

Stratford-on-Avon District Council

Annual Governance Statement 2025/26

1. Scope of Responsibility

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

In discharging this overall responsibility, the Council must put in place proper arrangements for the governance of its affairs and facilitate the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has prepared this Annual Governance Statement (AGS) in accordance with the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, [2016 edition]. In doing so, the Council has had regard for seven key principles of good governance:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the Council's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

A formal review in relation to the Council's compliance against the CIPFA/SOLACE framework was reported to the Audit & Standards Committee on 23 November 2020. That review concluded that the Council had achieved significant progress and it was awarded a "substantial" opinion.

In March 2024 the Council participated in a LGA Corporate Peer Challenge. The findings of this review were positive and there was a follow up Progress Review in January 2025 that confirmed that all of the recommendations have been completed or progressed.

2. Joint Working with Warwick District Council and other councils

The authority continues to work collaboratively on several projects with Warwick including spatial planning, refuse collection together with shared arrangements, such as Legal Services and Information Governance.

Wychavon continue to undertake the recovery of excess charge notices for off-street parking and the County undertakes the internal audit function and provides payroll services.

3. Continuing international conflicts and other world events

There have been global, financial and humanitarian consequences that have led to additional support being requested from councils in regard to Homes for Ukraine Scheme. The continuing conflicts heightens the risk of financial uncertainty globally

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and directly for the Council in terms of inflation, investment returns, and increased demand for housing support.

4. Cyber threat

Organisations in the UK face a growing cyber threat landscape, with risks ranging from ransomware attacks and data breaches to sophisticated phishing campaigns and insider threats. Cybercriminals are increasingly targeting both public and private sector entities, exploiting vulnerabilities in outdated systems, weak security protocols, and human error. The consequences of such attacks can be severe, including financial loss, reputational damage, legal penalties, and operational disruption. It has become essential to ensure the Council adopts robust cybersecurity measures, conduct regular risk assessments, and foster a culture of cyber awareness among employees and members.

5. The adoption of Artificial Intelligence (AI)

The adoption of AI within Council is expected to deliver more efficient service delivery and, as a result, better outcomes for residents through faster response times and targeted resource allocation. By automating routine tasks and enhancing data analysis, AI can help the council operate more efficiently. However, successful implementation will require careful attention to ethical considerations, data governance, and workforce adaptation to ensure that the benefits are realised and public trust is maintained. To this end, an Artificial Intelligence (AI) Special Interest Group (AISIG) has been established to consider individual requests and corporate applications of AI. The best use of AI will be continually reviewed and a more comprehensive policy will be developed with its evolution through this group.

6. Devolution and Local Government Reorganisation

Devolution and local government reorganisation continues to be at the forefront of the authorities strategic activity as part of the government's broader strategy to streamline governance and enhance local accountability. Devolution refers to the devolving of powers to mayoral combined authorities and funding from central government to local authorities, enabling more locally tailored decision-making. In parallel, local government reorganisation (LGR) aims to simplify the existing two-tier system, currently comprising of county and district councils, by creating single-tier unitary authorities. The English Devolution White Paper, published in December 2024, laid the foundation for this transformation, inviting 21 two-tier areas to submit proposals for reorganisation. Councils were asked to submit interim plans by March 2025, with the government providing £7.6 million in development funding to support the process. This dual-track approach of devolution and reorganisation is seen as a pivotal step toward more responsive and efficient local governance across England. Stratford has worked with other Warwickshire Districts and Deloitte to produce a submission of how this should be achieved in Warwickshire. Since this submission all Councils within Warwickshire are now working together with PWC who are providing the support needed to ensure a successful reorganisation whilst maintaining existing services. At the time of writing this report the structure of local government for Warwickshire and the timetable is expected to be confirmed in July 2026.

7. The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic priorities and to consider whether those priorities have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is

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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 but not absolute assurance of effectiveness. The system of internal control is based on a continuous process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks arising and their impact should they be realised and, in that case, to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2026.

8. The Governance Framework

Identifying and communicating the Council's vision of its purpose and intended outcomes for residents and service users

The Council Plan was revised during 2023 and recommended for approval by The Cabinet on 4 December 2023, and formally approved by Council on 11 December 2023. The following Council Plan 2023-2027 vision was approved;

We are an ambitious, fair, inclusive, and responsible organisation which will put our communities at the heart of everything we do.

