

ANNUAL GOVERNANCE STATEMENT – 2025/2026

1. Executive Summary (Key messages and overall opinion)

This Annual Governance Statement (AGS) reports the outcome of Blaby District Council's annual review of the effectiveness of its governance arrangements and system of internal control for 2025/26. It is prepared to meet the requirements of the Accounts and Audit Regulations 2015 and is consistent with the CIPFA/Solace Delivering Good Governance in Local Government framework.

Overall opinion: The result of the review of the effectiveness of the governance framework carried out by members of the Senior Leadership Team conclude that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Key messages from 2025/26:

The Council retained a strong governance framework aligned to the CIPFA/SOLACE principles of good governance.

No significant governance issues were identified during the year.

An assessment of governance arrangements has taken place and a programme of improvements developed for 2026/27.

Governance Outlook

Looking forward we expect to continue to face challenges arising from financial pressures; speed with which government policy is implemented; resourcing and retention pressure as progression is made towards LGR; service demand continuing to rise, with community cohesion needing strengthening and the ever-present threat of digital and cyber risks. Our governance improvement plan has been aligned accordingly.

Approval of the Annual Governance Statement

We have been advised on the implications of the result of the review of the effectiveness of the governance framework carried out by members of the Senior Leadership Team and in consultation with the Audit and Governance Committee and are satisfied that the arrangements continue to be regarded as fit for purpose and compliant with statutory requirements.

Whilst there are no significant governance issues to report, nevertheless the Council continues to seek to enhance and strengthen our governance arrangements where improvements can be identified. We will monitor progress made through reports to the Audit & Governance Committee and as part of our next annual review.

Signed _____
Leader of the Council
June 2026

Signed _____
Chief Executive
June 2026

2. Scope of Responsibility

Blaby District Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Blaby District Council also has 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, Blaby District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

Blaby District Council has approved a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and the Addendum published May 2025. A copy of the authority's code is on our website or can be obtained from the Finance Service at the Council Offices in Narborough. This statement explains how Blaby District Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015 in relation to the preparation and approval of an Annual Governance Statement.

3. Significant Events

3.1 External Audit Sign Off of Statement of Accounts and Build Back

Over recent years there have been issues nationally around the audit profession not being able to offer prompt auditing of accounts for local authorities. For Blaby, although the Finance Team had published the draft accounts within Government timescales, the external auditor had not completed the audit of those accounts for the historic financial years 2020-21, 2021-22 and 2022-23.

In December 2024 audits were completed for the historic years and in February 2025 the audit for 2023-24 was completed and signed off by the external auditors.

Given the limited timescales given to the external auditors to sign off the accounts, all were disclaimed opinions. Azets, the Council's current external auditors, have informed the Council that they will be unable to provide a 'clean' opinion on the Statement of Accounts going forward without additional work to build back the assurance in the audit opinion. Officers of the Council's finance team continue to work with Azets to ensure the Council is in a position to gain a 'clean' audit opinion in the future.

3.2 Local Government Reorganisation and Devolution

Following the publication of the White Paper on Devolution and Local Government Reform in December 2024, the Council has continued to engage with Local Authorities across Leicestershire and Rutland to meet the government's request to put forward proposals to reorganise into larger unitary councils. Along with the seven District Councils and Rutland County Council, Blaby has put forward 'The North, City, South proposal' which proposed that three unitary councils were formed and this Final Proposal was submitted on the 28th November 2025 to MHCLG (Ministry Housing, Communities and Local Government). Alternative Final Proposals were also submitted in the 'Leicestershire County Council Proposal' and the 'Leicester City Council Proposal'.

'The North, City, South proposal' includes three well-balanced unitary councils which:

- Keeps councils connected and accountable to local communities
- Simplifies services for residents, businesses and partners
- Focusses on protecting and supporting vulnerable people in our communities with a focus on prevention
- Meets the Government's requirements for devolution and supports economic growth
- Will boost efficiency, saving £44 million per year

The Government carried out a public consultation on the proposals that had been put forward in Leicestershire, Leicester and Rutland that closed in March 26. We are now awaiting the government decision as to which proposal is to be accepted detailing which Unitary Authorities are to be formed. The decision is expected to be received in July with the Structural Change Order to follow in December 2026.

Authorities across Leicestershire, Leicester and Rutland are currently working together on 'No Regrets' activity in advance of the decision in preparation.

3.3 Development of the Local Plan

The Council continued to progress preparation of the new Local Plan, which will guide development in the district to 2042. Work during the year focused on completing and refining the evidence base, drafting the Pre-Submission Draft Plan and preparing for the Regulation 19 stage. A major milestone achieved was the unanimous signing of the Statement of Common Ground relating to Housing Distribution for Leicester and Leicestershire.

At year end the Council remained committed to taking the Local Plan forward and a report will be considered at Council on June 30th after remaining evidence is finalised, with the expectation that the Regulation 19 consultation will take place in Summer 2026 and be submitted by 31st December 2026.

3.4 Transition of ICT Service to In-house provision

Recognising the importance of utilising digital capability, the Council made the decision in February 2024 to give notice to the ICT Partnership and transition to an in-house solution by 31st March 2025. Whilst this transition was delayed, the transition to bring the service in-house occurred on 1st July 2025 with a number of staff from the partnership transferring under TUPE. The in-house service provides BDC a complete level of assurance, influence and decision making to meet its digital aspirations for ongoing transformation of services and accelerate BDC towards achieving the ambitions of the Blaby District Plan adopted in 2023.

4. The purpose of the governance framework

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

The systems of internal control are a significant part of that framework and are designed to manage risk to a reasonable level. They cannot eliminate all risk of failure to achieve policies, aims and

objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The systems of internal control are based on an ongoing process designed to identify and prioritise the risks to the achievement of Blaby District Council's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Blaby District Council for the year ended 31 March 2026 and will continue to be in place up to the date of approval of the Statement of Accounts.

