the needs of the local community, and putting in place processes to ensure that they operate effectively in practice;
- Developing effective relationships and partnerships with other public sector agencies and the private and voluntary sectors;

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<sup>1</sup> The Councils 2022/23 accounts were not audited and the 2023/24 accounts were subject to a light touch audit. Both sets of accounts have disclaimer opinions.



- Responding positively to the findings and recommendations of internal and external auditors and putting in place arrangements for the implementation of agreed actions and
- By conducting post implementation project reviews.
- Learning from complaints and feedback.

The Council ensures that:

- Its decision-making processes enable those making decisions to be provided with information that is relevant, timely and gives clear explanations of technical issues and their implications; and
- Appropriate legal, financial and other professional advice is considered as part of the decision-making process.

The Council operates a [risk management framework](#) (updated October 2024) that aids the achievement of its strategic and business outcomes and priorities, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations.

The Council ensures that the risk management framework:

- Enables officers to formally identify, evaluate and manage risks;
- Involves elected Members in the risk management process;
- Is applied to the Council's key business processes, including strategic planning, financial planning, policy-making and review, performance management and project management; and
- Is applied to the Council's significant partnerships and projects.

Allied to the risk management framework, the Council also develops and maintains plans for business continuity and emergency management.

The Strategic Risk Register is reviewed by the Leadership Team, the Corporate Governance Group and the Audit, Compliance and Governance Committee. In addition, the Strategic Housing Risk Register is considered by the Compliance Monitoring Group and Strategic Housing Leadership Team quarterly, and the Cabinet Housing Committee every six months. Individual projects are required to retain their own risk register with any high/red risks being escalated to Leadership Team. Elevated project or service risks are reviewed by the Leadership Team quarterly or more often if required.

The Council reviews and, if necessary, updates its risk management framework regularly, with the last update being approved by the Audit, Governance and Compliance Committee in October 2024. It also provides appropriate training and awareness-raising activity to ensure that risk management is embedded into the culture of the authority, with elected members and managers at all levels recognising that risk management is part of their jobs.

### **G: Implementing good practices in transparency, reporting and audit to deliver effective accountability**

The Council ensures that the necessary roles and responsibilities of those with responsibility for the governance of the Council are identified and allocated so that it is clear who is accountable for decisions that are made. The Council does this by:

- Agreeing the functions to be delegated to Cabinet, Individual Cabinet Members and Committees;
- Agreeing a scheme of delegated Council responsibilities to senior officers;



- Appointing Statutory Officers that have the skills, resources and support necessary to perform effectively in their roles and ensuring that these roles are properly understood throughout the authority;
- Appointing Committees to discharge the Council's regulatory and audit responsibilities;
- Ensuring that our partnerships have in place appropriate arrangements for:
  - all aspects of operational management;
  - ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control; and
  - ensuring that agreed procedures are followed and that all applicable statutes, regulations, procedure rules and other relevant statements of good practice are complied with.
- Publishing and reviewing, as necessary, a Constitution which includes:
  - schemes of delegation of both Council and Executive functions;
  - a Members' Allowances Scheme, developed taking into account the recommendations of the Independent Remuneration Panel; and
  - protocols governing Member/Officer Relations and the roles of members and officers in decision making

Developing a governing document for all key partnerships which sets out the roles and responsibilities of partnership members and details decision making procedures. The Council aims to be transparent about how decisions are taken and recorded. The Council does this by:

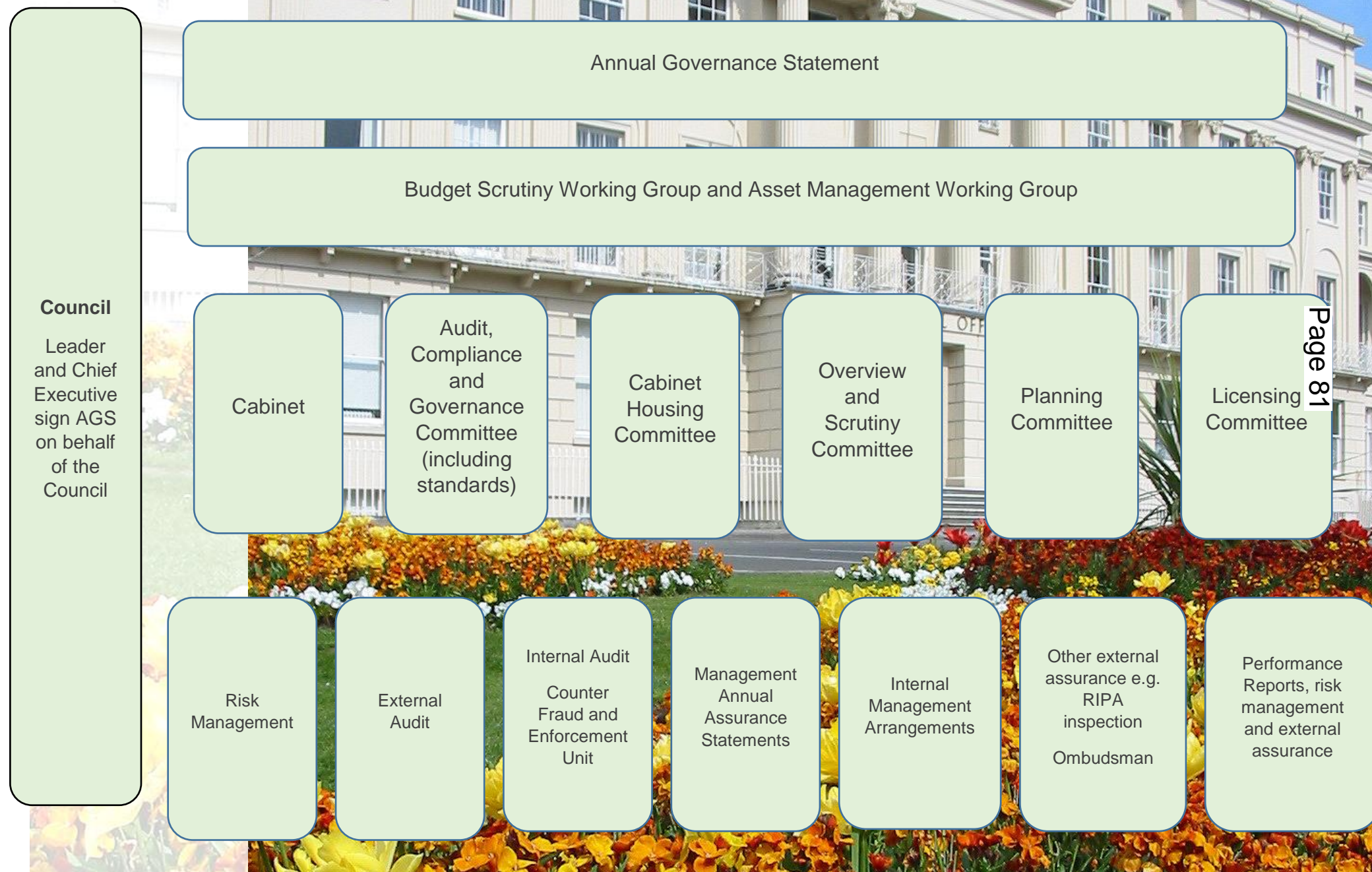
- The live broadcasting of Council, Cabinet and Committee meetings;
- Ensuring that cabinet, committee and council decisions are made in public and that information relating to those decisions is made available to the public (except where that information is exempt);
- Recording all decisions that are made by the cabinet, committees and making the details publicly available (except where that information is exempt);
- Recording key officer decisions and making the details publicly available (except where that information is exempt);
- Recording individual cabinet member decisions; and
- Having rules and procedures which govern how decisions are made.

The Council has put in place a range of arrangements to ensure that decision makers can be held to account, including:

- Establishing an effective Audit, Compliance and Governance Committee, to oversee the Council's corporate governance arrangements and ensure that they are operating effectively;
- Establishing an accessible system for dealing with customer complaints, and a separate system for dealing with complaints of misconduct against Councillors; and
- Establishing, reviewing and publicising a whistleblowing policy.



## Overview of Corporate Governance Assurance Framework



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<b>22 October</b>			
<b>1</b>	Audit Findings Report - ISA260 (for the previous year)	External auditor	
<b>2</b>	Audit progress report and sector updates	External auditor	carried over from May
<b>3</b>	External Audit Fee Letter (for previous year)	External auditor	carried over from May
<b>4</b>	Internal update on progress against external auditor recommendations	Paul Jones/Finance Team	
<b>5</b>	Internal audit monitoring report	Internal Audit	
<b>6</b>	Counter Fraud update and future work provision	Counter Fraud Unit	
<b>7</b>	Review of Risk Register	Victoria Bishop	
<b>8</b>	Statement of Accounts (previous year) (inc. letter of representation)	Finance Team	carried over from July
<b>9</b>	Auditing Standards – communicating with the Audit Committee	Paul Jones/Chair	carried over from July
<b>10</b>	2024-25 Audit, Compliance and Governance Annual Report to Council	Chair, Audit Committee	carried over from July

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