The Council will be recognised as a leader for supporting the health and wellbeing of our residents, protecting our environment, delivering sustainability, and innovation.

By proactively working with our partners the Council will strive to deliver cohesive communities that are well built, in the right place and served by appropriate infrastructure.

The Council will support existing business to thrive and seek to attract new businesses to create valued jobs and opportunities.

The plan sets out aims and objectives within six key areas together with nineteen objectives. The key areas are;

Residents and Communities - We will act in the best interest of our communities throughout our District understanding their needs to make responsible decisions.

Delivery of Service - We will use your money responsibly in delivering the best services possible.

Climate Change - The time to act is now, we will lead the fight against climate change.

Health and Wellbeing - Health and wellbeing will be at the heart of the decisions we make.

Housing - We will strive to deliver affordable well built and maintained homes.

Local Economy - We will create a larger, stronger, greener and more inclusive economy.

Reviewing the Council's vision and its implications for the Council's governance arrangements

The Council adopted a corporate governance code based on the CIPFA/SOLACE model in 2012. This was reviewed against the 2016 edition and improvements implemented. The Code itself is a commitment to high standards of corporate governance and acknowledges the relationship between the vision and the Corporate Strategy.

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Measuring the quality of services for users, for ensuring they are delivered in accordance with the Council's objectives and for ensuring they represent the best use of resources

The new Council Plan was approved by Council on the 11 December 2023 and following that the specific actions required to implement the Council Plan have been proposed and these will be reviewed on an annual basis over the duration of the plan. The Council Plan Actions will be incorporated into individual Service Plans across the authority alongside the Key Performance Indicators (KPI's) that are part of the Councils Performance Management Framework that was approved at The Cabinet on 4 March 2024.

The Council has a Medium-Term Financial Strategy (MTFS) which is reviewed annually. This Strategy was approved in February 2025 and ensured that the required resources were identified and incorporated to produce a budget that was achievable and sustainable. This was reviewed throughout 2025/26, alongside with the budget process, to produce the 2026/27 budget and associated MTFS through to March 2031. This allowed for the development of the new Council Plan and ensured it was financed to meet its objectives.

The Service Plans are the basis from which service budgets are built. The management of these budgets is delegated to the relevant member of the Management Team with revenue monitoring being undertaken by The Cabinet.

Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

The roles and responsibilities of the executive, non-executive, scrutiny and officer functions, along with the delegations from The Cabinet and the Council, are set out in the Council's Constitution and Leader's Statement. The Council has 41 Councillors who were elected on 4 May 2023 to serve for four years.

Under the current arrangements, there are member role profiles and an officer/member protocol that sets out the respective responsibilities and relationships of officers and members. The Constitution is kept under regular review with oversight from the Audit and Standards Committee. The document is reviewed fully every 4 years.

The Council's Constitution is under on-going review by the Council's Monitoring Officer who is delegated to make some minor or statutory amendments to the constitution but also seeks approval from Council via the agreed democratic process for any necessary or more fundamental changes in order to keep the document up to date and fit for purpose.

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

The Council has set out a code of conduct in the Constitution for members and officers together with a member/officer protocol that sets out the expected behaviours and responsibilities of both. Regular training has been arranged for both members and officers to ensure knowledge and adherence to the code.

The Monitoring Officer is also responsible for maintaining the Member and Officer Register of Interests on behalf of the Council.

All members and officers are aware that the Monitoring Officer will provide advice as and when required.

In April 2021 the Council formally adopted the Local Government Association Model Councillor Code of Conduct and regular reports are prepared for Audit and Standards on member Code of Conduct matters as well as other key areas required by the committee and general good governance.

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Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are to be taken and the processes and controls required to manage risks

The Constitution sets out how the Council operates, how decisions are made and the procedures to be followed to ensure transparency of decision making. The Constitution is kept under regular review, with oversight from the Audit and Standards Committee. The financial regulations have not been amended as part of the current review of the Constitution.

A risk management framework has been established, which has been supplemented by advice from Warwickshire County Council. The provision of such advice is now built into the service level agreement for audit services. Operational risks form part of the individual service plans and high-level risks are identified in the corporate strategic risk register. This is periodically reviewed by the Management Team and presented to The Cabinet.

Ensuring the Council's financial arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)

The nominated Section 151 Officer, the Head of Resources has responsibility for ensuring there are arrangements in place for the proper administration of financial affairs. The Council meets the five principles laid out in the CIPFA statement on the Role of the Chief Finance Officer, with the exception of responsibility for Asset Management.