5. The Governance Framework

The Authority's vision is set out in the Blaby District Plan which was developed with officers, Members and stakeholders in the district. The control environment encompasses the strategies, policies, plans, procedures, processes, structures, attitudes, and behaviours required to deliver good governance to all.

5.1 Communicating the Authority's Vision

The Blaby District Plan applicable to the 2025/26 year was adopted by Council on the 28th November 2023 and has set our Vision, Values and Priorities for the District spanning 2024-2028. Our vision is for the District to be "a great place to live, work and visit". Sitting below this vision are five strategic themes under which our plans are listed:

- Enabling our communities and supporting our vulnerable residents
- Enhancing and maintaining our natural and built environments
- Growing and supporting our economy
- Keeping you safe and healthy
- Ambitious and well-managed Council, valuing our people

This document serves as our roadmap for continually improving Blaby District and to ensure it is a great place to live, work and visit. Alongside the Plan our Transforming Blaby Together Strategy has been developed encompassing how the authority aligns our objectives for delivering Equality and Diversity; People and Organisational Development; Customer Insight, Experience and Engagement as well as Transformation, Project and Digital agendas. The Medium-Term Financial Strategy (MTFS) continues to be updated alongside the annual budget process to ensure the Plan is affordable and the Council is in a position to respond to funding gaps that may be forthcoming.

Each year an action plan is produced detailing how the Blaby District Plan will be delivered; this was approved by Council in April 2025 for the year 2025/26.

5.2 Translating the vision into objectives for the authority and its partnerships

The Council's objectives reflect the overall vision and are detailed in a series of critical activities which are regularly planned. Through the enhancement of the staff PDA process with linkages into the vision and the Blaby District Plan we have developed the Performance Framework to record and track both the corporate plan and service plans. This Performance Framework continues to become embedded within the organisation.

6. Compliance with the Principles of Good Governance (A-G)

The following section lists the key elements of the systems and processes that comprise the Council's governance framework with a commentary evidencing how the Council's arrangements comply with each of the principles in the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government and the Addendum as follows:

6.1 Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The Council has adopted the national Code of Conduct for Members supported by the Grievance and Standards Committee which monitors issues in relation to standards of behaviour. The Code of Conduct for Members was approved by Council in December 2021 and was adopted as of 1 April 2022.

There is a separate officer code of conduct.

The roles and responsibilities of the Cabinet Executive, the Non-executive members, the Scrutiny Commission and the Senior Leadership Team are set out in the Council's Constitution which provides a comprehensive framework for the management of the authority's business. This is supported by a formal Scheme of Delegation, based on a delegation by exception principle. A Member/Officer protocol ensures effective and appropriate communication between the paid establishment and elected Members.

Council policies are produced in accordance with the principles set out in the Constitution and recommended for approval following review by the Senior Leadership Team. Decision making which falls within the policy and budgetary framework rests with the Cabinet Executive whilst those decisions falling outside the framework are reserved to full Council. The call-in procedure enables the Scrutiny Commission to review decisions made by the Cabinet Executive.

Day to day decision making is carried out by appropriate officers in accordance with the Scheme of Delegated Powers (which is based on a delegation by exception principle) and in accordance with the Financial Regulations. These arrangements all contribute to the economic, efficient and effective operation of the Council. The whole suite of standing orders, financial regulations and scheme of delegation are reviewed and updated as required through regular reports to Council.

In January 2025 Council endorsed and supported the Local Government Association (LGA) Debate not Hate campaign by signing the LGA Debate not Hate public statement and each councillor was invited to demonstrate the pledge by signing the statement following the Council Meeting. The Council also launched the 'Debate Not Hate: Councillor Handbook for personal safety and healthy debate'.

In November 2025 the Council launched an initiative to support the White Ribbon Campaign (WRC) focusing on encouraging men to speak up against sexism and violence towards women. Rather than this be a one-day event, both officers and Councillors have pledged and taken part in events to raise awareness and encourage action to challenge misogyny. Sessions have been delivered in both primary and secondary schools within the district and plans are in place to incorporate WRC policies into BDC plans to ensure safer spaces for women and girls.

The Council has in place and promotes appropriate whistle blowing policies and procedures which are regularly reviewed and updated where required. A revised Whistle Blowing (Raising Concerns) policy was updated in April 2026. Staff are aware of the Whistle Blowing policy and it has been highlighted in Blaby Matters.

The Council ensures compliance with established policies, procedures, laws and regulations through various channels. Two statutory officers (the Section 151 Officer and the Monitoring Officer)

have responsibility for ensuring that the Council does not act in an ultra vires manner (i.e. beyond its legal authority), supported by the Assistant Director for Finance and the Council Tax, Income and Debt Manager who facilitate the management and mitigation of risk and the Audit Manager who provides assurance on matters of internal financial control. The Human Resources function along with managers, through the use of Performance Development Appraisals, assesses (and provides a means of improving) competencies to ensure that officers are equipped to discharge their duties in accordance with the requirements of the Council.

6.2 Principle B. Ensuring openness and comprehensive stakeholder engagement

The Blaby District Plan sets out the Authority's vision, values and priorities, the resources that the Council has to deliver these (within the MTFS) and how we support our officers to deliver the plan within our Transforming Blaby Together Strategy. Objectives are set that link with the priorities and these are monitored through the year by the Senior Leadership Team within the Project Management reporting structure. The authority works closely with other local public bodies, community and voluntary groups via a partnership approach to ensure effective delivery of its services.

The development of the new Blaby District Plan 2024-28 saw extensive engagement with both staff, residents and stakeholder groups to gain valuable input into the themes and objectives identified within the Plan.

