



Audit and Governance Committee

Members are invited to a **Meeting of the Audit and Governance Committee** to be held in the Conference Room, Riverside, Lowestoft on **Monday, 11 December 2023 at 6.30pm**

This meeting will be broadcast to the public via the East Suffolk YouTube Channel at <https://youtube.com/live/j5fYy3HQoRU?feature=share>

Members:

Councillor Owen Grey (Chair), Councillor Stephen Molyneux (Vice-Chair), Councillor Edward Back, Councillor Tess Gandy, Councillor George King, Councillor Geoff Lynch, Councillor Lee Reeves, Councillor Anthony Specca, Councillor Ed Thompson.

An Agenda is set out below.

Part One – Open to the Public		Pages
1	Apologies for Absence and Substitutions To receive apologies for absence and substitutions.	
2	Declarations of Interest Members and Officers are invited to make any declarations of interests, and the nature of that interest, that they may have in relation to items on the Agenda and are also reminded to make any declarations at any stage during the Meeting if it becomes apparent that this may be required when a particular item or issue is considered.	
3	Minutes To confirm as a correct record the minutes of the meeting of 11 September 2023.	1 - 6
4	Final Audit Results Report 2020-21, Auditors Annual Report 2020-21 and Statement of Accounts 2020-21 ES/1775 Report of the Cabinet Member with responsibility for Resources and Value for Money. (<i>Appendix B to follow</i>)	7 - 224
5	Capital Strategy 2024/25 to 2027/28 ES/1764 Report of the Cabinet Member with responsibility for Resources and Value for Money.	225 - 241

Part One – Open to the Public		Pages
6	Treasury Management Strategy Statement for 2024/25 & Treasury Management Investment Strategy for 2024/25 ES/1766 Report of the Cabinet Member with responsibility for Resources and Value for Money.	242 - 271
7	Corporate Risk Management Update ES/1765 Report of the Cabinet Member with responsibility for Resources and Value for Money and the Assistant Cabinet Member for Resources and Value for Money.	272 - 293
8	Internal Audit Plan 2023/24 Progress Report ES/1768 Report of the Cabinet Member with responsibility for Resources and Value for Money and the Assistant Cabinet Member for Resources and Value for Money.	294 - 301
9	Anti-Fraud and Corruption Strategy 2023 ES/1763 Report of the Cabinet Member with responsibility for Resources and Value for Money and the Assistant Cabinet Member for Resources and Value for Money.	302 - 314
10	Whistleblowing Policy ES/1767 Report of the Cabinet Member with responsibility for Resources and Value for Money and the Assistant Cabinet Member for Resources and Value for Money.	315 - 337
11	Internal Audit Reports Recently Issued ES/1769 Report of the Cabinet Member with responsibility for Resources and Value for Money and Assistant Cabinet Member for Resources and Value for Money.	338 - 350
12	Amendment to the Constitution: Planning Committee Member Call In Process ES/1781 Report of the Cabinet Member with responsibility for Planning and Coastal Management.	351 - 374
13	Proposed changes to East Suffolk Council's Constitution ES/1782 Report of the Chair of the Council.	375 - 706
14	Audit and Governance Committee's Forward Work Programme To consider the Committee's Forward Work Programme.	707 - 707
15	Exempt/Confidential Items It is recommended that under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 & 3 of Part 1 of Schedule 12A of the Act.	
Part Two – Exempt/Confidential		Pages
16	Exempt Minutes <ul style="list-style-type: none"> • Information relating to the financial or business affairs of any particular person (including the authority holding that information). 	
17	Report on the Outcome of an Investigation of a Complaint <ul style="list-style-type: none"> • Information that is likely to reveal the identity of an individual. 	