Undertaking the core functions of an audit committee as defined in CIPFA's Audit Committees – Practical Guidance for Local Authorities

As referred to above, the Council's Audit and Standards Committee operates to agreed terms of reference which define its functions and responsibilities. These are published in the Constitution.

The Audit and Standards Committee's terms of reference in relation to governance matters are consistent with the arrangements outlined in the CIPFA guidance.

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

The Monitoring Officer and the s151 Officer play key compliance roles. The report author identifies the legal and financial implications and these may be checked by a member of the legal or the finance team. Those with the most significant implications are checked by both the Monitoring Officer and the s151 Officer.

The Council has improved its resilience through its internal audit function that is provided by Warwickshire County Council. A programme of risk-based audits is carried out by the Risk and Assurance Service. A summary of work and the detail of unsatisfactory audits are reported to the Audit and Standards Committee.

Whistleblowing and receiving and investigating complaints from the public

The Council has a whistleblowing code that has been benchmarked against the best practice recommended by Public Concern at Work. This is publicised throughout Elizabeth House. A confidential register of complaints received and their outcome is held by the Monitoring Officer who provides a regular update to the Audit and Standards Committee regarding the number of whistleblowing concerns raised.

Complaints from members of the public are addressed according to the corporate complaints procedure which was reviewed, updated and publicised in March 2024 following internal audit suggestions for best practice in 2023.

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Any complaints escalated to and determined by the Local Government and Social Care Ombudsman are published on its website.

Counter Fraud, Bribery and Corruption Policy 2024 – 2029

The Council has a Counter Fraud, Bribery and Corruption Policy covering 2024 – 2029, the Council acknowledges the importance of a robust anti-fraud culture in maintaining a strong control framework. It emphasises that both Members and employees are crucial in upholding its 'zero tolerance' stance on fraud and corruption. This policy defines the approach to managing the risk of fraud, bribery and corruption across the organisation and ensures that best practice is embedded across all services, projects and partnerships.

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

Although no longer in existence, the Council performs to the standards of the West Midlands Local Government Association Member Charter as a reflection of the high quality of training. Each member undergoes an induction programme and there is a programme of training structured to meet members' needs in their different roles.

Following the elections in May 2023 there was a significant change to the number of members that had not previously undertaken a member role. As a result, there was a need for member training that covered all areas of council business, including democracy, finance, planning, enforcement and legal. This training has continued and a formal training programme has been established to ensure members have the opportunity to develop their knowledge and skills needed to perform well in their role. Also the Member Development Working Group (MDWG), consisting of nominated members and officers, meets regularly to review training and development requirements for members.

Senior officers are also supported in maintaining their continuing professional development (CPD), alongside the council's corporate training and development programmes.

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

The Council has mapped its stakeholders and forms of consultation through the Community Engagement Strategy. The Council also conducts specific consultation programmes to ascertain the views of samples of residents and from the local business sector. Targeted consultation programmes are conducted on selected matters such as tourism.

The Council also has a Forward Plan which complies with the legal requirements and allows interested parties to express their views on Key Decisions.

Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the Council's overall governance arrangements

Any partnership that involves a financial commitment or a formal decision making arrangement is reviewed by the Council's legal and financial officers. Any proposal to delegate decision making is reported to the Leader of the Council (in their report to Annual Council) or to The Cabinet.

9. Review of Effectiveness

The Council has responsibility for conducting a review of the governance framework at least annually, including the system of internal control. The review of effectiveness is informed by the work of the members of the Management Team who have responsibility for the development and maintenance of the governance environment, internal audit reports and reports from the external auditor and other

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review agencies and inspectorates.

The review of effectiveness has been co-ordinated by the members of the Management Team who assessed the following:

- 1) The approach of the Council to establishing its principal statutory obligations and organisational objectives;
- 2) The approach of the Council to identifying principal risks to the achievement of those obligations and objectives;
- 3) The key control frameworks that the Council has in place to manage its principal risks;
- 4) The results of external and internal audits and inspections;
- 5) Identified areas of weakness stemming from the above analysis.

In carrying out its review, the Management Team considered the following:

- 1) Internal Audit reports for 2025/26 with a 'limited' opinion;
- 2) Strategic Risk Register;
- 3) Council Plan Priorities;
- 4) Major Change Initiatives.