We have an active voluntary forum, which meets quarterly, through which the Authority provides support to those groups in our community whilst engaging with them to understand how we can improve our services. This is also strengthened by the voluntary sector being represented on partnership groups such as the Health and Well Being Partnership.

Customer satisfaction with services is monitored through local and service specific surveys, and electronic means to provide feedback on a range of activities and issues.

The Council produces regular e-newsletters for residents and businesses within the District which, in addition to providing information and advice, seeks to receive the views of the residents on a wide range of issues.

Targeted service priority consultation exercises are undertaken to inform the future allocation of resources. The Council carries out a bi-annual Residents Survey and an annual Budget Survey which includes consultation on potential Council Tax increases.

The Council works closely with its 24 Parish Councils. Officers attend a Parish Liaison Group, which has representatives from all other districts and Leicestershire County Council. We regularly send information through to our parishes in relation to funding opportunities and pay for yearly support from the Leicestershire & Rutland Association for Local Councils (LRALC).

The Council has established effective Business Breakfast meetings, engaging particularly with small and medium sized enterprises. More recently a new Blaby Business Board has been established which brings together small and medium sized businesses to help inform and shape policy.

Regular meetings are also held with the head teachers of the Academies in the district and engagement with academies and primary schools in the district continued, working with them to explore career opportunities, with a number of events spanning a range of sectors including, construction, tourism, logistics and hospitality.

The Council has a thriving Youth Council which has been active this year, in raising awareness about the discrimination, climate change and vaping; a particular concern that they continue to champion.

The Council held a Youth Conference in February 2026 which was an opportunity for young people to have their say with elected members regarding issues most important to them. Those young people that attended voted on the subjects that the Youth Council will concentrate on this forthcoming year; Habits that Harm, Anti-social behaviour/Crime and Sexism.

In order to demonstrate its openness, the Authority also publishes:

- A Forward Plan 28 days before the Cabinet Executive meets and provides
- Its Pay Policy
- Gender Pay Gap Report
- Council, Cabinet and Committee Reports
- Payments over £250

To keep the public informed the Authority proactively prepares appropriate press releases. The Council has an award-winning website which is user friendly and well-designed and the frequent use of social media channels of communication have enabled the Council to reach more of our residents effectively.

Scrutiny of the Council's budget for 2025/26 took place over two meetings in January 2025. These meetings were open to all Members and attendance levels were high.

Engagement with Stakeholders in preparation for the Final Proposal for Local Government Reform was extensive. Whilst it was carried out jointly with the local authorities within the proposal, the Council took an active role in this speaking directly with stakeholders to understand their views on the proposal being put forward. Over 10,000 responses were received across two consultations in respect of the North, City, South Proposal and just under 6,500 responses were received in response to the Governments own consultation on the proposals that were put forward.

6.3 Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

The Blaby District Plan sets out the Authority's vision, values and priorities, the resources that the Council has to deliver these (within the MTFs) and how we support our officers to deliver the plan within our Transforming Blaby Together Strategy.

The Council participates in a range of joint working arrangements with other bodies, some of which are more significant than others. For those that deliver services to our customers there are service level agreements or contractual arrangements in place to ensure delivery and protect reputational risk. Should there be corporate risks based on partnership arrangements these will be detailed within the corporate risk register. The Council is particularly mindful of the financial and reputational risks that can arise through entering into joint working and collaborative arrangements, including the potential for a detrimental reputation impact on the Council should the partnership fail. It therefore actively supports and encourages an "open book" approach wherever possible.

The Blaby Health and Wellbeing Partnership continued to deliver the Community Health and Wellbeing Plan (CHWP). The plan for Blaby District brings together a wide range of partners with the common purpose of improving the health and wellbeing of the local population. Forming partnerships between organisations on a local footprint is key to planning and delivering joined up services to improve the lives of people who live and work in the area.

The Council is a member of the Leicester, Leicestershire and Rutland Chief Housing Officers Group who consider the wider consequences of housing issues.

The Group has continued to work well with partners and in particular in relation to the increase in homelessness presentations which have remained high across the County but also in relation to

other key housing areas including, Children and Young People, Care Leavers, Prison Releases, Community Safety, Strategic Housing as well as being reactive to emergency occurrences e.g. accommodating families from the Afghanistan resettlement schemes and the Ukrainian Refugees. Blaby has also led on initiatives such as the bids for the Rough Sleepers Accommodation Programme which have been successful in providing self-contained accommodation for Rough Sleepers or those threatened with Rough Sleeping.

The council took advantage of the Local Authority Housing Fund (LAHF2) monies to purchase housing to be utilised for temporary accommodation and reduce the need for the authority to house people in bed and breakfast accommodation. These 15 properties have enabled the Council to reduce reliance upon bed and breakfast accommodation which is considered unsuitable for households with children. The social benefits of being in a position to provide self-contained accommodation, particularly to families with children, are considerable for those facing homelessness. In 2025/26 further investment in the purchase of temporary accommodation was authorised by Council, ensuring affordable housing on new developments wasn't instead sold as market housing. In total a further 41 houses will be purchased over the next few years utilising LAHF4 and the Council's own funds.

The Council leads on the Lightbulb programme; a nationally recognised transformational project designed to improve and integrate housing related support services across the County.

The service now offers a more streamlined and person-centred service model that brings together multiple partners to address the housing and health needs of residents effectively. This includes the core Lightbulb Service focused on delivery of Disabled Facilities Grants and a range of pilots developed by district councils to provide critical insight and innovation to support communities.

The Housing Enablement Team plays a key role within this integrated approach running as a standalone project working closely with service users across Leicester, Leicestershire, and Rutland to support discharge from hospital. The service plays part of a strategic partnership model and is designed as an embedded NHS service supporting patients who have housing issues that prevent and delaying discharge from hospital.

