



# **Annual Governance Statement**

## **2019/20**

This Annual Governance Statement is presented as a joint statement of Babergh District Council (BDC) and Mid Suffolk District Council (MSDC)

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## **Introduction**

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?**

Corporate governance is both the policies and procedures in place and the values and behaviours that are needed to help ensure the Councils run effectively, can be held to account for its actions and delivers the best possible outcomes for the communities it serves with the resources available.

Babergh and Mid Suffolk District Councils have adopted a Local Code of Corporate Governance that sets out a commitment to corporate governance and summarises the governance arrangements and activities in place to which it is accountable to and engages with its communities.

The Local Code reflects the core and sub-principles outlined in the 2016 CIPFA/SOLACE\* Framework, 'Delivering Good Governance in Local Government'.

(\* CIPFA – *Chartered Institute of Public Finance and Accountancy*, SOLACE –

## **The Councils' responsibility in relation to Corporate Governance**

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

In discharging this overall responsibility, Babergh and Mid Suffolk District Councils are also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which include arrangements for the management of risk.

This Statement explains how the Councils have complied with the Local Code of Corporate Governance, which is consistent with the principles and reflects the requirements of the CIPFA/SOLACE Framework, 'Delivering Good Governance in Local Government'.

## **What is a Governance Assurance Framework?**

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

An assurance process is in place to provide a framework for the annual assessment of the effectiveness of the governance arrangements operating within the Councils. The key elements of the systems and processes that comprise the Councils' governance arrangements are:

- a) Members exercising strategic leadership by developing and keeping under review the corporate priorities of the Councils;
- b) An established integrated planning process which ensures that services are delivered in accordance with the Councils' objectives and represents the best use of resources;
- c) Measuring performance in achieving objectives through the Councils' performance management;
- d) Having a written Constitution which specifies the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication;
- e) Having developed and embedded Codes of Conduct which define the standards of behaviour for members and employees;
- f) Setting out, within the Constitution, Schemes of Delegation to members and officers, Financial Procedure Rules and other supporting procedures which clearly define how decisions are taken and the processes and controls required to manage risks. Also, having in place arrangements to ensure these are reviewed regularly;
- g) Having a Joint Audit and Standards Committee which promotes and maintains high standards in relation to the operation of the Councils' Code of Corporate Governance, and ensures that the Councils operate within the law, in accordance with the Councils' internal procedures. The Committee is also responsible for overseeing risk management and the associated control environment and ensuring that the Councils' financial performance is properly monitored;
- h) Appointing statutory officers to support and monitor the Councils' governance arrangements, ensure expenditure is lawful and guarantee compliance with relevant laws and regulations, internal policies and procedures;

i) Having embedded arrangements for whistleblowing and for receiving and investigating complaints from the public, supporting the measurement of the quality of services for users; and

j) Having a programme of actions which aims to keep communities informed; support people to be involved in their local communities; promote local democracy; support communities in shaping places and services; improve the Councils' understanding of how communities work and coordinate community engagement activity.

### **Review of Effectiveness**

The Councils have responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including its internal control system. 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).

### **Introduction from the Strategic Director**

This statement sets out the management arrangement and opinions from key officers regarding the governance of Babergh and Mid Suffolk District Councils. Governance and Assurance has taken on an increased importance over the years. The Councils face a particularly difficult financial landscape and the report identifies the importance of appropriate arrangements for setting and managing budgets and the necessary control mechanisms to ensure compliance with the law and good practice.

### **Opinion of the Assistant Director – Law and Governance and Monitoring Officer**

The Monitoring Officer's overall assessment is that the Councils have complied with their Constitutions, governance arrangements and statutory obligations. The governance framework is sound and the Constitution has recently been reviewed. Councillors and Officers have access to adequate support and training to assist them with fulfilling their duties and ensuring the highest standards of conduct. The Councils have complied with the requirements for openness and transparency.

### **Introduction**

Elections to the Babergh and Mid Suffolk District Councils (BMSDC) took place on 2 May 2019 based on revised ward boundaries and reduced Councillor numbers. Babergh District Council (BDC) now has 32 Councillors representing Conservative, Independent, Green Party, Liberal Democrat and Labour political groups, with no overall political control. Mid Suffolk District Council (MSDC) has 34 Councillors representing Conservative & Independent, Green Party and Liberal Democrat political groups. The Conservative and Independent Group are currently in administration

following the use of the Chair's casting vote at the annual council meeting. Both Councils operate the Cabinet and Leader model of Governance. BDC has a cross party Cabinet and MSDC has a Conservative Cabinet.

## **Governance Framework**

The Councils have each adopted Constitutions which are based on the Model Constitution. A cross-party joint working group undertook an extensive review of the Constitutions in 2019, supported by the Monitoring Officer, with revised Constitutions being effective from 7 May 2019. BMSDC have effectively adopted a joint Constitution with a few minor variations between the Councils. The Constitution provides the ethical framework for lawful and transparent decision-making, including those decisions made by officers under delegation. The Constitutions also set out the conduct frameworks for Officers and Councillors.

The Monitoring Officer or Deputy Monitoring Officer attends every induction session for new employees to raise awareness of the Constitution and the Councils' governance arrangements.

- It is recommended that for 2020/21 a more detailed session on the Constitution and decision-making is undertaken with all new managers as part of the management induction process.

Decisions are undertaken by the Full Council, Committees of the Council, the Cabinet (Executive functions) and Officers. All decisions are supported by formal written reports which include legal, financial, risk, equalities and environmental impact considerations. Formal minutes of the meetings are produced and published promptly after each meeting. In respect of Cabinet decisions, a decisions notice is produced within 24 hours of the meeting.

## **Statutory Officers**

The Statutory Officers; Monitoring Officer, Head of Paid Service and S.151 Officer, meet bi-monthly to consider any issues relating to governance matters. This enables us to proactively identify any potential issues and share recent legislative and best practice updates. The group also reviews the organisations' information compliance, in respect of GDPR and FOI responsibilities.

## **Councillor Development**

All Councillors participated in an extensive induction programme following their election in May. This included a marketplace event to provide information about all the Councils' services and training sessions on the code of conduct, IT acceptable use awareness and GDPR. A further programme of topic specific training took part in the subsequent weeks. A Councillor development working group has been established including Councillors from both Councils and representing a range of political groups to oversee the year-round Councillor Development Programme.

- In light of the Covid-19 pandemic, the Councillor Development Programme for 2020/21 will need to be reviewed to make better use of virtual training sessions and e-learning packages to meet Councillor development needs.