18 Internal Audit Status of Actions

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

19 Internal Audit Reports Recently Issued (Exempt)

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Close



Chris Bally, Chief Executive

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democraticservices@eastsoffolk.gov.uk

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Unconfirmed



Minutes of a Meeting of the **Audit and Governance Committee** held in the Deben Conference Room, East Suffolk House, on **Monday, 11 September 2023 at 6:30 PM**

Members of the Committee present:

Councillor Tess Gandy, Councillor Owen Grey, Councillor George King, Councillor Geoff Lynch, Councillor Stephen Molyneux, Councillor Anthony Specca, Councillor Ed Thompson, Councillor Sarah Whitelock

Other Members present:

Councillor Vince Langdon-Morris

Officers present: Chris Bing (Head of Legal and Democratic Services), Lorraine Fitch (Democratic Services Manager), Laura Fuller (Audit Manager), Matt Makin (Democratic Services Officer), Siobhan Martin (Head of Internal Audit), Marie McKissock (Financial Manager, Compliance), Agnes Ogundrian (Conservative Political Group Support Officer), Philip Ridley (Head of Planning and Coastal Management), Lorraine Rogers (Interim Chief Finance Officer), Julian Sturman (Specialist Accountant)

Others present: Debbie Hanson (Ernst & Young)

1 Apologies for Absence and Substitutions

There were no apologies for absence or substitutions.

2 Declarations of Interest

Councillor Whitelock declared a non-registerable interest in item 11 as Assistant Cabinet Member for Energy.

Councillor Molyneux declared a non-registerable interest in item 11 as Assistant Cabinet Member for Planning and Coastal Management.

3 Minutes

On the proposal of Councillor Gandy, seconded by Councillor Lynch it was

RESOLVED

That the minutes of the meeting of 10 July 2023 be agreed as a correct record and signed by the Chair.

4 Updated Audit Results Report 2020/21 and updated Statement of Accounts 2020/21

The Committee received report **ES/1643** of Councillor Vince Langdon-Morris, Cabinet Member with Responsibility for Resources and Value for Money.

Councillor Langdon Morris introduced the report which presented an update to the provisional Audit Results Report which had been presented to the committee in March 2022. Since March 2022 a material adjustment has been made to the 2020/21 Accounts in the form of a HRA Provision for Rents and Service charges and therefore the accounts were being re-presented.

Debbie Hanson of Ernst and Young highlighted that there had been no changes to the scope of the work. The only changes in the accounts were due to the rent overcharge issue for which the Council had referred itself to the regulator. Ms Hanson stated that East Suffolk Council had managed this issue well by reporting itself to the regulator.

In terms of audit work, Ms Hanson stated that this was largely complete. The going concern assessment still needed to be completed and this would be finalised when the rent issue had been resolved.

Ms Hanson confirmed that the audit report would be modified in relation to the rent issue. There had been a failing in governance as the rent issue had not been picked up, and there had been a significant period of time before this was reported. Ms Hanson did note that this was during 2021 when the Council was having to focus elsewhere.

The Chair invited questions.

Following a question from Councillor Lynch on interest payable on rent refunds, the Interim Chief Finance Officer stated that there was no interest included in these charges and further detail on this would be sent to the Committee.

Councillor Gandy asked whether the repayments would impact any universal credit payments. The Strategic Director stated that a report had been received by Cabinet and Full Council on the various permutations for repayment. Repayments had been thoroughly checked, and some of the money owing was to the Department for Work and Pensions. It was unclear how the Department for Work and Pensions would receive this money and this issue needed to be resolved with them. The Council would hold this money until it could be paid back. The Strategic Director confirmed that individuals who were owed large amounts of money were having individual conversations with officers to ensure they could manage this.

The Chair asked that there be an update at the next meeting on the final Audit Results Report and Statement of Accounts so that the committee could comment on the final documents.

On the proposal of Councillor Gandy, seconded by Councillor Lynch it was

RESOLVED

That the Committee:

1. Notes the external auditors' findings within the updated Audit Results Report 2020/21 (Appendix A).
2. Notes the updated Statement of Accounts for 2020/21 (Appendix B).
3. Subject to no further material errors being found, approves delegation for final sign-off and publication of the 2020/21 audited statement of accounts to the Chairman of the Audit & Governance Committee, Councillor Owen Grey, and the Chief Finance Officer and S151 Officer, Lorraine Rogers.
4. Allows for the Auditor's Annual Report including the Value for Money commentary to be circulated to the Committee via email between formal meetings to enable EY to issue the audit certificate to conclude the audit.