The Council formally merged the Community Safety Partnership (CSP) of both Blaby and Hinckley and Bosworth in April 2016. Together the CSP's across Leicestershire work with the Police, Fire, Probation Services, County Council and Clinical Commissioning Groups to develop and implement strategies to protect local communities from crime and to help people feel safe.

The Council has, over recent years, invested considerably to promote the economic development of the district. This has continued with a new Economic Development Framework being adopted by Cabinet in September 2023 with a vision "for Blaby District to be a great place to live, work and visit, with a strong, successful economy where everyone can build great businesses, careers and lives, supported in a green and environmentally friendly way, with superb connectivity." The Economic Development Framework sets out the aspirations of the Council and provides a framework that brings together all economic development activities that are occurring within the district and considers how they complement each other to maximise the benefits for our residents, businesses and visitors.

The Council leads a Building Control Partnership on behalf of five other local authorities including Harborough, Oadby and Wigston, Hinckley and Bosworth, Melton and Rutland County Council. A governance structure has been set up which includes a Management Board that meets quarterly to review performance of the service, income generation and make decisions on future priorities. Initially the partnership was delivered through a shared service agreement however, in November 2021 a decision was made by Council to operate the Building Control Partnership under delegated authority and this structure has been in place since April 22.

Through a delegation of statutory responsibility, Blaby provides a Local Land Charge service for both Hinckley and Bosworth Borough Council and Oadby and Wigston Borough Council. Through this arrangement Blaby maintains local land charges registers, processes official searches and provides access to the local land charges register for Hinckley & Bosworth Borough and Oadby & Wigston Borough (until July 2025) under the Environmental Information Regulations for personal searches. This arrangement has provided resilience in service across all authorities.

In April 2023 Blaby District successfully collaborated with neighbouring authority Oadby and Wigston Borough Council to manage and run their sport, physical activity, health and well-being programme and this arrangement is continuing into 2026/27. Blaby District undertakes work on their behalf to run regular programmes and initiatives. In January 25 OWBC finalised their Community Health and Wellbeing Plan, providing opportunities to now work collaboratively to tackle gaps in provision or work in partnership on the same identified health inequalities.

The Council continues to work closely with the academies in our District and meetings cover a wide breadth of matters including creating workplace opportunities in Blaby District and gaining benefit from developments under construction in our district; workplace health initiatives and creating linkages in our community to promote community safety. This meeting has also facilitated closer relationships being developed with the academies and both the police, local community groups and officers from children's support services at Leicestershire County Council.

The Council via the Chief Executive Chairs the Counties Early Help Partnership and sits on the Corporate Parenting Board to ensure a systems-based approach to children and families across the relevant partners who touch the lives of children and their families.

In addition, via the Chief Executive we engage in the recently refreshed Strategic Partnership Board which includes leaders from across the public sector such as Police, Fire, Health and Local Government including representatives from MHCLG and DWP, to ensure strategic matters across the public sector and discussed and addressed as appropriate.

6.4 Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome

The Council's service and financial planning process ensures that resource redirection and allocation is aligned to the priorities emanating from the Blaby District Plan. The Council has in place Contract Standing Orders and Financial Regulations designed to ensure that the Council achieves value for money in discharging its procurement requirements.

The system of internal financial control is based on a framework of regular management information sharing, financial regulations, administrative procedures, management supervision and a system of delegation and accountability.

Development and maintenance of the system is undertaken by the Senior Leadership Team within the Council and its effectiveness is reviewed by either external or internal audit. In particular, the arrangements include:

- The Medium-Term Financial Strategy is now part of the Blaby District Plan. It includes a Financial Summary spanning future year which is revised annually.
- A 5 Year Capital Programme including asset investment.
- An effective system of budgetary control.
- The preparation and review of regular and timely financial reports which indicate financial performance against the forecasts.
- Clearly defined capital appraisal, funding and expenditure controls.

- Formal project management disciplines where appropriate
- Performance management reports

The Councils “programme board” approach is now established implementing change and transformation. A focus has been placed on project management and the regular monitoring of project delivery with the SLT meeting monthly to review progress.

Alongside this, performance measures are now aligned with actions within the Blaby Plan and Members are fully engaged in this process with visibility extended to all members. The Scrutiny Commission, through its working groups, are actively involved in examining the detail of processes, performance indicators and change reviews.

A Six Monthly Performance Report is presented to Council which provides a summary of progress and performance against the priorities within the Blaby District Plan. This report encompasses a whole Council approach focused on the three priorities; A Place to Live, A Place to Work, A Place to Visit, and it is recognised that all services contribute to the successful delivery of the Council’s Plan.

This report is also presented at Scrutiny Commission meetings. The responsibility for Performance Management sits with the Portfolio Holder for Finance, People and Transformation. All Cabinet members provide challenge through our reporting channels.

During this year the Council completed the transition of its ICT Service from a shared service, provided by Hinckley and Bosworth Borough, to an in-house solution.

The in-house service is providing BDC a complete level of assurance, influence and decision making to meet its digital aspirations for ongoing transformation of services, and accelerate BDC towards achieving the ambitions of the both the Blaby District Plan and the Transforming Blaby Together Strategy.

To continue to strengthen our governance arrangements the Council has carried out a self-assessment against the Best Value Guidance issued in May 2024. The self-assessment was an entirely voluntary process and represents ‘best practice’. It is intended to act as a broad ‘barometer’ of our organisational performance, providing assurance of aspects that are delivered well and an indication of where improvements could be made.

The assessment was scored against the seven Best Value themes and 66* ‘characteristics of a well-functioning authority’ that are described in the statutory Best Value guidance (Blaby opted to assess themselves against 66 of these, excluding 4 from the process after they were agreed as ‘not relevant’ for Blaby District Council), the following heat map illustrates the scores that have been assigned for Blaby District Council.