Councillors that sit on regulatory (planning and licensing) committees are required to complete technical training at least every 2 years. We also hold regular Joint Councillor Briefings to help keep Councillors up to date with information to support them in their roles as decision makers and community leaders.

## **Transparency**

The Councils are committed to the highest levels of openness and transparency in all their activities. The Forthcoming Decisions List is published weekly and includes not just Cabinet business but also upcoming Council decisions. Wherever possible meetings are held in the Council Chamber which enables the meeting to be recorded and audio-visual footage to be live streamed to the Councils' YouTube channel. This footage is available to be viewed again after the meetings. Live streaming has made the formal meetings of the Council, Cabinet and Committees much more accessible to the public.

- During the Covid-19 pandemic the Councils have embraced new legislation allowing virtual meetings to be held. During 2020/21 we will need to consider whether our governance around virtual meetings and the platforms used are sufficient for longer term adoption of virtual meetings (subject to legislation).

## **Standards**

The Councils promote the highest levels of ethical behaviour and conduct. In 2019 the Councils adopted a set of behavioural values for employees which have been incorporated into the Councils' annual performance reviews. The Constitution sets out a code of conduct for employees which includes requirements in respect of registering interests and gifts and hospitality.

The Councils have adopted a Suffolk-wide Code of Conduct which is upheld to its highest degree. The Monitoring Officer has appointed two deputies to assist with responding to code of conduct complaints and to provide advice and guidance to District Councillors and Town and Parish Councils about conduct matters.

- In response to the new Model Code of Conduct, expected in Summer 2020, the Monitoring Officer is seeking to revise the Code of Conduct Complaints Process to ensure that both the complainant and the Councillor who is the subject of the complaint have the highest levels of confidence in the integrity and fairness of the complaints process.
- The Monitoring Officer is looking at using an e-learning package to provide refresher Code of Conduct training to Councillors in 2020/21.

## **Covid-19**

During the Covid-19 pandemic, where it has not been possible to convene meetings of Councillors, use has been made of the Chief Executive's general power to act out of meeting in urgent situations. Furthermore, officer delegations have been used to make timely decisions. All decisions have been taken in accordance with existing provisions within the Constitution – i.e. BMSDC have not needed to implement any emergency constitutional amendments – and have been appropriately recorded and published.

The Monitoring Officer has made some minor amendments under delegated authority to the Rules of Procedure within the Constitution to reflect the provisions in the Coronavirus Act 2020 and resulting Statutory Instruments.

### **Opinion of the Assistant Directorate – Corporate Resources (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 CFO 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 CFO, 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.

Other safeguards which ensure that strong public financial management is in place include:

- 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 CFO in their statutory role in connection with financial probity and they review and approve the Annual Statement of Accounts.

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 most recent Annual Audit Letter from Ernst & Young (EY) dated 6<sup>th</sup> November 2018 gave the Councils an unqualified opinion on their 2017/18 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. There has been a delay in getting the 2018/19 statement of accounts signed off by EY, but this has resulted from resourcing issues within EY as opposed to any governance issues within the councils. It is anticipated that this will be completed by the end of July 2020 and that an unqualified opinion on the accounts and value for money conclusion will again be the outcome.

Internal Audit has maintained a financial governance assurance framework, to gain sufficient assurance on governance, risk management and control arrangements. Regular audit work has been carried out in 2019/20 on financial controls and systems. Where concerns have arisen, these have been reported to the CFO, relevant managers and Joint Audit and Standards Committee, with actions and timeframes agreed.

The Councils take an annual approach to business planning, allowing a close link between business and financial planning. The Joint Medium Financial Term Plan is used to align resources to key priorities and forms the basis of the annual budgeting process.

The Councils have a record of setting balanced budgets, no history of overspending, modest increases in council tax and no significant reductions in service levels during reductions in government funding. The cumulative savings achieved between 2011/12 and 2019/20 are £17.4m for Babergh and £30.9m for Mid Suffolk. A further £2m and £2.3m of either cost reductions or additional income was identified respectively for the 2020/21 budgets without again having any significant impact on the level of services provided to the public. This built on the process established the previous year, to identify cost savings and additional income from investing in commercial opportunities and to review, remodel and reinvent the way the Councils operate.

Robust budget management arrangements are in place including regular monitoring and reporting to the Senior Leadership Team (SLT) and Cabinet. On a monthly basis, SLT provides challenge and scrutiny of the major variances as they occur throughout the year. Within operational service Directorates, monthly forecasts are discussed, and with the support of the Finance Business Partners variances are challenged with the budget holder. Quarterly financial performance is also discussed with Assistant Directors, Portfolio Holder's and Finance Business Partners.

Towards the end of 2019/20, the first in a series of finance training sessions was delivered to the Extended Leadership Team (ELT), as part of a new leadership and management development framework. This will ensure that all managers across the organisation have the required level of competency in terms of financial management. This will be followed up in 2020/21 with further modules around specific areas of finance.

Following the elections in May 2019, a series of seminars was developed and delivered to all councillors to give them a basic understanding of local government finance and the role that they play through the financial governance of the two councils.

In October 2019, CIPFA issued a new Financial Management Code, which includes principles of good financial management including several associated standards the Councils will need to achieve. These are the benchmarks against which all financial management should be judged in future. During 2020/21 the Councils' current position against the standards will be assessed and an action plan put in place to ensure that all standards are being complied with before April 2021, the effective date of the new Code.

On 20<sup>th</sup> March 2020, the Government announced the national lockdown resulting from the global Covid-19 pandemic. This had limited impact in 2019/20, as the pandemic only started to make a notable impact on the public's and businesses' behaviour in the last two weeks of March. However, the true scale of its impact on the Councils' finances will be felt during 2020/21 and beyond. The Councils are expecting substantial losses across many of their income streams as well as some unforeseen costs. It is difficult to quantify the true impact of Covid-19 at this stage however a number of assumptions have been made and the CFO is confident that the Councils have adequate reserves to cover the shortfall at this point in time. Work has already commenced, through a Finance and Assets Recovery and Transformation Cell to identify savings over the coming financial year and beyond, to replenish these reserves over the medium term.

The opinion of the Chief Finance Officer is that the Councils continue to operate robust internal controls and good public financial management. Action is being taken to manage the financial pressures and develop strategies to meet the immediate and long-term financial challenges that face the Councils face as a result of the Covid-19 pandemic. 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 CFO to exercise her statutory powers and the Councils comply with their financial regulations and procedures together with relevant codes of practice and guidance. The Finance Function continues to provide an effective and efficient service whilst enabling the Councils to meet their priorities within a robust financial framework.