5 Treasury Management 2023/24 Quarter 2 Report (Mid Year)

The Committee received report ES/1638 of Councillor Vince Langdon-Morris, Cabinet Member with responsibility for Resources and Value for Money.

Councillor Langdon Morris introduced the report which reviewed the performance of the treasury management function for the first half of 2023/24.

The Specialist Accountant for Capital and Treasury Management stated that the report had been written at the end of August and in the last week there had been some press concerning financial issues suffered by other Councils including Birmingham City Council issuing a Section 114 notice. The Specialist Accountant stated that where the authority invested with authorities who had issued a Section 114, this was effectively underwritten by the government through PWLB borrowing. East Suffolk Council did not have any investments with Councils who had issued a Section 114. There were three local authorities the Council had loaned to who were reportedly in financial difficulty, but there was no indication they would be issuing a Section 114 notice before these loans were repaid.

Councillor Lynch asked if money that was coming back in from a low-rate long term investments would be re-lent or used elsewhere. Officers confirmed this was needed for cashflow purposes, with precept payments due to Suffolk County Council.

On the proposal of Councillor Gandy, seconded by Councillor Speca it was

RESOLVED

That the quarter 2 (Mid Year) report on the Council's Treasury Management activity for 2023/24 be noted.

6 Code of Corporate Governance

The Committee received report **ES/1639** of Councillor Vince Langdon-Morris, Cabinet Member with Responsibility for Resources and Value for Money and Councillor Tim Wilson, Assistant Cabinet Member for Resources and Value for Money.

Councillor Langdon-Morris introduced the report which was an annual report received by the Committee to confirm that the Code of Corporate Governance was up to date, and to inform the Committee of any changes.

The Head of Internal Audit stated that this was a key document for the Council which guided how services were delivered. There had been very little change since last year, beyond the updating of references to other policies and updating some of language. The document was updated throughout the year.

Councillor Speca asked if there had been any changes following governance issues identified by Ernst and Young. The Head of Internal Audit stated this document summarised the principals of good governance, how service areas applied this would be detailed in other documents. The application of these principals influenced the corrective governance actions taken by the Council in relation to governance failings in Housing Services and a report had been received at the Committee's July meeting which summarised governance changes to housing services.

The Head of Internal Audit highlighted the sections in the Code of Corporate Governance which summarised the arrangements in place against each principal.

Councillor Lynch referred to the section for Principle G and asked whether it was correct that the Chief Finance Officer had responsibility for contracts and contract management. The Head of Internal Audit stated that they did not have sole responsibility, but rather supplementary responsibility alongside other Senior Officers and oversight through purchase orders.

The Head of Internal Audit confirmed that governance arrangements were in place for the Council's companies, which followed the principals set down in this code. Separate reports would be brought to the Committee on any specific governance arrangements or concerns.

On the proposal of Councillor Gandy, seconded by Councillor Lynch it was

RESOLVED

That having commented upon the refreshed Code of Corporate Governance, the Committee recommends to Full Council that it adopts the refreshed Code of Corporate Governance attached at Appendix A to this report.

7 Standards Matters, Declarations of Gifts and Hospitality and Review of Complaints

The Committee received report **ES/1654** of Councillor Caroline Topping, Leader of the Council.

The Monitoring Officer introduced the report which was an annual update for the Committee summarising complaints received under the Suffolk Code of Conduct in the Municipal Year May 2022 to April 2023 and on the declaration of gifts and hospitality received by Members and Officers.

Councillor Gandy asked why the report also included complaints from parish councils. The Monitoring Officer confirmed that as Monitoring Officer he was responsible for receiving and determining complaints against town and parish councils in the district as well as East Suffolk Councillors. Complaints could be received at this Committee if it was felt appropriate.

The Monitoring Officer confirmed that of the forty eight complaints, twenty one were against East Suffolk Councillors and thirteen of these were in relation to one Councillor and one matter.