Score Description	Score and Colour Code Applied
Fully delivering best value	5
Mostly delivering best value	4
Partly delivering best value	3
Mostly not delivering best value	2
No evidence of delivering best value	1

Theme	Assessment Results against all Characteristics of a Well-Functioning Authority'											
Continuous Improvement	CI001 3	CI002 Exc*	CI003 Exc*	CI004 4	CI005 5	CI006 5	CI007 4	CI008 5	CI009 4	CI010 4	CI011 5	
Leadership	L001 4	L002 4	L003 5	L004 5	L005 5	L006 3	L007 3	L008 4	L009 4	L010 5		
Governance	G001 4	G002 3	G003 4	G004 3	G005 5	G006 5	G007 5	G008 Exc*	G009 3	G010 3		
Culture	C001 3	C002 4	C003 4	C004 5	C005 5	C006 4	C007 4	C008 5	C009 5	C010 5	C011 5	
Use of Resources	R001 4	R002 4	R003 5	R004 5	R005 5	R006 3	R007 5	R008 5	R009 3	R010 5	R011 Exc*	R012 3
Service Delivery	SD001 3	SD002 3	SD003 3	SD004 4	SD005 5	SD006 3	SD007 3	SD008 3	SD009 4	SD010 3		
Partnerships & Community Engagement	PC001 4	PC002 4	PC003 3	PC004 4	PC005 2	PC006 6						

* Exc = Excluded as the characteristic is not relevant to Blaby District Council

Note : References in the table relate to characteristics within each theme.

The Council considers social value when procuring services and when decisions are brought before Council for consideration.

6.5 Principle E – Developing the entity’s capacity including the capability of its leadership and the individuals within it.

The Council has adopted the national Code of Conduct for Members supported by the Grievance and Standards Committee which monitors issues in relation to standards of behaviour. The Code of Conduct for Members was approved by Council in December 2021 and was adopted as of 1 April 2022.

There is a separate officer code of conduct.

The roles and responsibilities of the Cabinet Executive, the Non-executive members, the Scrutiny Commission and the Senior Leadership Team are set out in the Council’s Constitution which provides a comprehensive framework for the management of the authority’s business. This is supported by a formal Scheme of Delegation, based on a delegation by exception principle. A Member/Officer protocol ensures effective and appropriate communication between the paid establishment and elected Members.

The Chief Executive, Monitoring Officer and S151 Officer meet regularly to ensure that they work collaboratively; providing independent and professional challenge and balanced advice to Members. They have actively considered how the Council meets the Code of Practice on Good Governance for Local Authority Statutory Officers and attended SOLACE events to enhance the function of the ‘Golden Triangle’.

The Council carried out a review of compliance with the Financial Management Code in advance of 2022/23. It was considered by the Audit and Standards Committee in July 2021 and the action plan arising from the review approved by Cabinet Executive in September. The document was made available to the public. The action plan was followed and all areas addressed to ensure compliance. The Council continues to keep this under review to ensure compliance with the code.

The CIPFA Statement on the Role of the Chief Financial officer in Local Government was originally published in March 2009 in respect of the Role of the Chief Financial Officer in public services as a whole and was considered by the Council’s Cabinet Executive in July of that year. The following year a further version was produced which was specifically directed towards Chief Financial Officers

serving in local government. The five underlying principles however remained the same. The Council's financial management arrangements conform with the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

During this year, the Executive Director (S151 Officer) held the position of S151 Officer.

The "Monitoring Officer" function was carried out by the Assistant Director of Corporate Services for the year 2025/26. This position reports directly to the Executive Director of Communities. Regardless of reporting lines, the Monitoring Officer meets directly with the Chief Executive on a monthly basis and has ability to report directly to him/her any concerns he/she may have as Monitoring Officer.

The "Head of Paid Service" role is undertaken by the Council's Chief Executive. The Executive Director (Section 151 Officer) has responsibility for all HR matters and this position reports to the Chief Executive position. The HR Manager and respective Assistant Director also attends the regular statutory officers meeting to highlight any areas of concern.

The district election held in May 2023 saw significant numbers of new members elected. Since then a comprehensive induction programme which included 25 training sessions being delivered to new members. This programme included sessions on a variety of subjects including ICT, Democratic Process, Code of Conduct, Planning Essentials, Local Plan, Enforcement, Scrutiny introduction and questioning skills. This programme has continued to be built upon with various training sessions delivered to both new and more experienced members to ensure they are fully equipped to fulfil their roles. Whereby Elections have taken place, training and development has been replicated on a one to one basis with the new Councillors. The Member Development Group meets to discuss member training and identifies further requirements for member training.

The Council fully supports the requirements to ensure that both Members and senior officers have the necessary skill sets to fulfil their strategic role in the organisation. The Council continues to invest in development for officers and managers. All people managers continue to be supported to understand staff wellbeing and manager participation in HR workshops delivered both virtually and face to face. Mandatory modules have been released using the online system, Skillgate, including topics such as sexual harassment awareness, work health and safety, recruitment, equality and diversity and cyber awareness.

We've also supported staff with talks on the Pensions scheme and Planning for retirement.

The Council has accessed LGA, Solace, CIPFA and DCN development programs that a number of staff have benefitted from. A group of officers attended the East Midlands Solace conference in February and Blaby will be hosting a Solace event in June.

We have continued to collaborate with local Councils on an ILM Manager Development programme and we are currently in the process of procuring management training for people managers across the authority.

The Council has supported a group of officers to attend the East Midlands Challenge Event recently, giving them an insight into issues faced when in strategic roles. The Team were awarded the 'Behaviours' award demonstrating behaviors such as assertiveness, political awareness, emotional intelligence and empathy throughout the day.