## **Opinion of the Corporate Manager – Internal Audit and Data Protection**

### **Internal Audit**

Internal Audit is an independent and objective function with all audit work carried out in this capacity and in accordance with the Audit Charter, Code of Ethics and Public Sector Internal Audit Standards.

The Corporate Manager for Internal Audit and Data Protection is required to provide an independent opinion on the overall adequacy and effectiveness of the Councils' governance, risk and control framework and therefore the extent to which the Councils can rely on it.

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.

75% of internal audit work completed during 2019/20 has yielded either a 'Substantial' or (Sufficient) 'Reasonable Assurance' opinion over the design and operation of the services, systems and processes audited. For those audit reviews that were assessed as having 'Limited Assurance', actions have been agreed with management to improve controls and are closely monitored until such a time they are addressed. Any outstanding weaknesses in the governance, risk and control framework will continue to be followed up by Internal Audit.

The Corporate Manager – Internal Audit and Data Protection is responsible for the delivery of an audit opinion and report that can be used by the Councils to inform its governance statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The Corporate Manager for Internal and Data Protection has performed his duties in accordance with CIPFA's guidance on the Role of the Head of Internal Audit. In giving the audit opinion, it should be noted that assurance can never be absolute. The most that can be provided is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

In assessing the level of assurance to be given, the Corporate Manager – Internal Audit has based his opinion on:

- Written reports on all internal audits completed during the course of the year, both assurance and consultancy;
- Results of any follow up exercises undertaken in respect of previous years' internal audit work;
- The results of work of other review bodies where appropriate;
- The extent of resources available to deliver the internal audit work; and
- The quality and performance of the internal audit service and the extent of compliance with the Public Sector Internal Audit Standards (PSIAS).

Audit Opinion – the Corporate Manager – Internal Audit and Data Protection is satisfied that sufficient assurance work has been carried out to allow him to form a reasonable conclusion on the adequacy and effectiveness of each Council's internal control environment.

It is the Corporate Manager – Internal Audit and Data Protection's opinion that the Councils' framework of governance, risk management and internal control is '(Sufficient) – Reasonable Assurance' – the system, process or activity should achieve its objectives safely and effectively. However, whilst there are some control weaknesses most key controls are in place and operating effectively. Where weaknesses have been identified through internal audit review, Internal Audit have worked with management to agree appropriate corrective actions and a timescale for improvement.

### **Coronavirus**

The opinion is based on internal audit work undertaken, and completed, prior to emergency measures being implemented as a result of the coronavirus pandemic. These measures have resulted in a significant level of strain being placed on normal procedures and control arrangements. The level of impact is also changing as the situation develops.

Internal Audit has carried out work to assess whether there have been any changes to the Councils' key activities where workarounds to normal business practices have occurred in response to Covid19. Examples include democratic decisions, statutory responsibilities, financial systems/processes and procurement practices. Where needed, Internal Audit has been proactive in providing input, advice and assurance to services on any proposed changes.

It is not possible, as at 31 March, to quantify the additional risk arising from the current short-term measures or the overall impact on the framework of governance, risk management and control. However, this is an area currently under focus to establish the effect on the Councils' control environment as a result of the Covid19 outbreak.

## Anti-Fraud and Corruption

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 pro-active 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. However, it is not the job of Internal Audit directly to detect or prevent corrupt practices - this is the responsibility of management. Internal Audit's role includes promoting anti-fraud and anti-bribery best practice, testing and monitoring systems and advising on change where it is needed.

The Corporate Manager – Internal Audit and Data Protection is responsible for the development and maintenance of a Prevention of Financial Crime Policy and ensuring that Councillors and staff are aware of its content and ensuring that there is a pro-active approach to fraud prevention, detection and investigation and promotes a council wide anti-fraud culture across both Councils.

Part of delivering good governance as defined by CIPFA/SOLACE is ensuring counter fraud arrangements are in place and operating effectively.

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.

In times of austerity, preventing and detecting fraud is even more important to protect the public purse and ensure that funds are used to provide services to the people across the districts, meeting the Councils' priorities.

The Financial Regulations and Procedures within each Council's Constitution state that the Corporate Manager – Internal Audit and Data Protection 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. Due to the variety of activities that can take place under the heading of financial crime the Councils have produced separate sections to support this policy, which include:

- Anti-Fraud and Corruption Policy
- Anti-Bribery Policy
- Anti-Money Laundering Policy
- Whistleblowing Policy (reporting suspicions)
- Financial Crime Response Plan
- Prevention of Financial Crime – roles and responsibilities

- 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 Corporate Manager – Internal Audit and Data Protection on fraud matters where there are grounds to suggest that fraud or corruption have occurred.

The Corporate Manager – Internal Audit and Data Protection is the Money Laundering Reporting Officer (MLRO) and is responsible for ensuring that proper procedures are in place to combat the possibility of the authority being used for money laundering purposes.

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 Council uses the Code annually to assess the adequacy of arrangements which are reported annually to Audit Committee and action is taken where weaknesses have been identified.

To help fight fraud and corruption locally each Council across Suffolk have nominated a representative to sit on the Suffolk Counter Fraud Group. It is intended to hold meetings every 3 to 4 months.

The objectives of the group are:

- Keep up to date with national developments in relation to fraud, e.g. Strategies, Counter Fraud Profession, what other Local Authorities are doing;
- Identify and share emerging national and local fraud risks;
- Explore possibility of sharing and matching data held by Local Authorities to identify possible fraud or error;
- Explore possibility of joint working and sharing resources for proactive exercises utilising limited resources across Suffolk Local Authorities;
- Share material/resources/ideas of promoting fraud awareness amongst staff and Councillors;
- Joint training of staff where appropriate and beneficial;
- Share best practice in relation to working arrangements, investigations and case management; and
- Investigate cases jointly where appropriate.

Internal Audit has coordinated the data collection and submission (October 2019) for the bi-annual Cabinet Office led National Fraud Initiative exercise, with matches becoming available in February 2020. The process of prioritising and working through

matches has begun and an annual report on outcomes are reported to the Joint Audit and Standards Committee.

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.

The opinion of the Corporate Manager – Internal Audit and Data Protection 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 the Internal Audit. This will be monitored, and progress reported.