Councillor Lynch asked if in future reports there could be a line included stating which Council the complaints were against to help the Committee understand where complaints were coming from.

On the proposal of Councillor Gandy, seconded by Councillor King it was

RESOLVED

That the Committee note the report and the contents of Appendix A.

8 Forward Work Programme

The Committee noted the forward work programme.

The Chair confirmed there would be an extraordinary meeting if necessary due to the number of papers currently shown on the work programme for December and March.

Councillor Speca stated that there would be a report from the Constitution Review Working Group coming to the Committee in due course.

9 Exempt/Confidential Items

On the proposal of Councillor King, seconded by Councillor Lynch it was

RESOLVED

That under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

10 Exempt Minutes

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

11 Planning Performance Agreements for Nationally Significant Infrastructure Projects in East Suffolk

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

12 Internal Audit: Status of Actions

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

13 Internal Audit Reports Recently Issued (Exempt)

- Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

The meeting concluded at 8:09 PM

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Chair



AUDIT & GOVERNANCE COMMITTEE
Monday, 11 December 2023

Subject	Final Audit Results Report 2020/21, Auditors Annual Report 2020/21 and Statement of Accounts 2020/21
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money
Report Author(s)	Marie McKissock Finance Compliance Manager Marie.mckissock@eastsuffolk.gov.uk
Head of Service	Lorraine Rogers Chief Finance Officer and Section 151 Officer Lorraine.rogers@eastsuffolk.gov.uk
Director	Chris Bally Chief Executive Chris.bally@eastsuffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	This report is to be considered during the OPEN part of the Agenda.
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

The Comptroller and Auditor General's Code of Audit Practice requires Ernst and Young LLP (EY) to report to this Committee on the work they have carried out in respect of East Suffolk Council to discharge their statutory audit responsibilities together with any governance issues identified. This is done via an Audit Results Report and Auditors Annual Report which includes a Value for Money commentary. A provisional Audit Results Report was presented to this committee in March 2022 and then updated at the September 2023 committee. At this meeting it was agreed the final Reports would be presented at the next available Audit & Governance Committee for final review.

Options:

None to consider.

Recommendation/s:

That the Committee:

1. Notes the external auditors' findings within the Audit Results Report 2020/21 (Appendix A).
2. Notes the Auditors Annual Report (AAR) which includes the Value for Money commentary (Appendix B).
3. Notes the final Statement of Accounts for 2020/21 (Appendix C).
4. Approves final sign-off and publication of the 2020/21 audited statement of accounts allowing EY to issue the audit certificate to conclude the audit.

Corporate Impact Assessment

Governance:

The Local Audit and Accountability Act 2014 requires the auditor to issue an opinion on the statement of accounts and a certificate to confirm that the audit has been undertaken in accordance with this Act.

ESC policies and strategies that directly apply to the proposal:

These reports do not link directly to the Strategic Plan, but through securing external assurance over the Council's governance, financial statements and value for money, this will help to achieve the priorities set out in the Strategic Plan.

Environmental:

No impact

Equalities and Diversity:

No impact

Financial:

External Audit ensures the Council is providing accurate and reliable financial information, which in turn informs future budgets and service provision. It also ensures value for money is achieved and increases transparency to local taxpayers.

Human Resources: No impact
ICT: No impact
Legal: No impact
Risk: If audits are not completed, there is a risk errors and misstatements are not identified and may impact future budgets and expenditure, and there is risk value for money may not be achieved.

External Consultees: Ernst & Young LLP (EY)
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		

P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
The Audit Reports do not link directly to the Strategic Plan, but through securing external assurance over the Council's governance, financial statements and value for money, this will help to achieve the priorities set out in the Strategic Plan.			