The Council continues to adhere to the principles of the East Midlands Councils Elected Member Development Charter. The Charter provides a set of national standards for authorities to achieve, ensuring elected Members are equipped to have the knowledge and skills to be effective community leaders.

The Council prides itself on the arrangements in place to support the wellbeing of both staff and Members and the provision was recognised in the most recent Peer Review. The Council's

employee assistance programme extends to Members and provides a 24/7 helpline with information experts available to provide assistance on a range of issues affecting daily life. In addition to this counselling is available to assist with work or personal issues. Alongside this health webinars are delivered; mental health first aiders are present in the workplace and support is offered through occupational health assessments. A more informal mechanism to support staff is also in place in the form of our staff led, wellbeing coffee mornings which touch on a wide range of subjects and give an opportunity for staff from all areas to get together.

6.6 Principle F – Managing risks and performance through robust internal control and strong public management

The Council has in place a Risk Management Policy and Strategy to ensure that the management of risk, is embedded within the organisation at both the strategic and operational level with both Members and senior officers having specific roles and responsibilities identified. A Corporate Risk Management Group, headed by the Chief Executive who is supported by the Assistant Director for Finance who has specific responsibility to co-ordinate the management of risk across the Council. Risk assessments are a pre-requisite for all capital project appraisals and form an integral element of Project Plans. The Council utilises a software package, Iplan, to assist with the management and monitoring of both corporate and service risks. The Audit and Corporate Governance Committee review the Strategic Risk Register and mitigating actions regularly. They also have responsibility for reviewing and recommending the Risk Management Strategy at regular intervals.

CIPFA developed and implemented the Financial Management Code for good practice in financial management, following concerns about the financial resilience and management of local authorities. The Council assessed compliance with the code in 2021 and continue to demonstrate alignment with aspects of the code, ensuring awareness of the financial landscape throughout the authority whilst maintaining good financial management practices. The Council subscribes to a Financial Resilience Benchmarking Service to enable it to monitor and compare its financial position and resilience with other similar local authorities. The benchmarking service enables us to monitor trends and provide an early warning of any areas of concern.

Internal Control Arrangements are in place as follows:

Cyber security – Since the Council has brought back in house the ICT service greater assurance has been gained from mechanisms put in place including, managed endpoint protection; managed infrastructure protection; utilisation of a security operations centre which operates 24/7/365 monitoring, following the National Cyber Security Centre’s Cyber Assessment Framework v4 best practice and gaining Cyber Essentials accreditation. Supporting this the Council has put in place conditional access policies, geographical protection, phishing resistant multi-factor authorisation, change management procedures. The Council has also carried out end-user training and phishing attack simulations for both staff and members and information governance processes are in place for reporting breaches.

Use of AI – the Council has recently commenced utilising AI and digital assistance in the workplace. During 2025/26 the Council strengthened its governance of AI and digital tools through the introduction of an AI policy and procedure, the use of approved tools only, and the development of governance arrangements to support safe adoption, oversight and accountability. Alongside this, the Council established a Power Platform Centre of Excellence to improve visibility, control and monitoring of digital tools, automation and AI-enabled solutions. Capability and culture change have been supported through structured learning, peer sharing and controlled trials, helping staff adopt new tools safely and in ways that support service outcomes.

Information Governance – The Council has an Information Governance Team who ensure that the Council process and respond to complaints and statutory requests such as Freedom of Information, Subject Access and Environmental Information. This team is also responsible for providing data protection advice; information security; records management and the management of data breaches. The recording of staff gifts and hospitality also sits within their remit.

Procurement & Contract management – the Council utilises the services of a shared service; the Welland Procurement Service. Expert advice is provided by the service along with training for council officers who carry out procurement activity supported by the Welland. The Assistant Director for Finance along with the Assistant Director for Corporate Services ensure compliance with procurement legislation and ensure that contractual arrangements are put in place.

Internal Audit is provided in accordance with the statutory responsibility under Section 151 of the Local Government Act 1972, the Accounts and Audit Regulations and the Public Sector Internal Audit Standards. It is managed on a day-to-day basis by the Shared Audit Manager who reported to the Executive Director of Communities during the year. There is however also an indirect reporting line to the Executive Director (Section 151 Officer) in relation to matters of a technical or professional nature.

Internal Audit objectively examines, evaluates and reports on the adequacy of internal controls and governance as a contribution to the proper, economic and effective use of resources. During 2025/26 this responsibility was carried out following an approved risk based annual audit plan. The Audit Manager produces quarterly progress monitoring reports against the plan to the Audit and Corporate Governance Committee.

The internal reporting process for audit work requires a report of each audit to be submitted to the relevant Assistant Director and/or Service Manager. The report includes an action plan that details areas where control weaknesses have been identified. The action plan requires a response from the relevant manager detailing the way in which the control issue will be addressed, or alternatively, the way in which the risk associated with the control issue will be managed. The process also includes regular reviews of agreed actions to ensure that they are acted upon. A summary of all audits carried out, including a grading rating which reflects the effectiveness of the controls in place and an analysis of the recommendations is submitted to each quarterly Audit and Corporate Governance Committee meeting. The Senior Leadership Team regularly review the progress made towards the recommendations from internal audits being actioned.

The Public Sector Internal Audit Standards (PSIAS), introduced on 1 April 2013, and revised in April 2016 and again in 2017, require an external assessment of compliance with the Standards to be carried out at least once every five years.

The assessment was carried out in November 2020 and found that the internal audit function at Blaby District Council conforms with the PSIAS and there were no areas of non-compliance identified. The final report was presented to the Audit and Standards Committee on 1 February 2021 along with an action plan containing minor action points which the Shared Audit Manager has implemented to improve overall compliance with the Standards.

