



Babergh & Mid Suffolk District Councils

# Annual Governance Statement

2024 - 2025

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# Foreword from the Councils' Chief Executive

As Chief Executive, I am pleased to present this Annual Governance Statement for 2024/25, which outlines the Councils' commitment to sound governance, transparency, and accountability during what has been another year of significant financial and service pressures.

Local government continues to operate in a challenging environment. The legacy of prolonged financial constraints, coupled with increasing demand for essential services - housing, and support for vulnerable residents—has required councils across the country to make difficult decisions. Our Councils have not been immune to these pressures. However, we have remained steadfast in our commitment to strong governance as the cornerstone of our ability to respond effectively and responsibly.

Over the past year, we have taken decisive steps to strengthen our governance arrangements in the face of these challenges. This has included rigorous financial monitoring, greater transparency in our decision-making processes, and enhanced oversight from both Members and senior officers. We have continued to review and refine our internal control systems, ensuring that they remain fit for purpose and responsive to emerging risks.

We have also maintained a sharp focus on inclusion, equality, and community engagement—ensuring that, despite the

financial constraints, we remain guided by the needs and voices of our residents. Our governance structures have enabled us to maintain service delivery, prioritise the most vulnerable, and explore innovative approaches to transformation and efficiency.

Looking ahead, the financial outlook remains uncertain, particularly with Devolution and the Local Government Reorganisation around the corner and we recognise the need for continued resilience, adaptability, and working partnership. The assurance provided through this Annual Governance Statement demonstrates our commitment to continual improvement and learning, as well as to upholding the high standards of public service that our residents rightly expect.

I would like to acknowledge the hard work and dedication of our staff, Members, and partners in supporting the Councils' governance framework throughout the year. Together, we will continue to navigate these testing times with integrity, transparency, and a shared commitment to delivering the best outcomes for our communities.

**Arthur Charvonia**  
**Chief Executive**



# Scope of Responsibility

Babergh and Mid Suffolk District Councils are responsible for ensuring that its business is conducted in accordance with the law and proper standards to secure continuous improvement in the way in which its functions are exercised. It is also responsible for ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Councils are responsible for putting proportionate and appropriate arrangements for the governance of its affairs in place and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Councils have approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA (the Chartered Institute of Public Finance and Accountancy) / SOLACE (the Society of Local Authority Chief Executives) Framework: Delivering Good Governance in Local Government Framework (2016 Edition)'.

This document explains how the Councils have complied with the code and meet the requirements of the Accounts and

Audit Regulations 2015 in relation to the publication of a statement on internal control.

The governance arrangements over the Councils' wholly owned companies are incorporated within this Annual Governance Statement.

Good governance is important in ensuring good decision making and leadership in local authorities. Weaknesses in governance can have far reaching implications for individual councils and the people they serve.

It is therefore important for councils to have a way to work through what good governance looks like for them, to understand how the risk of weak governance can be minimised and be fully aware of the attitude and behaviours that underpin this.

The Leaders of each Council and the Chief Executive all recognise the importance of having good rules, systems and information available to guide the Councils when managing and delivering services to the communities of Babergh and Mid Suffolk.

Each year the Councils are required to produce an Annual Governance Statement which describes how its corporate governance arrangements have been working.

## What is Corporate Governance?

Good governance is about: "Achieving the intended outcomes while acting in the public interest at all times."

Governance is about how the Councils ensure that they are doing the right things, in the right way, for the right people in a timely, inclusive, open, honest, and accountable manner.

Corporate governance generally refers to the processes by which an organisation is directed, controlled, led and held to account.

The Councils' governance framework aims to ensure that in conducting its business it:

**Operates in a lawful, open, inclusive, and honest manner**

**Makes sure public money is safeguarded, properly accounted for, and spent wisely.**

**Has effective arrangements in place to manage risk?**

**Meets the needs of both districts' communities.**

**Strives to continuously improve the way it operates**

# The purpose of the Governance Assurance Framework?

The governance framework includes a set of legislative requirements, governance principles and management processes which the Councils follow:

## Principles of corporate governance

### Principle A: Integrity and Values

- Staying true to our strong standards of conduct.
- Respecting the rule of law.
- Creating a culture where statutory officers and other key post holders are able to fulfil their responsibilities.
- Ensuring fraud, corruption and abuse of position are dealt with effectively.
- Ensuring a safe environment to raise concerns and learning from our mistakes.

### Principle B: Openness and Engagement

- Keeping relevant information open to the public and continuing their involvement.
- Consultation feedback from the public is used to support service and budget decisions.
- Providing clear rationale for decision making – being explicit about risk, impact and benefits.
- Having effective scrutiny to constructively challenge what we do and decisions made.

### Principle C: Defining Outcomes

- Having a clear vision and strategy setting out our intended outcomes for citizens and service users.
- Balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision.

### Principle D: Optimising the Achievement of the intended Outcomes

- Ensuring best value is achieved however services are provided.
- Ensuring arrangements are flexible so that

mechanisms for delivering services can be adapted in changing circumstances.

- Monitoring key performance indicators.
- Ensuring the achievement of 'Social Value' through service planning and commissioning.

### Principle E: Capability

- Clear roles and responsibilities for Council leadership.
- Maintaining a development programme that allows Councillors and officers to gain the skills and knowledge they need to perform well in their roles.
- Evaluating Councillors' and officers' performance, complaints and compliments to enable results (outcomes) to be measured and enable learning.

### Principle F: Managing Risk and Performance

- Ensuring that effective risk management and performance systems are in place, and that these are integrated in our business systems / service units.
- Having well developed assurance arrangements in place – including any commercial activities.
- Having an effective Audit Committee.
- Effective counter-fraud arrangements in place.

### Principle G: Transparency and Accountability

- Having rigorous and transparent decision-making processes in place.
- Maintaining an effective scrutiny process.
- Publishing up to date and good quality information on our activities and decisions.
- Maintaining an effective internal and external audit function.

This framework is used to examine the services being provided and whether they are satisfying the objectives set. The governance framework has been in place at the Councils for the year ended 31st March 2024 and up to the date of approval of the annual report and Statement.

## How the Councils work

1. Elected Councillors set the Councils' strategic leadership by developing and keeping under review the corporate priorities of the Councils. The priorities give a clear direction of what is important politically and how that will drive the work of Council services every day.
2. There is an established integrated planning process which ensures the Councils' services are delivered in accordance with the Councils' priorities and represents the best use of resources.
3. Performance is measured against corporate objectives.
4. Each Council has a written Constitution in place which specifies the roles and responsibilities of the executive, non-executive, scrutiny, and officer functions, setting clear delegation arrangements and protocols for effective communication.
5. Codes of Conduct have been developed which define the standards of behaviour for Councillors and employees.
6. The Constitution, Scheme of Delegation to members and officers, Financial Procedure Rules and other supporting procedures clearly define how decisions are taken and highlight the processes and controls required to manage risks, with appropriate review procedures.
7. The Joint Audit and Standards Committee promotes and maintains high standards in relation to the operation of the Councils' Code of Corporate Governance ensuring that the Councils operate within the law, in accordance with the Councils' internal procedures and follow the framework and guidance issued by CIPFA. The Committee is also responsible for monitoring the risk management framework and control environment to ensure the Councils' financial and non-financial performance is properly monitored.
8. Statutory officers support and monitor the Councils' governance arrangements, ensuring expenditure is lawful and the Councils continue to comply with relevant laws and regulations, internal policies, and procedures.
9. There are arrangements for whistleblowing and receiving and investigating complaints from the public, supporting the measurement of the quality of services for users.
10. The Councils seek to keep communities informed, giving local people the opportunity to get involved in the decision-making process, promoting local democracy, supporting and shaping places and local communities.



## Key roles

The key roles and responsibilities for developing and maintaining the Governance Framework are:

<b>The Council</b>	<ul style="list-style-type: none"> <li>• Approves the Corporate Plan.</li> <li>• Approves the Constitution (including the Financial Regulations).</li> <li>• Approves key policies and budgetary framework.</li> </ul>
<b>Cabinet</b>	<ul style="list-style-type: none"> <li>• The main decision-making body of the Council</li> <li>• Made up of the Leader of the Council and a number of Cabinet members with responsibility for different portfolios.</li> </ul>
<b>Joint Audit and Standards Committee</b>	<ul style="list-style-type: none"> <li>• Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment.</li> <li>• Promotes high standards of Member conduct and approves the Annual Statement of Accounts and Annual Governance Statement.</li> </ul>
<b>Joint Scrutiny Committee</b>	<ul style="list-style-type: none"> <li>• Supports and challenges the Council in carrying out its responsibilities.</li> </ul>
<b>Senior Leadership Team</b>	<ul style="list-style-type: none"> <li>• The Chief Executive has overall accountability for the governance framework.</li> <li>• Implements the policy and budgetary framework set by the Councils and provides advice to Cabinets and the Councils on the development of future policy and budgetary issues and oversees the implementation of the Councils' policy.</li> <li>• Accountability for developing and maintaining the Councils' governance and risk framework.</li> </ul>
<b>Director of Finance and Procurement (S151 Officer)</b>	<ul style="list-style-type: none"> <li>• Leads and directs the financial strategy of the Councils and ensures the Councils' control and manage their money well, being suitably qualified and experienced, and ensures the Finance Team is fit for purpose.</li> <li>• Contributes to the effective corporate management and governance of the Councils.</li> </ul>
<b>Chief Operating Officer (Monitoring Officer)</b>	<ul style="list-style-type: none"> <li>• Advises the Councils on ethical issues, standards, and powers to ensure the Councils operate within the law and statutory Codes of Practice.</li> <li>• Contributes to the effective corporate management and governance of the Councils.</li> </ul>



The key roles of those responsible for developing and maintaining the Governance Framework are:

<b>Internal Audit</b>	<ul style="list-style-type: none"><li>• Provides independent assurance and opinion on the adequacy and effectiveness of the Councils' governance, risk management and control framework.</li><li>• Delivers an annual programme of risk-based audit activity, including counter-fraud and investigation activity.</li><li>• Makes recommendations for improvements in the management of risk.</li></ul>
<b>External Audit</b>	<ul style="list-style-type: none"><li>• Audits / reviews and reports on the Councils' financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency, and effectiveness in the use of resources (the value for money conclusion).</li></ul>
<b>Extended Leadership Team</b>	<ul style="list-style-type: none"><li>• Responsible for developing, maintaining, and implementing the Councils' governance, risk, and control framework.</li><li>• Contribute to the effective corporate management and governance of the Councils.</li></ul>