Background and Justification for Recommendation

1 Background facts	
1.1	The Comptroller and Auditor General's Code of Audit Practice requires Ernst and Young LLP (EY) to report to this Committee on the work they have carried out in respect of East Suffolk Council to discharge their statutory audit responsibilities together with any governance issues identified. This report focuses on East Suffolk Council's Statement of Accounts for 2020/21 (Appendix C) and includes two reports from EY; The Audit Results Report 2020/21 (ARR) included as Appendix A, and the Auditors Annual Return 2020/21 shown in Appendix B. This later report includes the Value for Money Commentary.
1.2	In March 2022 a preliminary Audit Results Report was presented to this Committee recommending delegated final sign-off and publication of the 2020/21 audited statement of accounts to the Chairman of the Audit & Governance Committee, Councillor Geoff Lynch, and the Chief Finance Officer and S151 Officer, providing no material errors were identified.
1.3	Since this date the Council has identified an issue with rent and service charges being incorrectly charged to HRA tenants and has had to reflect this in its 2020/21 Statement of Accounts. The Council commissioned an external, independent review of the governance of the housing service, to ensure that the right governance arrangements are in place, which will prevent any such breaches of the social housing regulatory standards from occurring in the future. This report was completed in early 2023 and a final report issued in June 2023. This report was discussed at Audit and Governance Committee on 10th July 2023.
1.4	At the September 2023 Audit & Governance Committee it was agreed the final Audit Results report and the Value for Money Commentary would be presented to the next available Audit and Governance Committee for review by members.
2 Current position	
2.1	EY have now completed their audit work and have issued their final Audit Results Report 2020/21 in relation to the 2020/21 Statement of Accounts and their

	Auditors Annual Report which includes the Value for Money commentary. These reports are available in Appendix A and B, along with the audited statement of accounts in Appendix C. No material adjustments have been made to the statement of accounts since they were last presented to committee in September 2023.
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3 How to address current situation

3.1	EY will now issue their audit certificate in relation to the 2020/21 accounts to conclude the audit. The audited accounts will be presented on the Councils website which include the auditor's report.
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4 Reason/s for recommendation

4.1	The Audit & Governance Committee is recommended to note the external auditors' findings within the Audit Results Report 2020/21 and Auditors Annual Report and approve final sign-off and publication of the 2020/21 audited statement of accounts allowing EY to issue the audit certificate to conclude the audit.
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Appendices

Appendices:

Appendix A	Final Audit Results Report 2020/21
Appendix B	Auditors Annual Report 2020/21
Appendix C	Audited Statement of Accounts 2020/21

Background Papers:

None

East Suffolk Council Final Audit Results Report

Year ended 31 March 2021

27 November 2023

27 November 2023



Audit and Governance Committee
Members
East Suffolk Council
East Suffolk House
Station Road, Melton
IP12 1RT

Dear Audit and Governance Committee Members

We are pleased to attach our Final Audit Results Report for the forthcoming meeting of the Audit and Governance Committee on 11 December 2023. Further to our Audit Results Report Update dated 27 June 2023, which was presented to the Audit and Governance Committee in September 2023, we are pleased to inform you that we have now completed our audit procedures for the financial statements of East Suffolk Council for the year ended 31 March 2021. The purpose of this document is to provide you an update on the areas where our audit work were not completed at the date of our previous Audit Result Report.

Please refer to the "Executive Summary" for further details on our audit procedures. This report summarises our audit conclusion in relation to the audit of East Suffolk Council for 2020/21. Subject to the satisfactory completion of our final conclusion procedures as outlined in this report, we expect to issue an modified audit opinion on the financial statements in the form at Section 3. We have completed our consideration of the impact of the Council's non compliance with the rent standard on our reporting in relation to the Council's value for money arrangements and audit report. We have concluded that this non compliance represents a significant weakness in governance arrangements in 2020/21, and are therefore reporting by exception details of the significant weakness in our auditor's report. We aim to issue our audit report shortly after the Committee meeting on 11 December 2023.

This report is intended solely for the use of the Audit and Governance Committee, other members of the Council, and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement.

Yours sincerely

Debbie Hanson
For and on behalf of Ernst & Young LLP

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated April 2018)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the **Audit and Governance Committee and management of East Suffolk Council** in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the **Committee and management of East Suffolk Council** those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the **Audit and Governance Committee and the management of East Suffolk Council** for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary



Executive Summary

Scope update

In our Indicative Audit Planning Report presented in September 2021 to the Audit and Governance Committee, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this Plan, with the following highlights.