10. Analysis

At its meeting in July 2025, the Audit and Standards Committee considered the Annual Governance Statement for 2024/25. This identified areas for improvement with regard to governance matters which needed to be addressed during the following year. As part of producing the 2024/25 Governance Statement, these areas of improvement have been reassessed. Where addressed, these areas can be removed from the Annual Governance Statement. Any issues which are still valid are carried forward and included within the draft Statement for 2025/26.

a) Issues identified in the 2024/25 Annual Governance Statement

The 2024/25 Annual Governance statement identified the following new issues to be addressed:

- Devolution and Local Government Reorganisation;
- Statement of Accounts;
- Parish Councils.

b) Financing of Local Government

Local government has operated under single-year Finance Settlements since 2019/20. Following the change in government, a return to multi-year settlements was committed to and the first of these was delivered for 2026/27. Funding allocations covered a three-year period announced alongside the Spending Review. Previously, one year settlements made it very difficult to plan for the Council's finances especially as inflation has increased over a relatively short time and remained higher than anticipated for longer.

Response to Internal Audit Reports

During 2025/26 there were no "Limited" assurance internal audit reports issued.

c) Litigation

There were no new significant litigation issues affecting the Council during 2025/26.

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11. 2025/26 Governance Issues

Issues to Address	Plans and Progress	Responsible
(i) Devolution and Local Government Reorganisation		Chief Executive/ Leader of the Council
The publication of the English Devolution White Paper in December 2024 details the government aims to simplify local governance by replacing the two-tier system of county and district councils with single-tier unitary authorities. These changes are being implemented alongside the expansion of devolved powers through new mayoral combined authorities. Key dates - Interim Plan Submission: All councils in two-tier areas and small neighbouring unitary authorities were invited to submit their interim plans by 21 March 2025. These plans outline their initial proposals toward forming new unitary authorities with the Council's detailed proposal being submitted by 28 November 2025. These proposals were consulted upon between 5 February and 26 March 2026.	The Chief Executive and Leader of the Council engaged Deloitte to work with the Council and the other districts within the county to produce an initial submission and to assist with the Full Proposal submitted in November 2025. Following this submission PWC has been working collaboratively with all the Council's in Warwickshire providing independent support to help identify and bring together the workstreams to be worked on to ensure successful reorganisation without disruption to existing services.	
(ii) Statement of Accounts		Head of Resources s151 Officer

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Issues to Address	Plans and Progress	Responsible
Since Covid there was a growing backlog in the publication of audited accounts for local authorities. By the end of 2024 there were nearly 1,000 statements outstanding. To address this, legislation was amended to create backstop dates by which statements should be audited and presented to Audit and Standards Committee. The first of these two dates were 13 December 2024 for the 2022/23 Statement, 28 February 2025 for the 2023/24 Statement and 28 February 2026 for the 2024/25 Statement. These backstop dates continue to 2027/28 to allow full assurance to be rebuilt over several audit cycles. This does mean statements will have disclaimed opinions until this assurance is achieved.	Additional resources were employed and the 2022/23, 2023/24 and 2024/25 Statements were produced and presented to respective Audit and Standards Committees before the backstop dates. Like many other local authorities, this has left the Council with disclaimed opinions for these years. It is essential that as much work can be undertaken in the future years audits to build back the assurance that the missing audits has created. Until this is done, the council will continue to receive disclaimed opinions in respect of the brought forward balances, although the audit of the in year transactions should give confidence regarding on-going operations.	
(iii) Parish Councils		Marcia Eccleston Head of Law and Governance and Monitoring Officer
The number of code of conduct complaints saw an increase on the previous year-However the majority were not upheld. There is a regular report that details the complaints and the outcomes of the investigation.	• The Respect and Civility Pledge for Local Councils has been supported by SDC Full Council which has resulted in joint training opportunities for both SDC and the Local Councils on subjects such as Code of conduct. • Lesson Learning to Councils or individuals is disseminated where necessary. • Mediation and informal resolution is encouraged where appropriate.	