## **Coronavirus**

The UK Government is responding with measures to mitigate the economic and social impact of the COVID-19 pandemic. Sadly, fraudsters will try to take advantage of these emergency measures and as a result Government have issued guidance to local authorities that are administering emergency payments on behalf of the Government.

Local authorities are committed to understanding these risks and taking action to reduce them, whilst dealing with the fraud that occurs where it can.

The fraud threat posed during emergency situations is higher than at other times, and all public bodies should be attuned to the risks facing their organisations and the public sector. Public bodies can reduce the threat of widespread fraud by integrating low-friction controls into payments where possible and carrying out post-event assurance work.

In response to the Government's commitment to financially support small businesses, including businesses which are in the retail, hospitality and leisure sectors Internal Audit have provided resources to the Councils' Business Cell to help ensure that adequate and robust internal controls are in place to prevent and detect potential fraudulent applications. Our review will focus on the end-to-end process of the business grant funding from receipt of application to issue of payment and any post-event assurance undertaken.

## **Risk Management**

Babergh and Mid Suffolk District Councils are committed to adopting good practice in its management of risk to ensure retained risk is of an acceptable and tolerable level in order to maximise opportunities and demonstrate it has made full consideration of the implications of risk to the delivery and achievement of outcomes.

The Councils are clear that the responsibility for managing risk belongs to everyone and that there needs to be an appropriate level of understanding of the nature of risk by all stakeholders.

As a corporate body, the Councils are obligated to protect its material assets and to minimise its losses and liabilities. It recognises the need to equip its workforce with the skills and expertise to manage risk on its behalf and provides the necessary resources to ensure this can be delivered.

The Councils consider and counter risk across a broad range of areas supported by an approved Risk Management Strategy. As part of good governance, the Councils manage and maintain a register of its Significant risks which are linked to the Councils' priorities and reviewed and monitored on a quarterly basis by the Senior Leadership Team, and regularly reported to both Cabinets and the Joint Audit and Standards Committee. Operational and Project risk registers are in place and managed by the appropriate Corporate Manager. Their Assistant Director and the Lead Risk Officer have oversight of these.

The risk registers are a critical tool for the service in capturing and reporting on risk activity and the organisations risk profile. The risk registers are a working spreadsheet where new risks are captured, others are managed to extinction and some require close and regular monitoring.

The data within the registers are used to inform the business of the threats it faces in delivering outcomes and services to the Councils. It is part of the Councils' internal governance and performance frameworks and is used to ensure the organisation operates effectively.

The importance of establishing roles and responsibilities within the risk management framework is pivotal to successful delivery. The focus is on ensuring that consideration of risks is embedded into policy approval (Strategic) and into service delivery (Operational).

Half yearly reports on risk management are presented to each Cabinet while an annual report goes to the Joint Audit and Standards Committee.

Babergh & Mid Suffolk District Councils operate 2 Holding Companies (BDC (Suffolk Holdings) Ltd and MSDC (Suffolk Holdings) Ltd) and 5 trading companies. Each company is responsible for the management of their risks and the Holding Companies review these on a quarterly basis with the Councils Corporate Manager for Audit & Risk and the Assistant Director for Assets & Investments. The Holding companies also maintain a risk register to oversee and manage the cumulative risks of the trading companies.

It is the role of the Audit and Risk Management Services team within the Councils to provide support, guidance, professional advice and the necessary tools and techniques to enable the organisations to take control of the risks that threaten delivery. The role of the team is also to provide a level of challenge and scrutiny to the risk owners. The work of the team will be directed to affect the achievement of the following risk management objectives:

- Align the organisations culture with the risk management framework



- Integrate and embed the risk management framework across the organisations
- Enable the organisations to recognise and manage the risks it faces
- Minimise the cost of risk
- Anticipate and respond to emerging risks, internal & external influences and a changing operating environment
- Implement a consistent method of measuring risk

The Risk Management Strategy, guidance and training materials are under regular review to ensure they reflect the needs of the organisation and are compatible with the organisations structure having the flexibility to adapt to new and changing structures.

Guidance and support on risk management is available on the Council's intranet (Connect).

The opinion of the Corporate Manager – Internal Audit and Data Protection is that the Councils' arrangements for the management of risks at this current time are effective.

### **Coronavirus**

The scale of the challenge that Councils are currently facing requires strong, responsive and resilient leadership.

The costs, both in terms of additional expenditure and loss of income, associated with the Coronavirus pandemic are putting Councils under extreme financial pressure while trying to support communities through these unprecedented times.

Whilst resources have been mobilised to produce organisational risk assessments at both a strategic and operational level the full impact of the pandemic is not yet fully understood and will require constant monitoring and reporting.

### **Opinion of the Corporate Manager – Finance (Procurement)**

Both Councils total annual supplier spend is approximately £40m, of this 58% is with 10 suppliers and there are 70 contracts stored on the Councils central online contract register.

Effective Contract management is crucial to the future success and stability of the Council. Contract management is a delegated function undertaken within Service Directorates across the Councils, with the Commissioning and Procurement team providing an overview and professional support.

During 2019/20, face to face training in contract management and purchase to pay has been provided for any staff new to the organisation or who need refresher training in these areas.

The Commissioning and Procurement Business Partners (BPs) have brought an enhanced professional focus on the higher value and higher risk contract activities and several complex tenders have been awarded throughout the year. During 2019/20,

the Business Partners have provided support to services undertaking quotations and tenders below the EU tender threshold. A range of guidance materials, templates and face to face training is available to help anyone undertaking their own procurement. This is backed up by professional advice and support from the Business Partners as required.

Internal audit has undertaken two audits during 2019/20:

- April 2019 – “Sourcing, Tendering Process and Contract Management” with a focus on Housing as requested by the Assistant Director of Housing.
- June 2019 – “Contract Analysis of Spend”, which undertook a review of expenditure on selected suppliers to determine that appropriate contracts or service agreements were in place, relevant to the level of spend incurred.

The key themes from these audits were the need for stronger business cases to undertake procurement, improvements to tender evaluation records, review of the completeness of contract records and improvements in the planning for contract renewals.

As a result of this the Commissioning and Procurement (C&P) team have now migrated all paper contracts to Suffolk Sourcing which is the software the Council has opted to use used for contract management. The system is now used to record and manage the tender process and capture the relevant documents predominantly by the C&P team. The next phase is to roll out access to this system across the organisation so managers can obtain reminders well in advance of contract renewals to allow them time to plan for this and to assist them with the tender process and contract management with support from the BPs on more complex contracts.