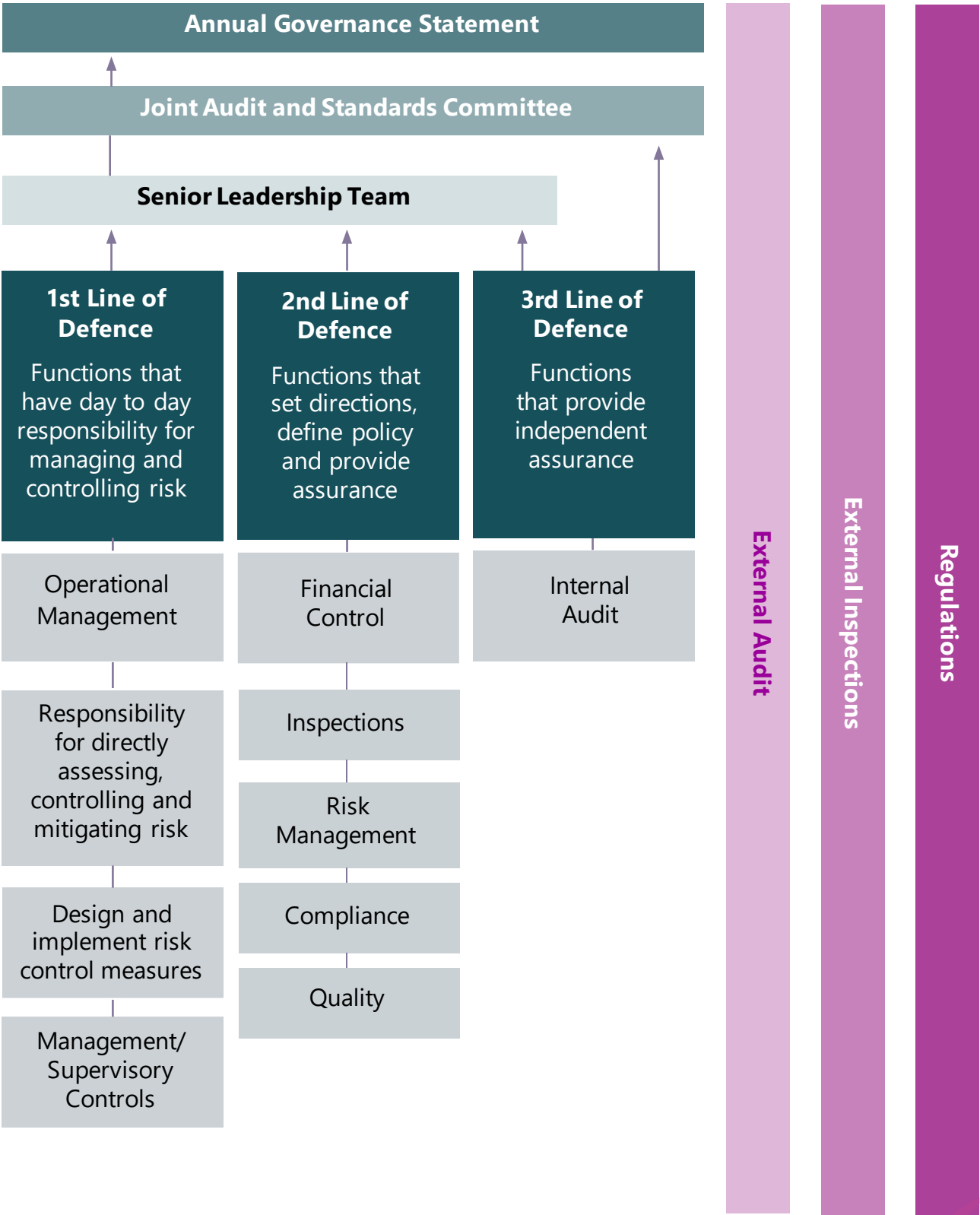
## Review of Effectiveness

In preparing the Annual Governance Statement the Councils have:

- Reviewed the Councils' existing governance arrangements against the revised CIPFA/ SOLACE 'Delivering Good Governance in Local Government framework – 2016 Edition' good practice guidance.
- Reviewed the Councils' Local Code of Corporate Governance to ensure it reflects this guidance, including the revised seven principles of good governance and associated required actions and behaviours taken by the Councils that demonstrate good governance.
- Assessed the effectiveness of the Councils' governance arrangements against the revised Local Code of Corporate Governance.
- Obtained assurance statements from officers relating to their areas of responsibility, including actions from the 2023/24 Annual Governance Statement.

The review of effectiveness is informed by the three lines of defence (i.e., from senior management within the Councils who have responsibility for the development and maintenance of the governance environment; the Corporate Manager responsible for Internal Audit; inspections made by external auditors and other review agencies and inspectorates).

This is demonstrated here:



The roles and responsibilities are applied in a pragmatic real-world manner. In reality a significant amount of policy, associated guidance, training and tools are provided at second line with a proportionate risk-based application of assurance and compliance activity.

Internal Audit use a risk-based methodology to determine their annual programme to support the application of the governance model within the organisation.

This allows the second and third lines of defence to put emphasis in the right place and work effectively and efficiently to help management achieve organisational objectives through delivery, support and challenge.

## **Governance Framework Assurance**

The key sources of assurance that inform this review and where they are obtained from are outlined below:

<b>WHERE DO WE NEED ASSURANCE?</b>	<b>WHERE CAN / DO WE GET ASSURANCE FROM?</b>
Compliance	Complaints System, Counter Fraud and Whistleblowing
Democratic Engagement & Public Accountability	Independent and External Sources, e.g., Published agendas and minutes of council meetings; live streaming of council meetings; external audit of the Council's Statement of Accounts.
Management of Risk	Risk Management Strategy and Framework
Financial Management	Medium Term Financial Strategy
Members and Officers Roles and Responsibilities	Constitution
Standards of Conduct and Behaviour	HR Policies and Codes of Conduct
Action Plans Approved and Reported on	Joint Audit and Standards Committee, Council, Cabinet and Joint Scrutiny Committee
Effectiveness of Internal Controls	Internal and External Audit
Services Delivered	Performance Management System



## Opinion of the Chief Operating Officer (Monitoring Officer)

The Council's each have a Constitution made under Section 37 of the Local Government Act 2000. Its purpose is to enable the Councils to set a strategic vision for the provision of local public services. The Constitution supports development of the Council's capacity, and the capability of the individuals within it, and ensures that decisions are taken while respecting the rule of law.

The Councils operate a Leader/Cabinet governance model. The Councils' decision-making framework and scheme of delegations to the Cabinet, committees and senior officers are set out in full in the Councils' Constitution. The relationship between the two authorities is through an Inter Authority Agreement. The terms of reference for the Shared revenues partnership are supplemented with a written partnership agreement that sets out the decision making and management framework for the services delivered in partnership with our neighbouring authorities.

The Overview and Scrutiny committee continues to scrutinise decisions of the Cabinet and officers through pre scrutiny and post scrutiny options with a full work programme agreed annually and reviewed monthly. The committee also reviews the business plan of the Councils companies before final approval by full Council.

The role of the Monitoring Officer is now being undertaken by the Chief Operating Officer.

The officer is an experienced local government officer with over 20 years' experience and has appointed the Head of Democratic Services as their deputy, with a member of the democratic services team also fulfilling a deputy role with specific focus on code of conduct matters.

During 2024/25, 58 councillor Code of Conduct issues were investigated, dealt with and where appropriate discussed with an Independent Person. During 2024/25, four complaints were referred to and reviewed by the Joint Standards Board Sub-Committee.

The Monitoring Officer provides advice and training to staff and councillors regarding the principles and compliance of ethical standards on an ongoing basis.

## **Actions 2025/26**

To review delegations in place that enable officer decision making to ensure that decisions are being made lawfully.

To review the implications and risks associated with Devolution and LGR to ensure good governance around the Case for Change and its subsequent implementation.

Accessibility to be a key objective for the governance team to ensure that we are as democratically accessible as possible.

## **Conclusion**

**The Councils have continued to demonstrate sound decision making following the election of the new Councils in May 2023. This is testimony to the robust governance arrangements that the Councils have in place. The Monitoring Officer's overall assessment is that the Councils governance arrangements continue to be sound.**



## Opinion of the Director - Finance & Procurement (S151 Officer)

The statutory role of the Chief Finance Officer (CFO) in relation to financial administration and stewardship of the Council and their role in the organisation are both key to ensuring that financial discipline and strong public financial management is maintained. Financial management arrangements conform to the governance requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on the Role of the Chief Financial Officer in Local Government (2016).

Local authorities are subject to a range of safeguards to ensure they do not over-commit themselves financially. These safeguards include the statutory duties of the Chief Finance Officer which are set out in the Financial Regulations that form part of the Councils' Constitution. The statutory duties include the requirement to report to Council if there is, or is likely to be, unlawful expenditure or an unbalanced budget (under Section 114 of the Local Government Act 1988).

Alongside the statutory role of the Chief Finance Officer, the Councils have in place several financial management policies and controls which are set out in the Financial Regulations. Internal financial controls include separation of duties, management supervision, relevant staffing structures including appropriately skilled, trained, or qualified staff, and a system of delegation and accountability.

- a) the statutory requirement for each local authority to set and arrange their affairs to remain within prudential limits for borrowing and capital investment;
- b) the balanced budget requirement of the Local Government Finance Act 1992 (Sections 32, 43 and 93); and
- c) the external auditor's consideration of whether the authority has made proper arrangements to secure economy, efficiency, and effectiveness in its use of resources (the value for money conclusion).

The Joint Audit and Standards Committee is responsible for undertaking the Councils' responsibilities in relation to financial governance issues, they support the Chief Financial Officer in their statutory role in connection with financial probity and they review and approve the Annual Statement of Accounts.

## Statement of Accounts and Audit

The published Annual Statement of Accounts is the statutory summary of each Councils' financial affairs for the financial year. Its purpose is to give clear information on the income and expenditure of the Councils and to demonstrate the Councils' stewardship of public money for the year.

The last Annual Audit Letter from Ernst & Young (EY) dated July 2021 gave the Councils an unqualified opinion on their 2019/20 statement of accounts and issued an unqualified value for money conclusion.

The auditors were satisfied that the accounts had been prepared properly in accordance with the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

In September 2024 Government laid statutory instruments to introduce backstop dates and require auditors to provide their opinion in time for local authorities to adhere to the backstop dates.

For Babergh and Mid Suffolk District councils, the backstop deadline for 2020/21, 2021/22, 2022/23 and 2023/24 historic accounts meant that a disclaimed audit opinion was issued by our external auditor (Ernst & Young) as they were unable to complete an audit due to time constraints.

The time constraints are created by backstop dates, which are part of a government initiative to clear the backlog of audited accounts.

Introducing statutory backstop dates means that the auditors may provide a modified or disclaimed opinion on a local body's financial reports if they do not have enough time to complete all audit work before that date.

The Councils' external auditors issued a disclaimed audit opinion as they are unable to determine whether the financial statements are materially misstated.

The Councils should not be unfairly judged for modified or disclaimed audit opinions beyond their control.

Joint Audit and Standards Committee approved the 2020/21, 2021/22 and 2022/23 Statement of Accounts on the 6 December 2024, which was before the Governments backstop date of the 13 December 2024.

The Councils 2023/24 Statement of Accounts were approved by Joint Audit and Standards Committee on the 24 February 2025 which was before the Governments backstop date of the 28 February 2025,

Due to the time required to rebuild assurance levels and return to normal acceptable practices, councils across the country are likely to receive modified or disclaimed opinions for a number of years.



The Councils received a Value for Money conclusion for all four years, the findings were as follows:

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its service.	No risks of significant weakness identified.	No significant weakness identified.
Governance: How the Council ensures that it makes informed decisions and properly manages its risks.	In the prior financial year 2022/23, we reported that the Council had not been able to publish its Statement of Accounts by the statutory deadline required by the Accounts and Audit Regulations 2015 (31 May 2023). The unaudited Statement of Accounts was published on the 16 October 2024. In 2023/24, the Council again missed the statutory deadline (31 May 2024) and the unaudited Statement of Accounts was only published on the 6 January 2025, approximately 7 months late. The delays were caused by staffing pressures and the need to prioritise on budget setting process.	We identified evidence of a weakness in proper arrangements for supporting the statutory reporting requirements of the Council.
Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services.	In 2020/21, 2021/22 and 2022/23, we identified a risk of significant weakness in relation to contract management arrangements. The risk is still prevalent in 2023/24, as the Council continued to report in its Annual Governance Statement that it was not satisfied with the adequacy of the system and processes in place to effectively manage the Council's contracts.	We identified evidence of a significant weakness in the Council's contract management arrangements.