Update on our materiality: In our Indicative Audit Planning Report, we communicated that our audit procedures would be performed using a planning materiality calculated at 2% of the Council's gross expenditure on provision of services as per the 2020/21 draft financial statements. We have not made any changes in the basis for calculation of our materiality and have not made any revision to our materiality levels throughout the audit.

Information Produced by the Entity (IPE): As a result of the continuing impact of Covid and increased remote working, this is an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents. We undertook the following to address this risk:

- Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited;
- Agree IPE to scanned documents or other system screenshots; and
- gained our own access to the accounting software to enable us re-run reports ourselves.

Status of audit

We have completed our audit of East Suffolk Council's financial statements for the year ended 31 March 2021 and have performed the procedures outlined in our Indicative Audit Planning Report. The main issue which has resulted in the delay to the completion of the audit has been the need to consider the impact of the Council's non compliance with the rent standard in terms of both our value for money assessment and the impact on the financial statements. A full list of remaining conclusion procedures can be seen at Appendix C.

Subject to satisfactory completion of the these procedures, we expect to issue an modified opinion on the Council's financial statements.

We expect to issue the audit certificate as part of the audit opinion, as the NAO has now confirmed that they do not require any additional procedures to be undertaken in relation to the Whole of Government Accounts (WGA) submission for East Suffolk Council. We also plan to issue our value for money commentary in our Auditors Annual Report alongside this Audit Results Report.



Executive Summary

Audit differences

Corrected and uncorrected differences

Corrected differences: At the date of this report, we have identified a small number of audit differences. The main difference which has been corrected by management relates to the need to include a provision in both the 2019/20 and 2020/21 accounts in relation to the non compliance with the rent standard and the resulting overcharges to tenants over a number of years. The additional provision included in the accounts was £3.757 million in 2020/21 and £3.357 million in the prior year.

Uncorrected differences: The Pension fund auditor also reported a difference of £0.6 million in the valuation of investment assets. This was due to the actuary basing the figures in their IAS19 report on estimated year end values. The Council has not amended the accounts for this difference.

We have identified a small number of minor disclosure differences in notes to the financial statements (casting, referencing, classification etc) which management have agreed to amend in the final set of accounts.

Auditor responsibilities under the new Code of Audit Practice 2020

Under the Code of Audit Practice 2020 we are still required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to East Suffolk Council a commentary against specified reporting criteria (see below) on the arrangements the East Suffolk Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability:
How the East Suffolk Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance:
How the East Suffolk Council ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness:
How the East Suffolk Council uses information about its costs and performance to improve the way it manages and delivers its services.



Executive Summary

Value for money – progress update

At the time of our Indicative Audit Plan, we were yet to commence with our value for money (VFM) risk assessment. We have now completed this work and have identified a risk of significant weakness in relation to the Council's non compliance with the rent standard, based on information provided by the Council. We have completed our work in relation to this risk and have considered the impact of this against the three reporting criteria we are required to consider under the NAO's 2020 Code.

We have concluded that the failure to take timely action to address the non compliance in 2020/21 represents a significant weakness in governance arrangements, and will therefore need to report by exception details of the significant weakness in our auditor's report. We will include detailed commentary on this matter and the remainder of our value for money work in the Auditor's Annual Report which will be issued to the Council alongside this Audit Results Report.

We are currently finalising our internal consultation processes regarding the modification to the audit report in relation to this issue.

Independence

Please refer to Section 09 for our update on Independence.

Control observations

During the audit, and to date, we have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements and which is unknown to you. We would note that the Council has identified weaknesses in controls related to rent setting, as noted above, and has amended the accounts to include provision for repayments related to this issue.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement (AGS) for consistency with our knowledge of the Council. We have no matters to report as a result of this work. We note that the Council has updated the AGS following identification of the issues related to non compliance with the rent standard and how this matter has been dealt with since it was initially identified, and has reflected this as a significant governance issue.