The Corporate Manager for Finance and Commissioning and Procurement has also commissioned a piece of work with the East of England Local Government Association to undertake a review of the entire commissioning and procurement function. A well-attended workshop took place during the year with key contract owners and stakeholders from across the organisation in attendance to gather views on how things are working now. The next phase will be a series of interviews and a survey to obtain a more in depth view, with recommendations for best practice and a programme of implementation for improvements to follow, including a training programme for managers on effective contract management and establishing their responsibilities.

Other activities that have commenced in this area is a piece of work to establish and embed a social value policy including climate change proposals within our supply chain and with our contractors, as well as establishing a procurement safeguarding policy.

A Commissioning and Procurement board is now well-established and consists of members from the Senior Leadership as well as the Corporate Manager for Finance

and Commissioning and Procurement and the C&P BPs who meet every two months with the focus on:

- Making recommendations on requests over £150k;
- Review high value contracts (goods and services greater than £150k per year and works greater than £1m) at the end of stage 5 and at stage 9 of the Commissioning and Procurement Cycle;
- Oversee the development of the organisations' commissioning plan; and
- Oversee the development of revised procedures.

Towards the end of 2019/20 the Covid-19 global pandemic escalated and from mid-March the country went into lockdown. As a result, the government issued several Procurement Policy Notes setting out guidance for public bodies to follow regarding payment to suppliers to ensure service continuity during and after the outbreak.

The key areas of the guidance were as follows:

- Urgently review their contract portfolio and inform suppliers who they believe are at risk that they will continue to be paid as normal (even if service delivery is disrupted or temporarily suspended) until at least the end of June.
- Put in place the most appropriate payment measures to support supplier cash flow; this might include a range of approaches such as forward ordering, payment in advance/pre-payment, interim payments, and payment on order (not receipt).
- If the contract involves payment by results then payment should be based on previous invoices, for example the average monthly payment over the previous three months.
- To qualify, suppliers should agree to act on an open book basis and make cost data available to the contracting authority during this period. They should continue to pay employees and flow down funding to their subcontractors.
- Ensure invoices submitted by suppliers are paid immediately on receipt (reconciliation can take place in slower time) to maintain cash flow in the supply chain and protect jobs.

The guidance was shared and discussed with key contract owners across the Councils and with the Senior Leadership team to ensure the Councils were compliant and following the guidance. Some examples of actions taken in response to this was additional financial support was given to the two externally managed Leisure Centres and instead of twice weekly payments to suppliers the Councils moved to daily payments and brought forward payments earlier than they were due.

Discussions will continue with suppliers as the situation changes and new burdens are placed on building contractors for example who may incur additional costs for PPE and social distancing measures to enable them to return to work and deliver their contractual obligations.

The Corporate Manager for Finance and Commissioning and Procurement is satisfied that procurement activities are undertaken effectively within the Council and that appropriate systems and processes are in place to enable contracts to be managed effectively.

### **Opinion of the Assistant Director – Assets and Investments**

Babergh & Mid Suffolk District Councils operate 2 Holding Companies (BDC (Suffolk Holdings) Ltd and MSDC (Suffolk Holdings) Ltd) and 5 trading companies. They are: 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 has acquired 150 acres of commercial development land on the outskirts of Stowmarket to bring forward a commercial development scheme; 3) Stowmarket Estates Limited, which is a dormant company, wholly owned by Gateway 14 Ltd to manage services for the completed Gateway 14 development in due course; 4) Babergh Growth Ltd, a jointly owned company established with Norse Group Holdings Ltd as the co-owner to delivered residential and commercial development within the district including the redevelopment of the former HQ premises in Hadleigh; Mid Suffolk Growth a jointly owned company established with Norse Group Holdings Limited as the co-owner to delivered 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 due course 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. During 19/20 the Councils' internal audit team undertook an audit of CIFCO Capital Ltd.'s governance and found it to be resilient. It is proposed that further audits will be undertaken in respect of the other trading companies over the next 2 years to focus on company performance against business plans.

Assurance and governance of the Companies is managed closely and has been improved during 2019/20 with additional Councillors added to the Holding Companies to improve resilience and Articles of Association being amended for the trading companies to ensure appropriate Councillor and Officers Directors are present for

meetings to form quorum. In addition, a new code of conduct for Directors has been adopted across the company structures and further training provided in respect of directors' responsibilities and financial requirements. The trading companies report quarterly to the Holding Companies with updates and present updated business plans for approval by the holding companies annually. The Holding Companies also approve the appointment of any new directors to the boards of the trading companies and the drawdown of capital. Quarterly Holding Company meetings are attended by the senior leadership team including the Chief Executive, Strategic Director, S151 officer, Monitoring officer and Assistant Director for Assets & Investments as required.

Cabinet Members for Finance, Asset & Investments and the Leaders of the Council are briefed monthly on Company activities and the Assistant Director for Asset & Investments reports Company performance quarterly to full Councils. The Councils approve the capital budget for each Company either as part of the annual budget setting or through individual Council reports for specific projects.

Each company is responsible for the management of their risks and the Holding Companies review these on a quarterly basis with the Councils Corporate Manager for Audit & Risk and the Assistant Director for Assets & Investments. The Holding companies also maintain a risk register to oversee and manage the cumulative risks of the trading companies.

The Company structure has been established to be agile and flexible and this has been particularly beneficial in the current COVID 19 circumstances where meetings have been held virtually and decisions can be made in writing. Whilst we anticipate the return of face to face meetings in due course, the companies will continue with virtual meetings where appropriate and effective to do so. Business as usual has continued for each of the companies with staff and directors able to work remotely.

The Council Companies are an integral part of the Councils' approach to generating income which is of increasing importance as we face the consequences of COVID 19 but also help to deliver a number of the Councils' key priorities such as to increase housing delivery and improve the availability of business premises within the districts. Governance and assurance arrangements continue to be transparent and robust.

### **Opinion of the Head of Human Resources and Organisation Development**

In order to ensure compliance and guidance for our people, we have a comprehensive range of people policies and associated supporting guidance and procedures. These are all available to staff and line managers through our intranet system, Connect, and are supported by toolkits providing useful information, templates and best practice. All of this information is regularly monitored to ensure that changes in legislation are incorporated and that they reflect and support the Councils' priorities.

Performance against relevant indicators such as absence is monitored and presented at the relevant Cabinet or Senior Leadership meetings. A further breakdown of

individual departmental performance is shared with the respective Corporate Manager. Examples of areas monitored include days lost, numbers of people, long term and mental health related absence. Through the routine performance reporting, the Councils can identify areas of interest and concern. This allows for further scrutiny and for steps to be put in place, where appropriate, to mitigate any abnormal variances and to support our people.