The Council Internal Audit Strategy has been written to confirm with the requirements of the Global Internal Audit Standards (GIAS) with areas identified as actions to ensure compliance. Members of the Senior Leadership Team were given an overview of the GIAS in the UK Public Sector and a training session given to the Audit and Governance Committee.

The External Quality Assessment (EQA) against the requirements of the GIAS in the UK Public Sector has been postponed while awaiting further guidance from CIPFA due to internal audit being a shared service. This postponement was agreed with the S151 officer and Audit and Governance Committee members were advised and in agreement. The EQA will be carried out during 2026/27.

The Council has an established Audit Committee (the Audit and Governance Committee) whose remit and functions are based on the guidance set out in a CIPFA publication which identifies best practice in relation to roles and responsibilities. The Committee meets quarterly and receives regular reports from both the Section 151 Officer, Assistant Director for Finance and the Audit Manager. Arrangements are in place for the Audit Manager to report independently to the Audit Committee should he/she feel it appropriate to do so. Future Committee Meetings have been structured to facilitate planned time alone with the Audit Manager. During this year the Council has continued to enhance the function of Audit Committee in line with the CIPFA guidance. The appointing of an independent member to the Committee in October 2023 has encouraged the challenge and questions raised by Committee members and training has continued to be provided to members. The Chief Executive has attended the Audit & Governance Committee meetings when her diary has allowed.

The Council follows the core principles detailed within the Code of Practice on Managing the Risk of Fraud and Corruption to protect public assets, support good governance, and ensure effective financial stewardship. In April 2026 the Audit & Governance Committee reviewed and approved the updated Anti-Fraud and Corruption policy, Whistleblowing policy and Anti-Money Laundering Policy. The Committee also considered and accepted the Council's self-assessment against the six principles of 'reasonable prevention' for the new offence of 'failure to prevent fraud' that was introduced by the Economic Crime and Corporate Transparency Act 2023 (ECCTA). An improvement plan was developed from the self-assessment that will be progressed in the coming year.

6.7 Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

The Council takes measures to respond on a timely basis to support the work of both the external and internal auditors and to respond to any inspections or regulatory action.

The Council's internal reporting arrangements are designed to ensure the independence of the internal audit function. Appropriate resources are made available to provide an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It brings a systemic disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. The Audit Manager reports directly to the Senior Leadership Team and the Council's Audit and Governance Committee on all matters appertaining to audit outcomes.

The Senior Leadership Team monitor the outcomes and recommendations of the internal audits that have been carried out and actively ensures that recommendations are addressed in a timely manner.

7. Assessment of Effectiveness

7.1 Annual review

The annual review was undertaken in accordance with the CIPFA/Solace Delivering Good Governance in Local Government framework and the 2025 Addendum and assessed the effectiveness of the governance framework and the system of internal control. The review was informed by the following:

- Senior Leadership assessment and evaluation against the seven principles
- Review of the Local Code and core governance arrangements
- Assurance from the Internal Audit Annual Opinion

- Performance and Risk reporting
- Management Assurance
- External Assurance Mechanisms

The review was led by the Executive Director (S151 Officer) with contributions from the Senior Leadership Team and Head of Internal Audit. A consensus as to the overall opinion was agreed with all members of the Senior Leadership Team and Audit & Governance Committee Members were also consulted on the outcome.

The comprehensive detail of the assurance review completed will be presented as an appendix to the Annual Governance Report which will be considered by Cabinet Executive in June 2026.

Consideration of the following was taken into account:

- The extent of the role of full Council in reviewing and monitoring effectiveness of internal control is set out in Article 4 of the Council's constitution. Article 4 provides that the Council is responsible for setting the policy and budgetary framework.

It is the responsibility of the statutory officers to report to Council on any issues concerning the review of the effectiveness of internal control arrangements where such cases fall outside the delegated power of other decision making bodies of the Council. There have been no issues arising during 2025/26 which have required the full Council to exercise its role.

- The Internal Audit Manager is due to provide an independent opinion on the internal control environment to the Audit and Corporate Governance Committee which then feeds into the Annual Governance Statement process. For the 12 months ended 31 March 2026, based upon the work undertaken by Internal Audit during the year and additional information provided by relevant managers on their responses to audit recommendations, the Shared Audit Manager has formed the opinion that she is able to give **reasonable assurance** on the Council's overall internal control arrangements. This means that, in the areas reviewed, systems are operating adequately, although some weaknesses and opportunities for improvement were identified, which may put at risk the achievement of objectives if not addressed.

This is a positive assurance opinion overall which will be detailed in the report of the Shared Manager's 'Internal Audit Annual Report 2025/2026' which will be presented to the Audit and Governance Committee on 27th July 2026.

The Procurement and Contract Management audit report was issued with limited assurance. Areas highlighted for improvement are in progress and are being monitored through the reporting of the progress of the audit recommendations.

- Positive Outcome of the Best Value Self-Assessment
- The Council has welcomed external challenge and improvement mechanisms through the LGA Peer Review process, engaging in the first review in 2015 and with further visits in 2018 and 2022.
 - The Peer Review in March 2022 (now referred to as a Corporate Peer Challenge) was very positive with the report summarising that "Blaby District Council (BDC) is a well-run local authority; it has a sound financial position, strong leadership, particularly through its Leader and Chief Executive, and committed staff. There is real ownership

by members and officers, and everyone wants to do their best for Blaby as a council, place and for its communities.”