In response to the Governance reporting criteria EY confirmed that they would not be issuing statutory recommendations under Section 7 of the Local Audit and Accountability Act 2014 in relation to this Value for Money weakness. This was in response to management action to appoint a permanent Head of Finance in November 2024 and the work undertaken to implement a restructure within the finance team which identified a number of key roles to ensure the statutory reporting deadlines are met.

In response the improving economy and efficiency and effectiveness this is being addressed through the work of the Procurement team – refer to the Assurance Statement provided by the Head of Procurement.

## Financial Planning

The Councils take an annual approach to service planning, allowing a close link between services and financial planning. The approach over the medium term is to continue to transform the Councils by continuously reviewing, remodeling, and reinventing the way the Councils operate.

The Joint Medium Term Financial Strategy focuses on;

- internal efficiencies and improvements
- continuously streamlining work and reducing waste in processes
- greater cross-functional working and multi-skilling
- improving ways of working to move away from 'professional silos' and toward integrated services for the public.
- customer demand understood, analysed, and met through new services and business models.
- demand is re-shaped and managed while engaging service users to ascertain priorities.

The Councils have a record of setting balanced budgets, modest increases in council tax and no significant reductions in service levels during reductions in government funding.

## Babergh

The 2025/26 budget setting commenced early in 2024 to address the challenges the Council were likely to face in setting a balanced budget. Work continued throughout the year to identify significant savings and manage in year pressures and future funding gaps. This is described in more detail in section 9 of this report, the Council identified £2.5m in additional income and savings for 2025/26.

Whilst this went a long way in addressing the issue for 2025/26, due to the late removal of the rural service delivery grant along with the Council receiving no increase in core spending power in the provisional settlement, the Council had no choice but to use reserves to close the remaining £633k budget gap.

It is critical that the Council closely monitors the savings put forward to ensure these are realised and any additional pressures are mitigated throughout the year.

## Mid Suffolk

The 2025/26 budget setting commenced early in 2024 working with the Cabinet to ensure the budget was aligned to delivering their ambitions and linked to the corporate priorities.

## Both Councils

The budget process is rigorous, with all key drivers identified and scrutinised to ensure they are understood and relevant. Cabinet and Overview and scrutiny have provided robust challenge of the budget proposals and assumptions.

Detailed scrutiny, review and challenge of budgets has been undertaken by finance officers and the Senior Leadership Team

Cost pressures and variations in key areas of income and expenditure have been carefully considered and reflected in the budget.

The Council has used the advice of expert external advisors in areas of key materiality and / or complexity including interest rate and inflationary forecasts.

The Medium-Term Financial planning process is designed to ensure that the Council is able to set balanced budgets in the short and medium term, i.e. that planned expenditure is affordable. The current forecast is based on a pessimistic perspective of no future Government funding and a significant drop in Business rates income.

The Councils Section 25 report on the robustness of estimates and adequacy of reserves provides a risk-based approach to the assumptions made within the budget and the appropriate level of reserves.

The Councils Joint Investment, Capital and Treasury Strategies were approved in

February 2025. This demonstrated that the Councils Capital programmes and associated borrowing limits are set at a prudent and affordable level.

## CIPFA'S Financial Resilience

### Index

CIPFA's Financial Resilience Index, made publicly available for the first time in 2019, aims to support good practice in the planning of sustainable finance. The index does not come with CIPFA's own scoring, ranking or opinion on the financial resilience

of an authority. However, users of the index can undertake comparator analysis drawing their own conclusions.

The tool is based on a series of indicators relating to the sustainability of reserves, external debt, fees and charges and income from local taxation (business rates and council tax).

The 2023 index, which provides the relative position for the 2023/24 financial year, is the most up to date index currently available. Councils' performance is ranked relative to those in the selected 'comparator group.'

Both Councils are seen as having higher risks around the level of external debt, interest payable and the proportion of fees and charges income against total revenue expenditure. The external debt includes that associated with the HRA, so the Council will always be seen as a higher risk compared to those councils without housing stock, but it is balanced against the value of the housing stock on the Councils balance sheet.

The other elements are all linked to the investment that the Councils made in CIPCO by increasing General Fund debt levels, higher interest payments, but also higher investment income coming back to the Councils and is secured by charges on the properties acquired by CIPCO.

The Section 25 report of the 2025/26 budget reports covers each element of the CIPFA financial resilience indicators in more detail.

## Financial Performance and Monitoring

The Councils report financial performance monthly to the Senior Leadership Team (SLT), quarterly to the Cabinet Members for Finance and Cabinet, and half yearly for treasury performance including the prudential indicators to Joint Audit and Standards and Full Council.

A robust system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it enforces financial discipline, strategic allocation of resources, efficient service delivery and accountability.

Future improvements include, a finance dashboard with KPIs, regular updates to the MTFP forecasts reflecting the latest financial information, improved capital spend profiling, balance sheet reporting including long-term cash flow projections to manage the Councils debt and cash positions.

## Transformation work

Internal Audit undertook a budgetary control review in 2021/22 to provide management with insight as to how the processes could be improved.

The audit focused on how the finance system could be used to drive reports, use of check totals, the processes and procedures to produce reports including the timetable and the role of the Finance Business Partners.

A number of recommendations were made, and many of these have been implemented via the finance transformation plan.

On the 1st April 2024 the Councils went live with the new financial management system Unit4.

The benefits of the new system are;

- **Better Budget Setting & controls based on real time information.**
- **Provision of high-quality business support to the Councils' services.**
- **Devolution of processing to services & self-service approach.**
- **Automated processes where possible.**
- **Streamlining & standardization of processes.**
- **Greater service resilience across the Councils.**

Internal audit undertook a review of the implementation of the new system and issued an opinion of substantial assurance.

In October 2019, CIPFA issued a new Financial Management Code, which includes principles of good financial management including several associated standards the Councils need to achieve.

These are the benchmarks against which all financial management will be judged in future. Work to assess the Councils' current position against the standards was undertaken and the actions required to ensure that all standards are being complied with are included within the Finance service plan.

## Conclusion

**The opinion of the Chief Finance Officer is that the Councils continue to operate robust internal controls and good public financial management.**

**Action is taken to manage the financial pressures and develop strategies to meet any immediate and long-term financial challenges that the Councils face.**

**This is evidenced by both internal and external audit reports, together with regular reporting on budgetary control.**

**There has been no re-course for the Chief Financial Officer to exercise her statutory powers and the Councils comply with their financial regulations and procedures together with relevant codes of practice and guidance.**



## Opinion of the Head of Procurement

The total spend of both Councils in the financial year 2023/34 was £73,795,817, which included spend on grants and involved 1844 suppliers. There are 160 contracts listed on the contracts register with an annual value to date totaling £31.5m per annum, which is a significant increase on the previous year's total of £22.4m.

Work is ongoing to improve the accuracy of the data on the contracts register and to identify the non-contracted spend. The Head of Procurement and the two Procurement Business Partners each have identified directorates to support as a business partner. So, every service has a named person to contact in the first instance who has knowledge of their service area. A list of the business partner service areas is available for all staff on the Procurement pages of the intranet Connect.

To support the implementation of the new finance system Unit 4 in April 2024, the Procurement team provided training on request, drop-in sessions and guidance both before and after the go live date to support colleagues to understand and use the new purchase to pay system. System user guides are now available on the intranet, Connect. The team have set up 574 new suppliers on the Unit 4 Finance system in 2024/25 after completing due diligence checks regarding the authentication of the organisation.

Service specific checks are undertaken by the service areas prior to making a new supplier request. To remind services that their checks need to be undertaken before making a request, in the new finance system an additional mandatory field has been added for requestors to confirm that this check has been undertaken.

The Contract Standing Orders have been reviewed and updated in line with the new procurement legislation the Procurement Act 2023.

Effective contract management is crucial to the future success and stability of the Councils. Contract management is devolved across the Councils, with central support and coordination. A Contract Management Network group is in place to support officers with contract management responsibilities. Guidance and information is available on the intranet to support the group and help mitigate risks within the contracts.

During 2025 an internal audit was undertaken to review contract management and spend with a scope to look at the "oversight and management of contracts that supports and builds on the transformation work", the overall findings of the audit were "Limited Assurance".

Key strategic findings from the audit were:

- **Work is underway to improve the robustness of the procurement and contract management processes. There is a focus on Building Services as this is the highest area of Council spend.**
- **It is not possible to confirm that all services have been secured in accordance with Contract Standing Orders. Work is underway to review this.**
- **There is no overarching performance management documented mechanism and no policies to support and enhance revised processes.**
- **The Contract Standing Orders have been updated to reflect the new Procurement legislation (February 2025).**

## Good Practice Identified

- The Contract Management Network has been established which is a very useful tool to proactively drive good practice across the Council
- There is much work underway to improve Contract Management within the Councils. The recommendations made enhance work that is already in progress.

In January 2024 a new Head of Commissioning and Procurement post was appointed to lead and deliver the Procurement Transformation Plan, to develop a sustainable procurement approach and the implementation of the new Procurement Act 2023. In July the service was renamed as Procurement rather than Commissioning and Procurement to reflect the service provided.

During the period there has been Procurement Business Partner vacancies within the team. The challenges to recruit in the current market have impacted on the capacity to provide a service and service development progress. Additional resources have been brought in to provide both commissioning and procurement capacity to write specifications and procure high value technical works and service contracts.

## Service Development Progress

- The Contracts Register is shared with the Senior Officers and Heads of Service on a monthly basis as a reminder to record any contract amendments or new contracts.
- The accuracy of the data on the Contracts Register has been improved and the scope of data extended to establish a more robust record of the Councils contracts.
- The Procurement Pipeline is used to plan resources to respond to the planned procurement work to replace and introduce contracts.
- Requests for new contracts are outlined in a Procurement Work Request to ensure clarity regarding the procurement work requested, the work requests are reviewed and allocated based on resources available and skills match by the Head of Procurement.
- A Procurement Workbook is used within the Procurement Team to ensure all stages of procurement projects are completed, decisions are documented and approvals to contract have been given in line with the Council's Contract Standing Orders. The workbook includes sign off by the Head of Procurement regarding the procurement approach, before bids are advertised and before bid award.



- Conflict of Interest Forms are requested from requestors of procurement exemptions before the exemption will be considered and for all bid evaluation panel members.
  - Framework direct award call off contracts are logged as exemptions to have oversight regarding conflicts of interest.
  - A Contract Management Network has been established, meeting on a quarterly basis to provide support, guidance and training to officers with contract management responsibilities. Sharing internal and external best practice and establishing a peer network. Slides, a recording and tools shared at the network are available for all staff on the intranet Connect.
  - Contract managers have the use of a supplier financial check tool Credisafe to monitor the financial status of key suppliers and guidance regarding how to use the tool is available on the intranet Connect.
  - Contract Management Minimum Standards have been developed working with the Contract Management Network.
  - To support colleagues in contract management roles to check the effectiveness of the policies in place of our contractors an Environmental Policy and Health and Safety Policy checklist have been introduced with further checklists in development.
  - A Social Value Policy was agreed by Cabinets in July 2024, template Social Value criteria are used in competitive quotations and tenders. The implementation of the policy is outlined in a detailed and comprehensive Social Value Action Plan.
- Establish capacity within the team in the vacant Procurement Business Partner roles.
  - Embed the Contract Management Network as an effective resource for contract managers and develop a suite of tools, guidance and training to support officers with contract management responsibilities.
  - Introduction of additional contracts module to the finance system to support more accurate reporting of non-contracted spend.
  - Complete the development of the Procurement Performance Dashboard to provide quarterly updates to senior officers, the Senior Leadership Team and Portfolio Holders regarding procurement and commercial practice within the Councils to support compliance, cultural change and embed good commercial practice.
  - Review non contracted spend and action procurement strategies for the spend to ensure value for money, legislation compliance and mitigated risks for the Council.