We have a robust recruitment process in place and work to keep recruitment costs as low as possible and we regularly monitor spend relating to temporary and contract workers. Our right to work checks and referencing are thorough to ensure that we are working to the required legislation.

We have this last year developed a virtual induction for our new recruits to ensure that some of the key learning areas around how we operate and our processes and policies, can be accessed and completed online. Our code of conduct and our values and behaviours are readily available to our people and are included in the new employee induction process.

The Councils developed a people strategy in 2019/20 that outlines the strategic workforce priorities for the Councils. This includes the people transformation programme and incorporates how the Councils' values and behaviours will be embedded into the organisation. The strategy is underpinned by an action plan with associated timescales.

Our performance review process across the councils was modified for the year 2019/20. This incorporates measurable objectives, with a thread from strategic priorities, to service plans and individual objectives, as well as measures around the values and behaviours that have been developed by the Councils' employees. A behavioural framework has been developed for the purpose of providing the required guidance and is available on our intranet, Connect. Regular checks are carried out by the HR team to ensure that regular 121's and reviews are taking place.

The Staff Survey at the end of 2019/20 showed overall positive results and highlighted increased engagement across the Councils with an engagement score of 65% against a national average of 45%. The survey identified areas of high performance along with areas that require improvement. The HR team will start to work with Directorates to develop actions plans in 2020/21.

In addition to our comprehensive toolkits on our intranet, hands on support for teams to deliver their services is provided by Business Partners and Advisors in HR and Organisational Development and our HR Support team for recruitment and transactional services. All our people have access to coaching and mentoring through the Suffolk partnership and we are currently finalising the detail of our Leadership programmes for Cabinet, Senior Leaders and Corporate Managers which will be rolled out during 2020/21.

The Councils are working as part of the Suffolk wide apprenticeship group and are welcoming apprentices into the organisation, whilst also taking advantage of apprenticeship levy funds to support internal learning and development of our people.

Whilst new to the role, the Head of HR and OD is satisfied at this initial stage that there are sound processes and procedures in place to ensure that the workforce is managed effectively, however, recognises that there are areas for development and focus for 2020/21. The impact of COVID-19 will undoubtedly raise questions around future priorities and those previously agreed key areas of focus, as laid out in the current people strategy, may need to be re-prioritised.

### **Opinion of the Project and Research Officer – Performance**

Performance management requires a robust approach that is essential to providing efficient and effective services, to ensure the councils deliver services within budget and achieve the best outcomes for residents. Regular monitoring of performance against agreed outcomes and targets is vital, as well as being transparent and providing open and accessible information on performance.

Performance reporting is well-established throughout the councils, with reporting being undertaken at all levels of the organisation.

Quarterly performance reporting has been developed in conjunction with SLT, Corporate Managers and Cabinet Members, including a suite of key performance indicators aligned to the Councils' priorities which allow for the monitoring of progress towards achieving those priorities and performance targets. These reports are also published on the Councils' joint website.

A further suite of reports based on the Councils' priorities and the health of the organisation have also been created to provide a monthly overview of performance for SLT, tracking both long and short term outcomes as well as providing timely insight on specific projects when required. This agile approach to reporting allows for flexibility in dealing with unforeseen events which may arise, as measures reflecting specific events can be tracked for varying timescales.

Each service area has its own performance reporting arrangements aligned to both specific business need and the overall corporate approach. The use of designated software programmes enables detailed benchmarking to be undertaken, with data and information being used to inform various reports.

A number of online benchmarking resources and tools provide comparative statistical data to help local authorities monitor and assess their performance. These include the LGA's 'LG Inform' service, and locally, the Suffolk Observatory holds a wealth of performance and statistical information and reports about Suffolk. Comparative data from such sources are incorporated into relevant performance reports.

The Councils are required to submit a number of statutory data returns to Government, which often support regulatory and inspection processes. The data used in statutory returns provides a reliable source of information that can be benchmarked with other areas.

The Councils' publish data and information as part of its obligations under the Local Government Code of Transparency, including information on staff salaries and structures; councillor allowances; finance, expenditure and contracts; and fraud. Furthermore, the Freedom of Information Act requires every council to produce a publication scheme, approved by the Information Commissioner, and to publish information covered by the scheme.

As part of the wider collaboration agenda across public services in Suffolk, the Council's work in partnership with other district and borough councils, NHS and the Police. A joint approach to information, intelligence and insight is adopted whenever possible through partnership bodies (such as the Suffolk Office for Data and Analytics), and co-ordinated activities are commissioned as required.

### **Opinion of the Corporate Manager – Information and Computer Technology**

The IT Strategy for Babergh and Mid Suffolk District Councils has been developed and aligns with and enables the wider ambitions of the two organisations, specifically the organisations Customer Strategy and the Digital Transformation objectives therein. The strategy has been agreed by SLT, but wider dissemination and democratic governance processes have not yet been able to be undertaken due to logistical constraints resulting from the Covid-19 pandemic.

The strategy is also supported by the Information Technology (IT) Strategy of our key provider, Suffolk County Council. This strategy enables partners of Suffolk County Councils IT service to become modern, information orientated organisations, maximising the benefits from the use of technology for the residents of our Districts and the staff of our authorities.

As part of our ongoing collaboration with others within the sector, our residents continue to benefit from initiatives such as Better Broadband for Suffolk, and we achieve efficiencies and value for money through joint procurements such as working with colleagues in West Suffolk on new Elections software procurement.

Our relationship with key partners has been vital to the ongoing success of our organisation. It has enabled us to use economies of scale to ensure that we are availed of and continue to be at the forefront of the latest, best and most fit for purpose technologies, ensuring that we keep pace with technological advances that support the increased mobility of our workforce and the increasing expectations of our residents.

The conscious decision, as part of BMSDCs IT Strategy, to increase the level of review and rigour around IT provision and asset management has enabled savings to be



made as well as increasing organisational understanding of the need for all IT assets to be managed and secure.

It is our and our partners commitment to cyber security that support the organisation to keep the data that we hold on behalf of our residents safe and secure. The Authorities continue to be compliant with Public Services Network (PSN) and Payment Card Industry (PCI DSS) regimes, which enables services that depend upon Central Government data to continue unhindered and allow us to offer secure online transactions for customers. Recent improvements to authentication services and mobile device management technologies, alongside the use of technologies such as Office 365, have enabled us to allow staff to utilise their own devices to carry out some work in a secure manner.