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Issues to Address	Plans and Progress	Responsible
(iv) Loss of 5 year housing land supply		Head of Development
The publication of an updated National Planning Policy Framework in December 2024 introduced a new methodology for calculating Local Housing Need (LHN). The methodology that had been required to be used prior to December 2024 calculated the district's housing need as 553 dwellings per annum (dpa). The December 2024 LHN methodology resulted in the district's housing need being calculated as 1,126 dpa, an increase of over 100%. The Council updated its 2024 housing land supply position in June 2025 to take account of the new NPPF and associated changes. The June 2025 update could only demonstrate the equivalent of 5.06 years' worth of land supply. This was challenged via a planning appeal determined in September 2025. This concluded that SDC could only demonstrate a 2.74 year supply of deliverable housing requirement. The impact of this was to render significant aspects of the District's Core Strategy (adopted in July 2016 and due to guide development over the period up to 2031) as out-of-date. This has a significant impact on the determination of planning applications for	To address this cabinet in October 2025 agreed an action plan designed to boost housing land supply, established a member advisory group to oversee its delivery, and has required monitoring reports on progress. Resources to deliver the action plan have been identified and released. Member Housing Delivery Advisory Group met monthly from Dec. A draft Interim Policy Position Statement was published for consultation in March 2026. A revised timetable for the production of the South Warwickshire Local Plan has been agreed through an updated Local Development Scheme.	

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Issues to Address	Plans and Progress	Responsible
residential development, requiring the presumption in favour of sustainable development to be applied in reaching planning decisions. It has also prompted the submission of a large number of speculative planning applications outside of the current policy framework.		

12. Future Governance issues 2026/27 onwards

Issues to Address	Plans and Progress	Responsible
(i) Devolution		Chief Executive/ Leader of the Council
Creating a New Strategic Authority requires complex negotiations with adjacent county, unitary, and combined authorities to find an aligned economic area.	While discussions are ongoing, the final design of the Strategic Authority remains contingent upon the proposed structural outcomes of the Warwickshire Local Government Reorganisation.	
(ii) Local Government Reorganisation		Chief Executive/ Leader of the Council
There are key milestone dates that lay ahead that the authority must be prepared for, these are; • July 2026 expected Government announcement on Warwickshire Structure. • Late 2026 to early 2027 Structural Changes Order laid in Parliament. • Establishment of shadow authority/joint committees • Transition planning • May 2027 – Elections for the new authority • 1 April 2028 – vesting day	Following the detailed submission in November 2025, all Warwickshire authorities are working collaboratively, supported by PwC, to identify key workstreams and prepare for the structure to be confirmed in July 2026. This work will underpin the transition and provide the foundation for delivering services from vesting day onwards. This work is progressing in line with the agreed workplan timetable.	

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Issues to Address	Plans and Progress	Responsible
(iii) Statement of Accounts		Head of Resources s151 Officer
The build-back of assurance after multiple years of disclaimed opinions is being driven by the statutory audit backstop regime introduced in 2024. The key dates to have published an audited statement of accounts and audit opinion are; • For 2025/26 Statement it is 31 January 2027 • For 2026/27 Statement it is 30 November 2027 • For 2027/28 Statement it is 30 November 2028	All backstop dates have been met to-date and work is continuing to ensure that the statutory publication date for the Draft Statement of Accounts is met. Careful planning will be essential as we approach vesting day to ensure the Council retains the expertise and capacity required to achieve full assurance and deliver the 2027/28 Statement of Accounts with an unmodified opinion.	
(iv) Regaining a 5 year housing land supply		Head of South Warwickshire Local Plan/Interim Head of Development
Arising from the loss of a 5 year housing land supply the following key milestones need to met to deliver against published plans: April 2026 - publication of housing land monitor covering position at end of 24/25 monitoring year May 2026 – initial progress report on Action Plan to Cabinet June 2026 - Interim Policy Position Statement approved by Cabinet and published July 2026 – agreement to published reg 19 version of the SWLP August 2026 – publication of housing land monitor covering position at end of 25/26 monitoring year October 2026 - progress	To deliver the SWLP timetable SDC officers and WDC are working closely. This work is being led by the Head of Development at SDC who has been seconded to lead the project and an interim Head of Development brought in to deliver the action plan and manage the remainder of the service. Dedicated project resource has been secured to ensure the Action Plan is taken forward and monitored. Additional resources have been brought into Development to cope with increased workload a service level agreement is under negotiation with the County Council to improve the speed of key consultee responses. SDC is participating in a MHCLG	

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Issues to Address	Plans and Progress	Responsible
report on Action Plan to Cabinet December 2026 – submission of emerging SWLP to government for examination	trial looking at the use of software to speed drafting of sec 106 agreements.	

13. Conclusion

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

Signed.....

Councillor Susan Juned, Leader of the Council

Signed.....

David Buckland, Chief Executive