- The final report was reported to Council in July 2022 alongside an action plan that has been put in place to address recommendations made for improvement. The LGA Peer Challenge team returned to the Council in December 2022 to review the Council’s progress reporting that “Blaby DC is clearly committed to addressing all the CPC’s recommendations and has made excellent progress in doing so. This is all the more impressive, given that the council, like others, is responding to the ongoing challenging, economic environment.”
- In November 2021 the Council invited the LGA to carry out a Finance Health Check which gave a view of the robustness of the Council’s financial arrangements. The report, received in December 2021, concluded that the Council is well managed financially and has consistently spent within its budget. The report went on to provide a number of recommendations all of which were either completed or have been incorporated into our financial considerations on an ongoing basis.
- In October 2025 the LGA carried out an Annual Assurance Conversation, with no concerns raised but some opportunities were identified to gain further support from the Planning Advisory Service in relation to the Local Plan and review/training for the Planning Committee, along with support and further training/mentoring opportunities for Members. Alongside this, further practical support was offered to assist with the increasing demand of homelessness.
- In May 2026 the Investigatory Powers Commission’s Office (IPCO) carried out a remote inspection of the powers available to Blaby District Council to authorise directed surveillance and Covert Human Intelligence Sources (CHIS) under the Regulation of Investigatory Powers Act 2000 (RIPA) and Investigatory Powers Act 2016 (IPA). The inspector reported that they were satisfied that the response provided a level of assurance and that a physical inspection would not be required. A number of actions were taken from this inspection and these form part of the actions identified within the AGS assurance review.
- In May 2026 the Council received the Annual Review Letter from the Local Government Ombudsman (LGO). This detailed that 14 cases had been received by the LGO. 11 of those had been decided, 7 of which were closed after an initial investigation, 1 was invalid and 3 were referred back to the Council for a local resolution, given that the complainant hadn’t given the authority an opportunity to respond before making contact with the LGO. No cases were upheld by the LGO.

8. Governance Improvements for 2026/27

Whilst a number of actions were identified through the annual review process, no significant gaps were identified in the core governance arrangements. The actions are listed in the table below for completeness and these will be developed into an action plan; progress against which will be reported to the Audit and Governance Committee.

<p>Action Plan for 2026/27 Governance Improvements</p>
<p>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p> <p>Improvement Actions</p> <ul style="list-style-type: none"> • Culture audit to be carried out by internal audit • Review information on lessons learnt from new complaints process
<p>Principle B: Ensuring Openness and Comprehensive Stakeholder Engagement</p> <p>Improvement Actions</p> <ul style="list-style-type: none"> • Ensure communication with public and stakeholders is continued as LGR decisions and process are progressed • Develop a forward plan for the Youth Council to engage on key Council policies • Continue to expand engagement with the business community, working with the Business Board to develop networks and understand how services and policies can be shaped to improve economic growth for local businesses
<p>Principle C: Defining Outcomes in terms of sustainable economic, social and environmental benefits</p> <p>Improvement Actions</p> <ul style="list-style-type: none"> • Ensure that benefits of partnership working arrangements are retained within LGR proposals • Enhancing the new officer and member governance arrangements for Climate Action priorities • Prepare the new Blaby District Health and Well Being Partnership plan, working with partners to scope and shape outcomes and delivery plan • Continue to expand engagement with the business community, working with the Business Board to develop networks and understand how services and policies can be shaped to improve economic growth for local businesses • Consider taking actions in support of the policy paper 'Protecting What Matters: Towards a more confident, cohesive and resilient UK'
<p>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcome</p> <p>Improvement Actions</p> <ul style="list-style-type: none"> • Align performance measures specifically with the corporate action plan actions • Progress Action Plan arising from Best Value Self-assessment
<p>Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.</p> <p>Improvement Actions</p> <ul style="list-style-type: none"> • Procurement and delivery of Management Training to staff • Ensure officer compliance with skillgate mandatory training • Monitor Member use of skillgate • Plan for retention of staff during LGR process
<p>Principle F: Managing risks and performance through robust internal control and strong public management</p> <p>Improvement Actions</p> <ul style="list-style-type: none"> • Progress Action Plan arising from Best Value Self-assessment • Progress Actions from self-assessment against reasonable prevention of fraud

- Closely monitor use of AI as it is utilised more widely across the organisation
- Review Risk Management Strategy

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

Improvement Actions

- Support external auditors to build-back assurance following disclaimed Statutory Accounts
- Undertake a peer review of the new Housing Stock Management processes and procedures to identify improvement opportunities and then produce a plan to implement the agreed improvements. The Peer review will be undertaken by East Midlands Housing

9. Governance Improvements made in 2025/26

This year we strengthened governance by:

- Reinforcing the organisational values
- Entered new arrangements with partners for Lightbulb and HET services
- Fully engaged with stakeholders and residents for LGR proposals including our young people of the district
- Employment of Learning & Development resource and commenced a programme of development across the organisation.
- Carried out staff survey to understand workforce concerns/perceptions
- Utilisation of system to manage projects, record service plans and KPI's increasing visibility to wider member group
- Increased availability of data to inform decision making
- Reviewed the complaints process and provided guidance for staff to provide consistency to responses
- Ensured Members understood the financial landscape following the Fair Funding Review and Business Rates Reform
- Carrying out Best Value Self-assessment
- Implemented the decision to bring ICT service in-house

An action to carry out a culture audit was not completed in 2025/26 as planned. This has been included in the Internal Audit plan in 2026/27. All other actions identified in the assurance review were completed.

10. Forward Look on Governance

Our Governance will be shaped by pressures and changes as follows:

- **Financial sustainability and pressures from demand** (changes to settlement funding, demand for temporary accommodation)
- **Speed of implementation of Government Policy**
- **Community Cohesion** – social cohesion currently under strain in the UK
- **Local Government Reform** – cost, capacity, resourcing and retention pressures
- **Digital, Cyber Risk and safe use of AI** – controls to ensure safe use
- **External pressures beyond the Councils control**

The governance improvement plan has been aligned accordingly and it is recognised that measures to retain strong governance arrangements is of great importance, particularly during such a period of change.