## Conclusion

**The Head of Service for Procurement is not satisfied that the systems and processes in place during 2024/25 were adequate to enable the Councils contracts to be effectively let and managed.**

**However, the Councils have invested in additional resources to support the commissioning and procurement of contracts and also interim staff whilst recruiting to fill vacancies within the team.**

**Significant progress in delivering service improvements have been made since the additional resource of the head of service post was introduced in January 2024.**

## Actions to be taken in 2025/26

- Complete the review of all procurement templates, guidance and training resources in line with the new Procurement Act 2023 including developing additional training resources.





## Opinion of the Head of Internal Audit

### Role of Internal Audit

Enhancing and protecting organisational value by providing risk-based and objective assurance, advice and insight.

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body 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'.***

During 2024/25, Internal Audit professionals around the globe relied on the International Standards for the Professional Practice of Internal Auditing (Standards) and the International Professional Practices Framework (IPPF) to help navigate the complex world of risk management, governance and control. For Public Sector Internal Audit, these were encompassed within the Public Sector Internal Audit Standards (PSIAS) for 2024/25.

The role of Internal Audit is best summarised through its definition within the Public Sector Internal Audit Standards (PSIAS) as an:

***'independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systemic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.***

The Councils are responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital role in advising the Councils that these arrangements are in place and operating effectively.

The Councils' response to Internal Audit activity should lead to the strengthening of the control environment and therefore contribute to the achievement of the organisation's objectives.

In January 2024, the Institute of Internal Auditors (the IIA) published a significant revision of their International Professional Practices Framework (IPPF) in the form of the Global Internal Audit Standards (GIAS).

The revised framework became effective within the public sector on 1st April 2025. They are mandatory for all Internal Audit functions irrespective of sector.

The GIAS are supported by the CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector.

The GIAS are a replacement to the PSIAS and provide a single source to guide the worldwide professional practice of internal auditing and serve as a basis for evaluating the quality of the audit function.

The Head of Internal Audit presented a report to this Committee on 28th April 2025 (Paper JAC/24/37) informing Members of the new Standards and the impact on the Internal Audit function.

This annual report covers the year 2024 to 2025 and has therefore been prepared under the PSIAS, whereas in future years the GIAS will be applicable.



The Head of Internal Audit has a responsibility under the Public Sector Internal Audit Standards to provide an independent, annual, internal audit opinion on the overall adequacy and effectiveness of the Councils' governance, risk, and control

framework (i.e. the control environment) and therefore the extent to which the Councils can rely on it and inform its Annual Governance Statement.

No system of control can provide absolute assurance against material misstatement/loss or eliminate risk, nor can Internal Audit give that assurance. The work of Internal Audit is intended only to provide reasonable assurance on controls.

The work of Internal Audit is resourced from existing staff and from an external audit partner reporting directly to the Head of Internal Audit. This arrangement still allows a direct internal provision plus the commissioning of external skills and capacity and provides a blend of resources from within the Councils and from an external partner of services. This arrangement also provides access to valuable and diverse specialised skills as needed and achieves a level of flexibility which can be critical in effectively dealing with a range of operational issues.

An internal audit review of the Councils' compliance to the seven core principles of good governance, underpinned by the risk management arrangements, assurance & governance audits, has shown that there are sound governance arrangements in place.

88% of Internal Audit work completed during 2024-25 has yielded an acceptable level of assurance (substantial or reasonable) over the design and operation of the services, systems and processes audited.

The two audit reviews that have been assessed as 'Limited Assurance' relate an across-the-board breakdown in controls. These audits are in the minority and in both instances, management have acted promptly to address the areas of concern raised by Internal Audit.



Recommendations made and agreed by management are closely monitored until such time they are completed. Any outstanding weaknesses in the governance, risk and control framework will continue to be followed up by Internal Audit.

I am satisfied that sufficient internal Audit work has been undertaken to allow me to draw a reasonable conclusion as to the adequacy and effectiveness of the Councils' governance, control, and risk processes.

I have performed my duties in accordance with CIPFA's guidance on the Role of the Head of Internal Audit.

## **Annual Internal Audit Opinion 2024/25**

**I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the Councils' internal control environment.**

**In my opinion the Councils' framework of governance, risk management and control is 'Reasonable', and the results of audit work has demonstrated controls to be working in practice.**

**This is based on the findings of the managed audit and governance reviews carried out throughout 2024/25 and evidence from other assurance providers and considering the current climate in which the Councils are operating.**

**Where weaknesses have been identified, we have worked positively with management to agree appropriate corrective actions and timescale for improvement.**

**I do not consider there to be any areas of significant corporate concern.**

**John Snell – Head of Internal Audit**

## Anti-Fraud and Corruption

The Senior Leadership Team has committed to tackling fraud and corruption affecting the Councils, aiming to adopt a culture in which all employees maintain a proactive attitude towards preventing fraud.

The Financial Regulations and Procedures within each Council's Constitution state that the Head of Internal Audit is responsible for:

- the development and maintenance of a Prevention of Financial Crime Policy and ensuring that Councillors and staff are aware of its contents.
- ensuring that there is a pro-active approach to fraud prevention, detection and investigation and promote a council-wide anti-fraud culture across both organisations.

All officers are responsible for giving immediate notification to the Head of Internal Audit on fraud matters where there are grounds to suggest that fraud or corruption have occurred.

Fraud and corruption risks are identified as part of the annual planning process and contributes to the overall formation of audit coverage. Under the Public Sector Internal Audit Standards (PSIAS) Internal Audit consider aspects of fraud risk in planning all audits.

The Joint Audit and Standards Committee receive an annual report entitled 'Managing the Risk of Fraud and Corruption.' This report explains the current arrangements in place across both Councils to ensure there is a proactive corporate approach to preventing fraud and corruption and creating a culture where fraud and corruption will not be tolerated. It also provides details of proactive work undertaken by Internal Audit to deter, prevent and detect fraud and corruption.

Internal Audit has an important role to play in ensuring that management has effective systems in place to detect and prevent corrupt practices within an organisation.

This is part of its normal role of supporting Management and the Joint Audit and Standards Committee oversight of risk management.

Internal Audit has produced a Fraud Risk Register, which contains a list of areas where Internal Audit and Corporate Managers believe the Councils are susceptible to fraud. The register enables the Councils to focus on suitable internal controls to mitigate any subsequent risk. The register also influences the audit planning process.

The Head of Internal Audit is the Money Laundering Reporting Officer (MLRO) and is responsible for ensuring that proper procedures are in place to combat the possibility of the Councils being used for money laundering purposes. This has included raising Money Laundering awareness through a series of presentations to all Corporate Managers, which was followed up with a compulsory online e-learning module for all staff to complete. This training will enable employees to recognise suspicious transactions and what to do if they identify them. The completed module will automatically be filed on everyone's personal records. This will also form part of the induction programme for new employees.

CIPFA's Code of Practice for Managing the Risk of Fraud and Corruption (the Code) sets out the principles that define the governance and operational arrangements necessary for an effective counter fraud response. The Councils use the Code annually to assess the adequacy of arrangements which are reported annually to the Joint Audit and Standards Committee and action is taken where weaknesses have been identified.

Internal Audit take a leading role in co-ordinating the bi-annual National Fraud Initiative (NFI) exercise across both Councils and with the Shared Revenues Partnership (SRP) working across service areas to support staff in providing data and subsequently investigating and recording the results of data matches.

Although both Councils have traditionally encountered low levels of fraud and corruption, the risk of such losses both internally and externally is fully recognised as part of each Council's operations that need to be managed proactively and effectively.

## Conclusion

**The opinion of the Head of Internal Audit is that there are adequate arrangements in place to manage the risks of fraud and corruption, and further work is planned to strengthen these through the work of Internal Audit. This will be monitored, and progress reported.**

## Looking ahead / Future developments

Some areas where a focus can be expected for 2024/25 includes:

- Continue ongoing NFI exercise;
- Continued support work around business grants
- Ongoing Flood Recovery governance support work of grants
- Ongoing Energy rebate governance support work of grants
- Supporting both Councils to improve levels of awareness of fraud risks amongst staff;
- Continue collaborating with neighbouring councils to share knowledge and expertise on anti-fraud and corruption measures through the Suffolk Fraud Group; and
- Continue to coordinate and manage the online fraud referral platform on our website and through Customer Services to mitigate fraud within our districts.



## Opinion of the Director – Property, Development & Regeneration

Babergh & Mid Suffolk District Councils operate 2 Holding Companies (BDC (Suffolk Holdings) Ltd and MSDC (Suffolk Holdings) Ltd) and 5 trading companies.

1. CIFCO Capital Ltd – a company owned jointly by BDC & MSDC (Suffolk Holdings) Ltd which invests in commercial property for an income return;
2. Gateway 14 Ltd, which is wholly owned by MSDC (Suffolk Holdings) Ltd, which acquired 150 acres of commercial development land on the outskirts of Stowmarket to bring forward a commercial development scheme;
3. Stowmarket Estates Limited, wholly owned by Gateway 14 Ltd to manage services for Gateway 14 Business, Innovation and Logistics Park;
4. Babergh Growth Ltd, a jointly owned company established with Norse Group Holdings Ltd as the co-owner to deliver residential and commercial development within the district including the redevelopment of the former HQ premises in Hadleigh;
5. Mid Suffolk Growth Ltd, a jointly owned company established with Norse Group Holdings Limited as the co-owner to deliver residential and commercial development within the district including the redevelopment of the former HQ premises in Needham Market.

Each of the companies has a board of directors that are supported by a common Executive Team. The Holding Companies are there to oversee the trading companies' performance against business plans and key performance indicators and to support the growth, synergy opportunities and development of the companies in alignment with the Council Shareholders.



The Council companies trade and operate independently but remain closely linked with the Councils as the Shareholders. They each support key priorities of the Councils and provide income to the Councils by way of interest payments on loans and in some cases via dividends.

The Companies use Council staff and premises to deliver services, the costs of which are fairly apportioned by the Councils and recharged to the companies. Loan agreements and equity subscriptions between the Council shareholders and companies are documented and managed.

Financial audits are undertaken by external auditors, annually for each of the companies resulting in the production of year-end accounts and financial statements being submitted to Companies House in accordance with the Companies Act 2006. In addition, the Councils' s151 officer and Head of Finance meet monthly to review the trading company management accounts and any emerging financial risks.

Assurance and governance of the Companies is managed closely, ensuring that Articles of Association are followed with robust decision making and recording. A code of conduct for Directors is in place across the company structures and further training provided in respect of directors' responsibilities and financial requirements. The code includes the Nolan principles of public life. Director training is delivered to new Councillors as part of the Councillor induction programme and is a requirement for any Councillors with Council directorships.