It is the opinion of the Corporate Manager for IT that technology assets of the Councils' are run effectively, efficiently and economically.

### **Opinion of the Information Governance Officer**

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

The Council has key individuals who have specific roles and responsibilities with regard to information governance, including:

- Corporate Manager - Internal Audit and Data Protection who leads the Information Governance team that develops the overall information policy and assurance framework, provides advice, guidance and training for staff, and monitors compliance
- Senior Information Risk Owner – Assistant Director – Corporate Resources with overall responsibility for the organisation's information risk policy
- Data Protection Officer – responsible for overseeing data protection strategy and ensuring compliance with legislative requirements
- Information Governance Officer - Provides a comprehensive advice service to Babergh and Mid Suffolk District Councils in respect of Data Management, Freedom of Information, Environmental Information Regulations and Data Protection issues

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.

Advice and guidance 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 other partners, e.g. through the Suffolk Office of Data & Analytics (SODA), to ensure that information can be shared safely and appropriately between organisations.

Information governance has assumed a higher profile than ever before since the implementation of new data protection legislation which came into force in May 2018, the Councils continue to drive improvements to data security, handling and information requests.

Examples of specific activities undertaken throughout the year are;

- Continuing mandatory e-learning training on information management and security for all staff and Members, E learning modules updated during the year. Plans are in place to further upgrade training content for 20-21.
- Face-to-face bespoke GDPR data protection training provided for externally based Building Services staff.
- Ongoing Data protection guidance for all staff and District Councillors.
- Joint working with SODA (Suffolk Office of Data Analysis) and all Suffolk public authorities to provide joined up approach to data driven service improvements, projects and latterly Covid-19 data sharing model with all Suffolk Local Authorities.
- Information Asset Register reviewed with operational Data Set owners to complete annual updates.
- New automated information request system introduced by Customer Services to reduce manual handling, improve productivity and provide automated follow up of Freedom of Information and Environmental Information requests.
- The Information Governance team has worked closely with the Councils Health and Safety Business Partner to review the Councils Customer Alert List (CAL) processes and regulatory compliance, as a result the Information Governance team has become the point of contact for residents notifications and queries.

The increasing awareness of the rights of citizens to access information about themselves or organisations is resulting year on year in an increasing number of Subject Access Requests (SARs) and FOI / EIR requests received by the Councils, in

order to maintain performance and productivity the new automated handling system is being deployed.

FOI / EIR, SAR and security incidents compliance is monitored regularly by the Statutory Officers bi-monthly review. It is also reported monthly to the Councils' Senior Leadership Team as well as the respective Council's cabinet lead.

The Information Governance Officer is satisfied that the information governance arrangements in place are effective in protecting the Councils' information assets.

### **Opinion of the Assistant Communications Manager**

The Communications team supports the councils in engaging a range of audiences, ensuring they are aware of council services and developments, and have the understanding they need, in order for our communities to thrive.

The councils use a range of channels to engage with audiences, which include residents, community groups, customers, businesses, tenants, partners, councillors and employees. Considerable thought is given when crafting messages and deciding which channels to use to be most effective to each relevant audience.

Examples of channels used include website, press releases, social media, newsletters, face-to-face engagement, meetings, printed materials and letters, emails, podcasts, film and/or community events and exhibitions.

Barriers are considered when designing communications activities – for example, an audience's capacity for understanding complex information or competing demands for their attention – and steps taken to ensure effectiveness and maximise engagement levels. This includes emphasis on clear, concise language, infographics and increasing level of video content in line with our audiences' changing preferences to receiving information.

A restructure of our Communications team in 2019 means we now have four communication business partners, who between them support the communications requirements of each service area. They advise on communications strategy and develop and deliver messages using a range of channels to deliver consistent messages across a range of different audiences in a timely way – ensuring the desired outcomes.

Our communication business partners are supported by an in-house corporate designer, and all five roles report in to an Assistant Communications Manager – a new role created in 2019 to provide an overview of activity and act as a bridge between the Head of Communications (a role shared with Suffolk County Council) and the Assistant Director of Customer, ICT and Digital Transformation.

By sharing our Head of Communications with Suffolk County Council we enjoy synergies between our teams where appropriate, for example in development of our

wider communication strategy and can also ensure joined up and consistent messaging and a positive relationship with our county colleagues.

This structure ensures that we can support the organisation by effectively communicating proposals, decisions and/or changes and ensuring desired outcomes as a result.

A change in our bin collections in summer 2019 for example, affected more than 50,000 households across our districts and required a change in behaviour with bins being put out on different days. This was supported by a major communications campaign targeting residents, councillors, and our town and parish councils using briefings, updates, email, newsletters, local media and social media, ensuring the public understood the reasons for the change, and had the information they required. When the change was examined by a later Overview and Scrutiny, the communications were praised by councillors as being particularly effective in ensuring the changes were understood and introduced with minimum disruption for our communities.

Similarly, the team has been instrumental in changing the narrative around controversial developments in our districts by explaining rationale and options and seeking public feedback. An exhibition in Sudbury in January 2020 for example sought to share ideas with the local community and present a 'joined up' vision for the town from a range of partner organisations. Through staging the exhibition and sharing all information on our website and social media and through local media outlets we ensured all proposals were transparent and understood – with full opportunity for comment and feedback via an online survey and clearly defined next steps.

The team has also been instrumental engaging council employees across a range of disparate sectors and offices. In particular we have supported the roll out of the councils' new values through raising awareness and understanding and celebrating those who have exhibited the desired behaviours. We have increased visibility of our Senior Leadership Team through regular internal communications and have also championed staff engagement through our channels, staff conference and opportunities to feedback directly to the senior leadership team.

Through our attendance at regular Senior Leadership Team meetings we can sense check communication priorities for the councils to ensure we channel our resources to best effect, offer feedback and flag potential issues or reputational risk.

Babergh and Mid Suffolk District Councils face continued financial pressure and it is, therefore, increasingly important to raise awareness, build understanding and engage residents in the inevitable challenges and changes ahead.

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 have every opportunity to have their say as part of a fully transparent democratic process.

## **Opinion of the Project and Research Officer – Equalities**

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. The Senior Leadership Team receive and discuss updates and has oversight of the Councils' activities for this area of work.

In order 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 reviewed, and advice provided to EQIA authors, by the Equality and Diversity lead officer.