The trading companies report quarterly to the Holding Companies with updates and present updated business plans for approval by the holding companies annually. In turn the Director for Property, Development & Regeneration reports quarterly to Joint Cabinet Briefings and Senior Leadership Team on behalf of the Holding Companies.

The Holding Companies also approve the appointment of any new directors to the

boards of the trading companies and any property acquisitions or disposals by the companies. Quarterly Holding Company meetings are attended by members of the Senior Leadership Team including the Chief Executive, Deputy Chief Executive, S151 Officer, Chief Operating Officer and Director for Property, Development & Regeneration as required.

Each trading company reviews and manages its risk registers at least quarterly, with project risk registers being reviewed on an on-going basis. In addition, the Chairs of the Holding Companies meet with the Director for Property, Development & Regeneration and the Councils' risk lead on a quarterly basis to review the collective risk registers to consider wider impacts of risk across the portfolio of companies and will direct the trading companies to consider and respond to new and emerging risks.

During 2025/26 the trading companies will be addressing succession planning for its non-executive directors. A review of company structures and business plans will be undertaken to prepare for Local Government Reform.





## Opinions of the Human Resources and Organisation Development

### Governance and Compliance

To provide clear guidance and maintain legal compliance, we offer a comprehensive set of people policies, procedures, and guidance through our intranet system, Connect. These policies are being refreshed to enhance usability, making them simple and user-friendly while ensuring a strong framework for the councils.

Our People Plan aligns with the Councils' Delivery Plan, supported by a team structure with defined responsibilities. We identify and evaluate people-related risks in our HR Risk Register, which also informs some of the key people elements on the Strategic Risk Register.

As we approach the final year of our 3-year People Plan, we are reviewing future strategies to meet the organisation's evolving needs, particularly considering changes that Devolution and Local Government Reform will bring. The current plan highlights strategic workforce priorities, including the people change programme, while embedding the councils' values and behaviours. A detailed action plan with timelines underpins this strategy, and our future plans will follow the same structure.

## Data, Reporting and Planning

As part of our commitment to effective workforce planning, we carry out annual meetings between heads of service and HR and OD team members. These sessions complement our regular business-as-usual meetings, providing early visibility into planned people activities within each service area. This proactive approach allows us to create an annual plan that supports key activities such as restructuring, organisational development, upskilling, and fulfilling mandatory learning requirements.

We actively report on a range of people indicators, with absence being a key focus. Monthly updates are shared in relevant senior leadership meetings, and quarterly figures are presented at cabinet and portfolio holder meetings. Detailed breakdowns are also made available to line managers via our Management Dashboard within the HR Information System. Additionally, a weekly absence report is provided to the Employee Relations Lead, HR Partner, and HR Advisors. This report includes data on absence levels, reasons for absence, days lost, long-term cases, and mental health-related absences, ensuring that appropriate support mechanisms are in place where needed.

Our HR Information System provides a suite of people-related reports, enabling us to measure, analyse, and monitor workforce data monthly. These insights help us remain responsive and informed in managing our services effectively.

## Resourcing, Recruiting, and onboarding

We use diverse methods to source candidates, including job boards, internal and external recruitment platforms, and LinkedIn, which allows targeted advertising and candidate searches based on specific skills and experience.

Our HR information system includes a self-service recruitment platform that supports managers throughout the recruitment process-from advertising roles to making appointments-ensuring consistency.

Comprehensive policies and procedures uphold a fair, inclusive, and robust selection process.

We conduct thorough right-to-work checks and referencing to maintain legal compliance. We are a Disability Confident employer and are also committed to achieving accreditation as a menopause-friendly employer.

New employees benefit from a blend of service-specific learning, a corporate induction programme, and essential online training. We are introducing a Learning Management System, accessible via our HR Information system, to expand learning opportunities and monitor compliance. Our induction includes our code of conduct, values, and behaviours.

The HR Information system offers an onboarding journey for new employees and managers, listing induction tasks for completion.

To foster an engaged workforce, we focus on developing and retaining talent. We are enhancing our early careers approach to attract emerging talent while continuing to prioritise internal development for established staff.

## Organisational Learning and Development

Our learning and development services support the goals of the 3-year People Plan, focusing on organisational talent and learning, early careers, equality, diversity, inclusion (EDI), managing change, employee wellbeing, and engagement.

## Equality, Diversity, and Inclusion (EDI)

Following on from extensive training across the organisation, the launch of our E, D & I commitments and the recruitment of E, D & I champions to raise awareness, we have recently launched our E, D & I inclusion hub which hosts resources that further support learning and promote awareness.

We have also conducted an E, D & I audit of our employee lifecycle through policy reviews, interviews and focus groups. Next steps have now been agreed following the audit and we will progress these to further embed equality, diversity and inclusion across the councils.

## Wellbeing support

We continue to enhance our award-winning health and wellbeing offering for staff. Partnering with organisational and occupational psychologists, we deliver wellbeing webinars on diverse topics to support mental health.

Staff can access the Wellbeing Hub via Connect, featuring webinar recordings, Mental Health First Aid details, Employee Assistance Programme links, manager toolkits, and additional resources.

We also work with an Occupational Health provider to support our staff in their integration back into the workforce after a long period of illness. They also provide suggestions around reasonable adjustments within the workplace.

For inclusivity, we hold monthly wellbeing check-in sessions for frontline staff. We are also working towards menopause-friendly employer accreditation through menopause awareness training, a Menopause Network, and Champions.

Acknowledging the cost-of-living challenges, we offer financial wellbeing support, including training programmes, online sessions, and external resources.

## Employee Engagement

To gather staff feedback and measure employee engagement, we conduct formal Staff Surveys.

Our 2024 survey showed significant improvement in all areas however, we are committed to improve further and have a Staff Survey working group, with representatives from all areas of the councils, who will work together and with their teams to give greater focus on specific areas. For future, we have taken the decision to offer comprehensive surveys bi-annually, complemented by pulse surveys in between.

Throughout the year, we host Lunch and Learn sessions, both in-person and online, alongside initiatives aligned with National and International awareness campaigns. These efforts support our priorities in Equality, Diversity, Inclusion (EDI), Wellbeing, Learning and Development, and employee engagement.



## Building our future Workplace

We remain committed to supporting new careers through our Apprenticeship, Intern, and Graduate programmes, contributing to the local economy while developing talent pipelines.

The apprenticeship levy is fully utilised to attract new employees and upskill existing staff across various levels—from entry to postgraduate in a wide range of subjects.

As part of the overall People Plan, the Councils maintain a Learning and Development Plan. Each year, a learning needs analysis is conducted with every Head of Service to identify skills gaps and create tailored training plans for the year ahead.

We also offer development in the form of Aspiring Managers and Emerging Leaders programmes and have successfully completed 2 cohorts, combining externally supported and internally led sessions. A Senior Leaders programme has also been developed and delivered and will continue during 2025. All these programmes will not only support individuals achieve their own personal growth ambitions but also develop the councils' resilience for the future.

New training sessions on essential management topics have been introduced, offering both e-learning and in-person formats for staff with managerial responsibilities. The HR team also provides virtual bite-size learning sessions focusing on core people management measures, with plans to expand these further.

## Reward and benefits

Having completed an 18-month organisation-wide pay and reward review in 2023/2024, to ensure we are able to attract and in turn retain our staff, we continue to evaluate all job roles from our Grade 2 roles to Grade 8 Head of Service, when there are significant changes to role, or new roles are being introduced. We use the NJC-accredited Job Evaluation software to carry out this process and this ensures equal pay for equal work and reinforces our competitiveness in the market. Additionally, we publish our annual pay statement to maintain transparency.

We have also introduced new employee benefits over the past 12 months. We operate an Electric Car Vehicle leasing scheme which supports our carbon reduction commitments. We also offer other sustainable travel options including bus, train and cycle offers and options. To support financial wellbeing, we have introduced My Money Matters, focusing on savings for the future, and a GP helpline with 24-hour access for our employees and their immediate family.

We monitor and publish gender pay data in compliance with legislation and have implemented an action plan to address any disparities. Our most recent report shows promising progress, with the pay gap continuing to narrow across the organisation.

## Supporting and managing Employee performance

We have a robust performance review process in place, designed to align measurable objectives from strategic priorities to service plans and individual goals. This system also incorporates demonstration of values and behaviours.

To provide clear guidance, a Behavioural Framework is accessible on our intranet platform, Connect, outlining the behaviours that reflect our values. Employees can now conveniently upload their reviews onto our new HR Information System, enhancing accessibility and ease of reference. The HR team conducts spot checks to ensure regular one-to-ones and reviews are being carried out effectively.

Our HR and OD Partners, HR Advisors, and HR Support Team offer hands-on assistance to teams, supported by comprehensive policies and guidance available on our intranet.

Their collaborative approach covers recruitment and transactional services, ensuring smooth operations across the organisation along with transformational support.

We continue to embrace hybrid working, guided by the principle that work is defined by what we do, not where we go. Through our flexible and agile working policies, we prioritise maintaining a healthy work-life balance for all employees.

## Leaving our organisation

To understand and address the motivations behind employees leaving, we encourage outgoing staff to complete a leaver survey or request an exit interview with a member of the HR team.

This feedback allows us to identify trends, concerns, and areas for improvement. A structured leaver journey ensures all activities are completed efficiently, and is tracked via our HR Information System, enabling line managers to retrieve equipment and information before the employee's last day.

We support employees planning their post-work lives through flexible retirement options and retirement workshops.

## Looking ahead to the future

As we plan for the future, we will be reviewing our People Strategy and plans for the next 2 to 3 years. We also aim to address several key areas in the final 12 months of our current people plan, to ensure our organisation is well-equipped to meet emerging challenges.

**Workforce Metrics:** Enhancing our understanding of workforce metrics is a priority. By analysing these effectively, we can gain valuable insights and make data-driven decisions to maximize our workforce's potential.

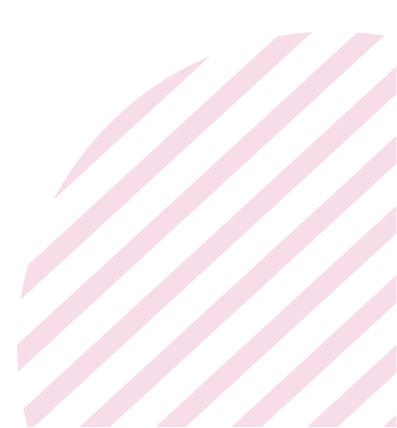
**Talent Management:** Developing robust plans to support talent retention and succession planning is critical to ensuring our workforce possesses the skills needed both now and in the future.

**Automation and AI:** We are exploring the impact of automation and artificial intelligence on our people processes, assessing both opportunities and challenges to optimise efficiency while maintaining a people-centered approach.

**Pay Gap Measurement:** Expanding our focus to measure pay gaps across protected characteristics will allow us to gain deeper insights and take action to promote equality and inclusivity across the organisation.

## Conclusion

**The Head of HR & OD is confident that sound processes and procedures are in place to support and manage the workforce effectively. However, in light of current social and economic challenges, along with the changes that Devolution and Local Government Reform will bring, it is acknowledged that policies, processes, and support will require ongoing evaluation to remain responsive to changing needs.**





## Opinion of the Head of Strategic Policy

The Councils have continued to embed our strategic approach to demonstrate the improvements and recommendations put in place after our Local Government Association (LGA) Corporate Peer Challenge (CPC) of March 2022. Working in partnership with services across the Councils to deliver the recommendations, approaches have been embedded around use of insight and data, risk management, horizon scanning, performance and improvement across the organisation.

Developing the organisation's delivery plan has been a key workstream, reporting progress into the Change and Efficiency Programme Board to ensure strong progress is made in these areas.

Looking forward to 2025 how we ensure that we continue to deliver our strategic approach through the course of local government reorganisation will be key. Ensuring we continue to demonstrate Best Value during this time, and the organisation as a whole continue to deliver against our organisation plan are key areas of focus moving forward.



## Performance & Improvement

Strong performance management has remained an important focus for the Councils throughout 2024. Work has continued during the year to implement new performance management systems and templates to meet the recommendations of our external audit by TIAA, including improving the visibility of our performance indicators and bringing them all into one place.

Our performance and risk system (Ideagen) has been fully implemented across the Councils and performance reporting is now increasingly automated. Our quarterly performance reports demonstrate progress against the key priorities as set out in Our Plan for Babergh and the Mid Suffolk Plan. The reports are highly data focused, including data from the previous four quarters to show direction of travel over the year. A Red, Amber, Green (RAG) status system is in use and comments are included for any underperforming measures.

In late 2024 Our Delivery Plan was created to bring the priorities of the two Councils into one place. This plan runs until 2028. Work has begun to align our performance indicators to the missions and outcomes set out in Our Delivery Plan, allowing the progress of our plan to be tracked across all areas of the Councils.

Having an automated system improves the ease of tracking the progress of our multiple plans while still creating focused reports as required to ensure our Senior Leadership Team (SLT) have an overview of performance of the organisation.

The State of the District report published each summer, along with our bi-annual Residents Survey provides valuable insight into how our work impacts on our communities. Further work is planned in 2025 to utilise our research and provide clearer output indicators for Our Delivery Plan's missions and outcomes.

Following this work to embed a robust method to track and report our performance, in 2025 we will create a framework around how we ensure performance continues to drive improvement across our services.

A Performance and Improvement Strategy and Policy is in development to be completed by December 2025, helping to put a continuous improvement mindset at the heart of our performance management.

## Risk Management

Risk management provides early warning on key / emerging matters to enable transparent, timely decision-making and intervention at appropriate levels. It improves decision-making allowing intelligent 'informed' risk-taking, helps to prioritise, protects assets, people, and the Councils' reputation, supports consistent good governance and internal control and allows better informed financial decision making, leading to greater financial and budget control.

Risk management is a key strategic element in our decision making and day-to-day operations that in line with our Risk Management Strategy is actively promoted across the organisation, to ensure a clear connection between risk, performance and finance on actions we choose to take as an organisation. In addition to a Strategic Risk Register (SRR), each service is responsible for owning an Operational Risk Register and the policy and strategy provides a clear line of sight between strategic and operational risk with an escalation and de-escalation process in place. The Councils' companies and projects also maintain risk registers.

In November 2024, our external auditor, TIAA, reported good practice in our approach following our adoption of a holistic approach to risk aligned to the HM Government Orange Book – Management of Risk Principles and Concepts, May 2023. The Councils also operate a clear three lines of defence model. In 2024, the Cabinets produced a joint Risk Appetite Statement following a TIAA audit recommendation from 2021. The Councils' risk management arrangements and the new Risk Appetite Statement were reviewed at Joint Audit and Standards Committee (JASC) in January 2025 and ratified by both Cabinets in March 2025.



Ideagen performance and risk management software was implemented in 2023, with the strategic and operational risk registers migrated to the new software system in 2024. This has enabled synergies between risk, performance and action management information, cross-cut reporting across the organisation, and clarity around regular updates made to registers to positively demonstrate active risk management. Strategic risks are also connected to the outcomes under Our Delivery Plan, enabling visibility of how risks are being managed through outcomes the organisation is working towards.

Work has continued to embed risk management arrangements, with quarterly reporting of strategic risk to the Senior Leadership Team and both Cabinets. Risk management arrangements are reported annually to JASC. Directorates hold regular risk management meetings, and ongoing training is undertaken around the organisation. Training has been provided to JASC committee members with regard to its role in providing assurance of the Councils' risk management arrangements, with further training being offered to Cabinet members throughout 2025. Following feedback from an Extended Leadership Team workshop in October 2023, a further programme of risk management continuous improvement was developed which has continued to improve the culture of risk management across both Councils and will run to December 2025.

## Equalities

The Councils are committed to equality monitoring to improve our services and ensure all our residents can access and use them.

As a public authority, the Councils have a duty to comply with our legal duties under Section 149 of the Equality Act 2010, the Public Sector Equality Duty (PSED); and the Equality Act 2010 (Specific Duties) Regulations 2011. To ensure the Councils are paying due regard to the PSED, the Equality Impact Assessment (EQIA) process is used to support good decision-making by ensuring the Councils consider how different people

will be affected by our activities, helping to deliver policies and services which are efficient and effective; accessible to all; and which meet different people's needs. EQIAs are prepared for Council and Cabinet papers where decisions are made - these are reviewed, with advice provided to EQIA authors, and then signed off prior to the committee meeting. We also undertake EQIAs for service changes and for staff restructures. For example, the recent Pay and Reward Review for our own staff pay scales undertaken in the organisation in 2023 and Part One of the Councils' Joint Local Plan.

We also ensure neurodiversity and veterans are considered in our Equality Impact Assessments, recognising the importance of considering the impact of Council decisions and policies on both groups.

## Conclusion

**It is the opinion of the Head of Service for Strategic Policy that subject to the continued actions outlined above being taken, they are satisfied that processes are in place to enable the Councils to meet the requirements of the Equality Act 2010.**

**It is also their opinion that processes are in place to embed our strategic approach to ensure the Councils are using insight, data, policy horizon scanning and risk management to inform the actions we take and ensure effective performance management and continuous improvement to demonstrate our duties under Best Value.**



## Opinion of the Head of IT and Programmes

The IT Strategy for Babergh and Mid Suffolk District Councils was formally adopted in November 2020 and enables the wider ambitions of the two organisations, specifically focusing on key customer outcomes and the ongoing resilience of the two councils.

The strategy, being aligned with that of our key provider, Suffolk County Council, enables us to ensure relationships with partners and our opportunity to effectively collaborate in strategically important areas of ICT continues.

Cybersecurity remains the most pressing risk facing ICT, a risk that has only increased with the wider adoption of Artificial Intelligence (AI). AI presents a double-edged sword in the realm of cybersecurity. On one hand, AI can be used by malicious actors to conduct more sophisticated cyberattacks. On the other hand, AI itself is vulnerable to adversarial attacks, where malicious actors exploit weaknesses in AI systems to manipulate their outputs or degrade their performance.

To address this threat, as part of our ongoing trial into the use of AI, we have integrated an AI evaluation process into our procurement procedures. This comprehensive evaluation scrutinises any service or software that employs AI, ensuring it adheres to our stringent security standards. The assessment involves verifying the protection measures against potential adversarial attacks and reviewing whether ethical considerations, such as bias, have been adequately addressed.

In addition to addressing additional threats arising from AI, we have implemented an advanced endpoint detection and response (EDR) solution. This tool integrates multiple layers of security, providing comprehensive protection against a wide range of cyber threats. It utilises machine learning and behavioral analytics to detect and respond to sophisticated attacks in real-time, ensuring that potential threats are identified and mitigated before they can cause harm.

Working with Suffolk County Council, we focused on our Cyber security efforts, and both gained our latest Public Services Network Accreditation (PSN) in April 2025.

In our continued bid to support the organisation to modernise we have supported the introduction of more modern solutions. We have supported the introduction of more user-friendly solutions in Finance (Unit 4), in Operations (Rocktime Verso), in Housing (Total Mobile) and are assisting in leveraging the benefits of our Digital Platform by introducing improved FOI and Complaints processes. We have also integrated the Digital Platform with Waste Services Line of Business systems enabling real-time lookups for residents in regards bin collection dates.

Much of this work has been focused through our Corporate Programmes, ensuring a clearer alignment of resourcing priorities and delivery to strategic priorities.

The Housing Programme seeks to deliver Housing Services through multiple channels, prioritise tenant needs, and provide affordable, safe, and efficient homes that meet the requirements of residents.

The Change and Efficiency Programme is looking to embed key governance pillars such as Risk Management, Financial Rigour and Strategic Priorities.

Some significant progress has been made across these programmes in 2024/2025:

- **New Finance System Implemented**
- **New FOI and Complaints Systems**
- **Stock and Go App for Building Services**
- **Multiple Contractor Interfaces**
- **New Job Management Solution for Housing is nearing completion.**

As we enter 2025/26 one of the key challenges facing ICT and Programmes is Local Government Re-organisation (LGR). It poses significant ICT challenges, including integrating fragmented systems, continuing to ensure data security and maintaining service continuity through a time of significant change. From a Programme perspective, the challenges include managing resources against shifting priorities.

## Conclusion

**It is the opinion of the Head of IT and Programmes that the technology assets of the Councils are managed effectively, efficiently, and economically, and our Programme approach is continuously maturing.**

**This positions us strongly to address the challenges of LGR, as we possess a robust and clear understanding of our ICT assets. Our commitment to innovation will facilitate a smooth transition, and our structured approach to planning and resource optimisation will ensure that LGR proceeds efficiently.**



## Opinion of the Data Protection Officer

Information Governance in Babergh and Mid Suffolk District Councils is overseen by the Councils' Statutory Officers Group which meet every two months. The primary purpose of the meeting is to drive and oversee the ongoing development of strategies to ensure the Councils have effective governance and assurance arrangements in place to meet our statutory responsibilities.

The role of Information Governance Officer is being brought back into the direct employment of the Councils. Recruitment has taken place but the newly appointed officer has not yet started in post. This role will sit within the Councils ICT and Programmes team.

The Councils have key individuals who have specific roles and responsibilities regarding information governance, including:

- Senior Information Risk Owner – Deputy Chief Executive with overall responsibility for the Councils' information risk policy.
- The Head of Governance and Civic Office and Interim Monitoring Officer, is the Data Protection Officer who is responsible for overseeing data protection strategy and ensuring compliance with legislative requirements. This role also leads the Information Governance Team that develops the overall information policy and assurance framework, provides information, advice, guidance and training for staff, and monitors compliance.
- Information Governance officer – provides a comprehensive advice service to the councils in respect of Information Governance, Data protection, Data management, Freedom of Information and Environmental Information Regulations.

The Councils also have an informal network of representatives across the organisation who promote and encourage best practice within their service areas on information management. They also act as the liaison officers for their service areas for the processing of Freedom of Information (FOI), Environmental Information Regulations (EIR) requests and maintaining and updating their datasets in the Information Asset Register. Training for them is provided on an ongoing basis.

Information, advice, guidance and support relating to different aspects of information governance is available on the Councils' intranet and internet, and bespoke advice is available for members and staff from the Information Governance Officer.

The Information Governance Officer also works closely with colleagues from other Suffolk local authorities and partners via the Suffolk Information Governance Group and the Suffolk Office of Data Analytics (SODA) to ensure that information can be shared safely and appropriately between organisations with a consistent approach to data protection being followed across the Suffolk Local Authorities.

Examples of this collaborative work is the documentation produced to cover off the Feel Good Suffolk initiative to help our residents move towards better supported health options; and collaboration with other local authorities across the county in the drafting of a process for consideration regarding the Low-Income Family Tracker dashboard (LIFT).