The Equality and Diversity officer records and monitors the number EQIA's being completed. Annual data is provided on training numbers, number of training sessions and type of sessions. The Equality and Diversity Officer and Programme Boards monitor and ensure that the EQIA process as part of planning for service and policy changes. EQIAs are published on our website alongside the Cabinet and Committees papers.

The PSED is non-delegable, so always remains the responsibility of the Councils. Guidance has been provided to commissioners to include the PSED requirements during commissioning, procurement and contract management to ensure that the service provider has due regard to the obligations contemplated by section 149 of the Equality Act 2010 to eliminate discrimination, advance equality of opportunity and foster good relations, proportionate to the service being delivered as set out in the contract.

The specific duties require the Council to publish relevant, proportionate information demonstrating compliance with the Equality Duty; and to set specific, measurable equality objectives. The Council is out for consultation on three new corporate equality objectives which are detailed below;

- a) Babergh and Mid Suffolk officers and Councillors to understand and ensure that the legal obligations under the public sector Equality Duty are delivered
- b) To improve services and organisation delivery in order to better facilitate compliance with the public sector Equality Duty in relation to residents, visitors, businesses and officers
- c) To ensure that our communities equality needs are met and support community cohesion.

The Workforce Equality Information Report is published in May each year, setting out the profile of the Councils' workforce.

The Assistant Director of Customers, Digital Transformation and Improvement is satisfied that processes are in place to enable the Councils to meet the requirements of the Equality Act 2010.

### **Opinion of the Corporate Manager for Head of Health & Safety, Emergency Planning and Business Continuity**

To meet the requirements of Section 2(7) of the Health & Safety at Work etc. Act 1974, the councils have a Health & Safety Board (H&SB). This is chaired by the Chief Executive Officer and includes members of the Senior Leadership Team, Trades Union representatives and the Health and Safety Team.

The H&SB oversees and reviews the measures taken to ensure the health, safety and wellbeing of staff and those affected by the Councils' activities on behalf of the Corporate Leadership Team. In particular it agrees the H&S Work Plan. This sets the strategic direction for H&S along with a more detailed work programme for the next 12 months. The H&SB monitors progress of this on a quarterly basis. Any new significant H&S issues are shared with the board along with plans for remedial action. Performance measures are reported to the H&SB and the Senior Leadership Team. This is then summarised in an end of year Annual Report.

In addition to the H&SB, the councils operate a Health and Safety Workgroup. This is a consultative body with the recognised trade unions and with the non-union staff. The H&S Workgroup are consulted on all major H&S Policies and they are advised of the main H&S issues and the H&S Workplan is also shared with them.

The Health & Safety service provides the competent advice to the Councils as required by Regulation 7 of the Management of Health and Safety at Work Regulations 1999.

The Councils' health and safety management function is subject to Health and Safety Executive (HSE) scrutiny. Any reportable incident including accidents, injuries and near misses are captured and reported via the RIDDOR system. During 2019/20 there has been no area subject to formal or informal investigation by the HSE.

The Head of Health & Safety is satisfied that governance arrangement for H&S are suitable and sufficient. The H&S work programme highlights the specific aspects which require on-going improvement. A key element of this is the continued development of the H&S Culture within the organisation.

This statement focuses on 2019/20 but at the time of writing the organisation is now eight weeks into the COVID-19 lockdown arrangements. Whilst resources have been mobilised to produce organisational risk assessments, safe system of work and support provided to services to do the same at a service level the full impact of the COVID-19 outbreak on the H&S work plan is not yet fully understood and it is likely that this will require review and modification to reflect and address the impact of this pandemic on the organisation and the H&S arrangements and priorities.

## Actions moving forward

The Corporate Plan (2019-2027) – The Councils’ existing “Refreshed Joint Strategic Plan” expired in 2020 and was replaced and agreed by both Cabinets in October 2019. The administrations agreed with the Chief Executive that the Councils need to focus upon providing more confident leadership of our places, through greater place-based working. In doing so the organisations will also need to be more deeply rooted in what we believe in, and common sense - in our values and our sense of public service - genuinely caring about our residents and places, and getting stuff done for people.

The Councils will continue to strive to be recognised as organisations that help make things happen and trusted to do the right thing - delivering outcomes that positively affect people’s lives. The Councils will continue to work effectively in partnership with others and be more outward looking - seeking examples of best practice and opportunities beyond Suffolk.

A visualisation of the revised corporate plan (2019 – 2027) to replace the Joint Strategic Plan (2016 – 2020) is presented below:



Our Vision is to build: “Great communities with bright & healthy futures that everyone is proud to call home” Our Mission is to: “Provide strong, proud & inspirational leadership; striving for excellence, and together building great communities for everyone to live, work, visit & invest in” Our Strategic Priorities are the Environment, Economy, Housing, Wellbeing, our Customers and our Communities.

## **Covid-19**

It is inevitable that there will be some disruption to some of these programmes as a result of the Covid-19 outbreak.

Services across the districts are adapting fast to meet the latest Government guidance on the Coronavirus pandemic.

The crisis has had a major impact on the way the Councils deliver its services and works with local communities, and every effort is being made to ensure people have access to the latest updates and information.

We are working to support our community and continue to provide services during the rapidly evolving COVID-19/Coronavirus outbreak. The health and safety of our community and staff is our top priority and we will strive to keep you informed.

For the foreseeable future, priority will be given to essential frontline services and the protection of the vulnerable, with non-essential services either scaled back or halted completely.

## **Approval of the Annual Governance Statement**

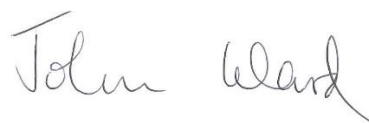
The Annual Governance Statement provides an assurance of the effectiveness of each Council’s system on internal control. The arrangements continue to be regarded as fit for purpose in accordance with the governance framework. There have been no governance issues identified during the year that are considered significant in relation to each Council’s overall governance framework.

We are already addressing the key governance risks and challenges set out in this Annual Governance Statement and will continue to do so over the coming year to further strengthen 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.



Arthur Charvonia  
Chief Executive Officer

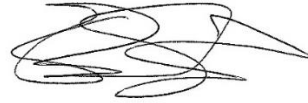
Dated: 6<sup>th</sup> August 2020



Cllr John Ward  
Leader – Babergh District Council

Dated: 6<sup>th</sup> August 2020





Cllr Suzie Morley  
Leader – Mid Suffolk District Council

Dated: 6<sup>th</sup> August 2020