## Conclusion

**Information governance continues to hold a higher profile than ever before since the implementation of new data protection legislation which came into force in May 2018, and the Councils continue to drive improvements to data security and compliance.**



## Opinion of the Head of Communications and Engagement

The Communications team supports all council service areas with both external and internal communications.

This includes issuing proactive media releases and reactive statements, offering communications advice, posting stories on our website, creating content for our social media channels, photography and video, design services, as well as providing internal, member and stakeholder communications.

We help our residents, staff, councillors and partners feel informed about council services and priorities, and to see our positive impact on communities. We consider the specific needs of different audiences and tailor our work appropriately – so people receive the right message, in the right format, at the right time wherever possible.

Good communications are essential to build trust, enhance our reputation, and for council projects and initiatives to succeed.

All communications activities are delivered in line with our Communications Protocol. This exists to guide council officers' actions and decisions when arranging and delivering corporate communications activities involving elected members.

It is followed closely to ensure actions and decisions are consistent, clearly understandable and make appropriate use of the role of elected members in promoting and defending the work of the council.

Fairness is a fundamental principle, so the rules are applied equally, regardless of which elected member is involved or the political group they belong to.

Our communications also follow The Publicity Code for local authorities, which states publicity should: be lawful, cost effective, objective, even-handed, appropriate, have regard to equality and diversity, be issued with care during periods of heightened sensitivity.

In 2024/25, we issued around 100 media releases and managed more than 300 reactive media inquiries.

To ensure we can reach as many residents as possible with our communications, we have continued to develop our Babergh and Mid Suffolk social media channels, and this includes producing more content in the formats our audiences expect such as video. Our audience and reach has grown significantly in the last year.



We launched the new Mid Suffolk Magazine, a newsletter delivered to every household in the district, providing useful information to residents. This included details of cost-of-living support and the free Cosy Homes scheme to improve the energy efficiency of people's homes.

We have also managed the demands of Local Government Reorganisation comms alongside 'business as usual', ensuring our staff and councillors are updated first on any developments – this has included creating a new SharePoint page. We have worked collaboratively with other district and borough comms teams to inform the public and stakeholders about the case for multiple unitaries.

## **Priorities for coming year / areas for improvement**

The Communications team will continue to work with colleagues across the organisation to ensure we are keeping them, our residents, councillors and partners informed about our services and priorities.

Our work will continue to be aligned to our corporate priorities, and we will continue to help the administrations to articulate these, demonstrating the positive impact they are having in the communities we serve. We will also help our staff understand how the priorities relate to them.

We will cater for a range of audiences across multiple internal and external channels, ensuring our communications are tailored for them.

There will be a particular need for our staff and councillors to receive prompt updates on Local Government Reorganisation and devolution, to understand what it means for them, and to address the questions and concerns they may have.

Other priorities include working with service areas on 'best comms practice' workshops, which we are offering across the organisation.

We will ensure consistent branding is available by creating a refreshed style guide and suite of assets for people to use.

Our communications will focus on the principles of being open, honest, and timely, using plain English. This will ensure we are transparent and our work is of the highest integrity. With continuing changes to the way people access information, we will ensure our Communications and Engagement Strategy remains relevant – looking for new opportunities and channels to reach our residents.

We will also encourage more meaningful engagement and dialogue, which our councils can use to enrich decision-making.

In terms of challenges in 2025/26, the key threat is that daily operational demands stretch the capacity of the team, which can often delay or hinder our strategic objectives. However, it is accepted that, much of the time, this is unavoidable due to the unpredictability of communications demands.

There has also been a subtle change in the 50/50 resourcing split between Babergh and Mid Suffolk. Three Communications Business Partners now work 60% of the time for Mid Suffolk, reflecting its stronger financial position and capacity to invest in new projects, requiring additional comms.

Our success will be gauged through a series of KPIs, including measuring sentiment in media stories and social media analytics.

We remain committed to developing the skills within our team. By continuing to invest in our communications, we can ensure that our communities understand our direction, our vision and the rationale for future proposals, and understand how they can have their say, as part of a fully transparent democratic process.

## **Conclusion**

**I am satisfied that the Communications team's activities are delivered within a clear framework, in line with our Communications Protocol and Communications and Engagement Strategy, and remain fair, impartial, cost-effective, appropriate and lawful.**





## Opinion of the Interim Head of Health and Safety

The Head of Public Protection, and the Health & Safety Manager (Corporate) is satisfied that governance arrangements for H&S are suitable and sufficient. Enforcing health and safety in the workplace is a legal and moral obligation for employers, but how can corporate decision-making drive a strategic, risk management approach that employees. Most of our Senior Leaders have now completed IOSH Safety Training for Executives and Directors and made a pledge to drive a positive health and safety culture in the organisation. There has additionally been an increased awareness on health and safety responsibilities for leaders managing services and teams, attending IOSH training and increased learning on risk assessment.

The H&S service plan highlights the specific aspects which require ongoing improvement, and this statement focuses on 2024/25. Operationally during Q1, the H&S team has worked with reduced capacity due to recruitment of a Health and Safety Manager (Corporate), however by Q2 and Q3, the post was operational along with administrative support and a H&S Officer was appointed in Q4 following retirement of the previous postholder.

Assurance activity is progressing, and a H&S officer-led audit assurance program has been undertaken by the team. The organisational compliance scores have improved with audit intervention, advice, training, and increased confidence in managers.

The improvement plan priority actions are identified Service Plan. Some of the key support packages for managers includes training on risk assessment across the organisation, and a corporate steer on how to manage health, safety, and communicated expectations from the Senior Leadership Team. A health and safety competency matrix produced by the Health and Safety Team, and Heads of Service now forms a basis for minimum training competency requirements for job roles within the Organisational. Stemming from this, we have seen requests from Services for competency-based training such as asbestos awareness being one of the top Health and Safety Executive (HSE) health priority campaigns, working at height, and road/working transportation.

There are still challenges with the Oracle database which needs to align with ihasco and other health and safety training and provide accurate staff employment status to we can have corporate oversight of health and safety performance related to training and compliance.

H&S is a standing agenda item at SLT quarterly meetings with a new H&S bi-monthly report being presented which includes risk, performance, and data. A Health and Safety Working Group has been set up with Health and Safety Representatives from various Directorates. The purpose of the Group is to share knowledge, increase awareness and provide a governance network for raising matters.

## H&S Compliance and Social Housing Regulator

Performance on Health and Safety compliance is regularly reported to and monitored by SLT, Cabinet and the Building Services Transformation Board. Additionally, officers meet with the Social Housing Regulator monthly, and the regulator continues to confirm that they are happy with our progress and the actions that have been taken to address H&S compliance in both the short term and the long term.

The Housing team has been under self-referral to the Regulator of Social Housing for over a year. However, Babergh and Mid Suffolk's Housing Team have worked diligently and are now no longer under self-referral with the Regulator of Social Housing. The Housing team has demonstrated dedication and commitment, working closely to address the improvement areas highlighted by the Regulator. Babergh and Mid Suffolk's Housing Team continues to collaborate with the Regulator and is preparing for an upcoming inspection. Compliance is continually monitored by the Senior Leadership Team, Cabinet, and the Transformation Board.

The Health and Safety Manager for Housing oversees the Compliance and Asset Team as well as the Housing Repairs and Maintenance team, the Housing Health and Safety team is a newly formed team which was created in 2023, the team has worked hard to engage with contractors, other departments and colleagues to encourage a positive health and safety culture. The team has been engaging with colleagues in various ways including toolbox talks, structured training schedules, and comprehensive contractor audits, including documentation and compliance with The Construction (Design and Management) Regulations 2015.

The team has also been working on ensuring all paperwork has been reviewed and updated to ensure accuracy to protect the teams. Targeted safety campaigns aimed at the DLO have been created to ensure engagement is taking place at all levels.

Additionally, they have been actively engaging with residents about safety in their homes and ways to improve it, including residents' meetings and resident board attendance. A dedicated residents Health and Safety section on the website has been created to enable accessible information to residents and people of the district, an area in which the team hope to improve upon in the following months.

## Conclusion

There is a positive attitude towards health and safety across the Councils, and all employees are actively engaging with learning and improving how they can address health and safety in their teams. KPIs and risk management helps move priority areas into greater focus, and this has been actively achieved with working groups, and staff engagement on safe systems of work and processes. The Health and Safety arrangements across the Councils during 2024/25 were effective and priorities such as training and competency of health and safety leadership will help us to continually develop improvements in 2025/26 where topics such as risk assessments, lone working, use of transport at work and customer alert updates are being reviewed to enable managers to drive up performance. Whilst some significant work has been done on delivering and improving identifying key skills, there was limited assurance during a third-party audit in 2024/25 in relation to training. Improved capability of Councils to accurately record current staff including contractors and training is required. A solution is being sought by human resources who lead on learning and development.

## Actions moving forward

Actions achieved during 2024/25 to further strengthen the Councils' governance, alongside the standing arrangements already in place:

Actions captured in 2023/24	Outcomes achieved during 2024/25
<p><b>Resetting our Corporate Plan</b></p> <p>Work was ongoing in 2023 to refresh our existing corporate plan, which resulted in Our Plan for Babergh and the Mid Suffolk Plan. Both plans set out the priorities both Councils are looking to deliver by 2027.</p> <p>These two plans set out the priorities, which were followed up with detailed plans in the form of Action Plans, detailing which priorities will be delivered in 2024-25 and beyond.</p> <p>It was recognised however that a broader plan was needed to articulate what we want to achieve in the totality of all Councils' service delivery, for our residents, businesses, visitors, stakeholders and partners, and all Councillors and staff. It also needed to identify how we would achieve our outcomes, providing that golden thread through our organisation to give a clear vision on how we all achieve our shared outcomes.</p>	<p><b>Resetting our Plan</b></p> <p>Following the agreement of our strategic priorities in Our Plan for Babergh and the Mid Suffolk Plan, work was completed in 2024 to bring all the Councils' work and priorities into one plan. Our Delivery Plan encompasses the above strategic plans, specific actions to deliver those plans and all the work the Councils undertake.</p> <p>Some of the principles that went into inform Our Delivery Plan were:</p> <ul style="list-style-type: none"> <li>• Longer term planning, not just immediate goals, and political-term thinking</li> <li>• Consider the role of local authorities, and whilst providing direct services also consider how we can also be stewards and leaders to engage more to achieve wider outcomes with our communities, partners, and stakeholders</li> <li>• Focus on our places, their uniqueness and how we respond to the challenges they face</li> <li>• How we can collectively deliver on our missions whilst ensuring our foundations are strong to enable that delivery</li> <li>• Delivering quality, reliable council services</li> <li>• Ensuring financial responsibility and viability</li> <li>• Putting sustainability and social justice at the heart of everything we do</li> <li>• Working with residents and partners to nurture engaged and resilient communities</li> </ul>

Actions captured in 2023/24	Outcomes achieved during 2024/25
	<p>Our Delivery Plan identifies 14 outcomes, which are being directly connected to what we deliver through our service plans, and key performance indicators to demonstrate whether we are on track for delivery. Service Plans for 2025-28 have been created, providing that connection between outcomes and showing how progress will be monitored through actions and key performance indicators.</p> <p>We continue to review and renew our strategies and plans to ensure they are aligned with the plans and associated Action Plans, Our Delivery Plan, outcomes and performance reporting, to ensure that a clear golden thread can be seen through the organisation from priorities of the Councils through to our actions on a daily basis to deliver these for our communities.</p>

<p><b>Councillor Development</b></p> <p>The Councillor Development Working Group continues to plan and shape the training programme for all Members.</p> <p>An extremely successful induction plan was carried out in 2023 with 100% positive feedback received from councillors. The Councils were shortlisted in the LGC awards for the innovative approach taken. The training plan in 2024/25 will focus on deepening councillors' knowledge around the committees and governance arrangements of the council.</p> <p>A detailed training programme for each committee is being formulated and will be rolled out across the next municipal year. Regular member briefings on a wide range of topics are also being planned and will be rolled out on a regular basis across the year. Further Cabinet training and development for both councils is being supported by the LGA for this municipal year.</p>	<p><b>Councillor Development</b></p> <p>The training plan for 2025/26 will focus on refreshing councillor training undertaken in the successful induction carried out in 2023. A detailed training programme for each committee continues to be formulated and rolled out across the next municipal year. A plan of regular member briefings on a wide range of topics is being formulated for 2025/26 to be held on a regular basis across the year.</p> <p>Councillors will continue to be offered a comprehensive suite of training from external organisations such as the LGA and LGiU as well as internal training for Planning and Licensing Committees.</p>
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Actions captured in 2023/24	Outcomes achieved during 2024/25
<p><b>Building Services Transformation and Improvement Programme</b></p> <p>We began our in-depth review in 2019. As part of this, two experienced specialists, working alongside our own officers, reviewed several key areas and assessed our compliance with regulatory standards.</p> <p>This resulted in us self-referring to the Regulator of Social Housing. Our current position is good, and the Regulator is pleased with our progress regarding our Health and Safety obligations. However, we are still developing our damp and mold model; as such, we are continuing to meet with the Regulator every month.</p> <p>Our in-depth review resulted in a transformation programme, which identified the road to excellence for the following areas in Building Services.</p> <ul style="list-style-type: none"> <li>• Compliance</li> <li>• Asset and Investments</li> <li>• Repairs</li> </ul> <p>We have completed our compliance restructure and are reviewing the policies and procedures. Our asset and investment restructuring is ongoing and should be completed by September 2024.</p> <p>Our transformation programme for building services is an ongoing journey. We have developed a business plan that has been unanimously agreed upon. The consultations with team members and unions have been successfully completed.</p> <p>We are currently in a brief period of reflection before embarking on the process of restructuring the teams to better meet the service needs, leading to enhanced tenant experience and cost savings. This ongoing nature of our transformation ensures that all stakeholders are part of the process and can contribute to its success.</p>	<p><b>Building Services Transformation and Improvement Programme update</b></p> <p>Following the completion of our compliance restructure and our period of reflection, we have now carried out a full restructure of building services, which we have renamed Housing, Repairs, and Maintenance. This was done in consultation with the unions.</p> <p>The new structure focuses on prioritizing the right skills, knowledge, and experience. A new management structure has been implemented to provide more support for trades and office colleagues.</p> <p>The restructuring of the trades team followed a thorough analysis of the jobs carried out over the previous years. This enabled the team to understand the requirements based on accurate data. Additional posts were also recruited to ensure tenants had support, particularly around any dissatisfaction. IT has also improved with the procurement of a new job management system, which is currently being implemented. A new fleet was procured, and a new logo and uniform were purchased.</p> <p>All policies and procedures have been updated and agreed upon by the Tenant Board.</p> <p>Our new repairs policy clearly sets out our commitment to tenants and the timeframes we are legally obliged to meet. It also outlines the expectations of tenants and their obligations. The team worked with the support of a consultant to design repairs pledges, which form the framework for the service. Each member of the team was involved in the final draft, and these were also put through our tenant governance program.</p> <p>Our performance has improved, and within 18 months, we feel confident that we will reach the upper performance quartile.</p>

Actions captured in 2023/24	Outcomes achieved during 2024/25
<p>Part of our transformation concerns systems and contracts. The teams are developing fit-for-purpose contracts and implementing a Job Management system.</p> <p>Our commitment to excellence and tenant satisfaction is unwavering. We have implemented a new Governance process to ensure that both Members and tenants are kept informed of our progress and can contribute to service development.</p> <p>We are not just navigating Building Services through these challenges but are dedicated to transforming it into an outstanding service for tenants in the future. This commitment underscores our respect for our stakeholders and our determination to provide the best service possible.</p> <p>It should be noted that there have been significant and welcome changes in the way social housing is regulated in the last three years. All councils have been brought in line with other Registered Providers to adhere to the regulator's requirements and processes. If we are not 100% compliant, we must refer ourselves to the regulator, which is not unusual, particularly with local authorities new to this housing regulation.</p>	<p>Our complaints response has improved and now sits in the top quartile. Our list of outstanding repairs is now at a reasonable level and will improve further as we continue to embed systems.</p> <p>Our Regulatory Notice has been lifted, highlighting our progress and commitment. Our transformation board is now closed, and our continuous improvement program feeds into the housing board.</p>



Actions captured in 2023/24	Outcomes achieved during 2024/25
<p><b>Peer Review</b></p> <p>In March 2022, the LGA CPC Review team reviewed the Councils and identified that we are well run and deliver good core services to our residents. They described our officers as being highly dedicated, committed, and loyal to the organisation; and praised the workforce for delivering above and beyond, particularly during the pandemic.</p> <p>The team found excellent partnership working at strategic level to deliver positive outcomes on health, wellbeing, housing, stimulating economic growth and shared services – and we were described by our partners as “punching above our weight.” This has recently been reflected in being awarded UK Council of the Year at the iESE Public Sector Transformation Awards.</p> <p>The CPC Review team made a follow-up visit in January 2023, where they reported substantial progress against their recommendations. They identified that the improvement plan is a serious indication of the continuous improvement journey the Councils are on and there is clear evidence of resourcing and delivering the plan.</p> <p>The Councils have continued to ensure the recommendations made by the Peer Review team have been progressed and reviewed on a regular basis with the Senior Leadership Team.</p>	<p><b>Peer Review</b></p> <p>During 2024 we have continued to implement improvements based on the recommendations received. We have created Our Delivery Plan and Councillors Charter while continuing to work on our place-based approach. The majority of actions are now complete or incorporated into our revised working practices, and the process will draw to a close during 2025.</p>



Actions captured in 2023/24	Outcomes achieved during 2024/25
<p><b>Social Value</b></p> <p>The Councils are intent on demonstrating Social Value. A draft policy to support the delivery of the Councils' refreshed priorities is in development. This focuses on demonstrating Social Value in Procurement, but also how we demonstrate Social Value within the delivery of the Councils' priorities. A new Head of Commissioning and Procurement Post has been appointed to drive the work to embed Social Value within the Councils' externally purchased contracts.</p> <p>A draft Social Value Policy to support delivery of the Councils' refreshed priorities and associated strategies will be presented to SLT and will then be considered for adoption by Cabinets. Its precise timing will ensure we have clarity of purpose and a shared understanding of how we can embed our approach to developing achievable social value principles (social, economic, and environmental) in every element of our activity.</p> <p>Our Standing Orders, procurement templates and guidance will be revised to implement the Social Value policy.</p> <p>A task and finish group will be set up to ensure the effective implementation of the Social Value policy and to support the cultural change internally to embed Social Value at the forefront of all activity. The task and finish group will report to SLT on a regular basis to ensure that the SLT have oversight and provide support to embed Social Value in the activities of their directorate.</p>	<p><b>Social Value</b></p> <p>The Councils are intent on demonstrating Social Value. A Social Value Policy was agreed by Cabinet in June 2024.</p> <p>The Policy focuses on demonstrating Social Value in Procurement, but also how we demonstrate Social Value within the delivery of the Councils' priorities. A new Head of Procurement Post was appointed who started in post in January 2024. The post has been appointed to drive the work to embed Social Value within the Councils' externally purchased contracts.</p> <p>To embed the Social Value Policy into practise a template Social Value evaluation criteria has been introduced with separate weightings for social, economic and environmental benefits. We allocate weightings for Social Value on a case-by case basis, aiming to use a total Social Value weighting of 10%. We monitor the weightings used in procurements to ensure that where less than a 10% weighting is used, there is oversight of the reason why.</p> <p>An Environmental Ask of our supply chain was introduced in 2024 which is included in our tender and quote documentation. The Ask provides guidance both to our supply chain regarding the steps to be taken to reduce emissions and to our bid evaluation panels regarding the evaluation of social Value environmental offers.</p> <p>Our Contract Standing Orders which were updated and agreed by Full Council came into force in February 2025.</p>

Actions captured in 2023/24	Outcomes achieved during 2024/25
<p>We will measure and collate key performance indicators, which we will review periodically, to enable us to measure and monitor an identified set of internal KPIs based on themes, outcomes and measures (TOMs) to ensure we achieve meaningful Social Value across all our services. Progress to implement Social Value within the Councils' contracts will be tracked within the Commissioning &amp; Procurement performance monitoring.</p> <p>A Social Value Statement will be published on an annual basis to outline the progress of the Councils' Social Value journey and the key actions to be prioritised.</p> <p>The Councils are committed to using Social Value to maximise the economic, social, and environmental benefits to our communities of every pound spent on delivering the Councils' priorities.</p>	<p>A Social Value training programme will be developed and delivered to support understanding of how Social Value can be used as a tool to realise genuine benefits for our communities in Babergh and Mid Suffolk Councils. The training programme will offer training options to the Council staff, contractors and potential bidders.</p> <p>A Social Value Network will provide virtual support to the Councils' staff regarding how to use Social Value and best practice examples of the potential opportunities and benefits of using a Social Value approach.</p> <p>We will regularly benchmark our progress on our Social Value journey by using nationally recognised tools such as the Social Value Maturity Index and benchmark progress to peer Councils. Regular progress updates will be shared on a quarterly basis with the Councils' Senior Leadership Team and Councillor Portfolio Holders to ensure that they have oversight of the progress to embed a Social Value culture with the Councils.</p> <p>Progress on the implementation of this policy including our key areas of focus, progress of our achievements and benefits realisation and our planned next steps for delivery will be outlined in an Annual Social Value Statement which we will publish on our website. The first statement to be published in December 2025.</p> <p>The Councils are committed to using Social Value to maximise the economic, social, and environmental benefits to our communities of every pound spent on delivering the Councils' priorities.</p>

# Approval of the Annual Governance Statement

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

The governance arrangements as defined within the Councils’ Local Code of Corporate Governance have continued to operate effectively.

The Annual Governance Statement shows that our high standards have been maintained and no significant issues are reported.

Specific opportunities for improvement in governance and internal controls are detailed within the Statement. We propose, over the coming year, to take steps to address these opportunities to further enhance our governance arrangements.

We are satisfied that these steps will continue to address the need for any improvements that are required and that arrangements are in place to monitor the issues raised as part of each Council’s annual review.



**Cllr John Ward**  
Leader of Babergh  
District Council

A handwritten signature in blue ink that reads "John Ward".

.....  
Signature

4<sup>th</sup> September 2025  
Date



**Cllr Andrew Mellen**  
Leader of Mid Suffolk  
District Council

A handwritten signature in blue ink that reads "Andrew Mellen".

.....  
Signature

4<sup>th</sup> September 2025  
Date



**Arthur Charvonia**  
Chief Executive of Babergh  
and Mid Suffolk  
District Councils

A handwritten signature in blue ink that reads "Arthur Charvonia".

.....  
Signature

4<sup>th</sup> September 2025  
Date



# Annual Governance Statement

2024 - 2025