We have confirmed that the Council is below the threshold set by the National Audit Office (NAO) that requires detailed procedures on the Whole of Government Accounts (WGA) submission. We have also received confirmation from the NAO that they do not want any additional procedure undertaken for the Council. We will therefore submit our assurance statement to the NAO once we have issued our audit report.

We have no other matters to report.



Executive Summary

Areas of audit focus

In our Indicative Audit Planning Report, we identified a number of key areas of focus for our audit of the financial statements of East Suffolk Council. This report sets out our observations and the status of our work in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised within the "Areas of Audit Focus" section of this report.

Significant/Fraud Risk	Findings & Conclusions
Misstatements due to fraud or error (fraud risk)	We have not identified any evidence that management has overridden controls in order to prepare fraudulent financial statement balances or postings within the financial statements from the work completed.
Incorrect capitalisation of revenue expenditure (fraud risk)	We have not identified any evidence of manipulation of expenditure through incorrect capitalisation of revenue expenditure.
Provision for non compliance with rent standard (significant risk)	Since the issue of our Provisional Audit Results Report we identified an additional significant risk related to the potential need for a provision relating to rents that have been overcharged to tenants for a number of years due to the Council's non compliance with the rent standard. The Council has taken advice in relation to this issue and calculated a provision of £3.757 million for 2020/21 and £3.357 million for 2019/20 and had amended the accounts to reflect these changes. We have now completed our assessment of the calculations and are satisfied that they are materially accurate. The 2019/20 comparative figures in the 2020/21 accounts have also been amended for this issue via a prior period restatement.

Areas of audit focus

Area of audit focus	Findings & Conclusions
Accounting for infrastructure assets	Since the issue of our Provisional Audit Results Report we identified an additional risk related to a national issue identified relating to accounting for subsequent expenditure on infrastructure assets. We have completed our audit work on infrastructure assets and have no matters to report.
Valuation of land & buildings and investment properties	We sample tested a number of assets to gain assurance that the key assumptions and inputs into valuations were supportable and that the resulting valuations were materially accurate. We also engaged our EY Real Estate (EYRE) specialists to review a sample of asset valuations to verify the reasonableness of the valuation methodology applied and key assumptions used, including the potential impact of Covid-19 on valuation uncertainties. EYRE have completed their work and concluded that the valuations are supportable and within the ranges calculated.
Pension liability valuation and disclosures	<p>We have reviewed the accounting entries and disclosures in the draft financial statements and assessed the work of the actuary. We have substantially completed our planned procedures, including the receipt and consideration of the report from EY Pensions specialist to provide a parallel actuarial model to confirm the material accuracy of the actuary's IAS19 estimation procedures. We note that the Pension fund auditor reported a difference of £0.6 million in the valuation of investment assets. This was due to the actuary basing the figures in their IAS19 report on estimated year end values. The Council has not amended the accounts for this difference.</p> <p>We have also considered whether the information included in the 2022 triennial valuation for the Suffolk Pension Fund which was issued in March 2023 provides any indication of material error in the March 2021 IAS19 figures included in the Council's accounts, and are satisfied that it does not.</p>
Going concern disclosures	Our going concern work has been completed and we are satisfied that it is appropriate for the Council to prepare its accounts on a going concern basis and that the Council's assessment and disclosures are appropriate and cover a period of at least 12 months from the expected date the accounts will be authorised for issue.
Recognition of grant income associated with Covid-19	We have completed our procedures in this area and have not identified any issues.



02 Areas of Audit Focus



Significant risk

Misstatements due to fraud or error

(Fraud risk)

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

What judgements are we focused on?

We focused our testing on accounting estimates which include pension liability, property valuation, and bad debts provision including NNDR appeals provision. Also performing mandatory procedures including testing of journal entries.

What did we do?

This is a risk that we recognise on all engagements. Our overall response to this for East Suffolk Council was:

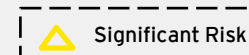
- Assessment to identify fraud risks during the planning stages.
- Inquired management about risks of fraud and the controls put in place to address those risks.
- Understood the oversight given by those charged with governance of management's processes over fraud.
- Considered the effectiveness of management's controls designed to address the risk of fraud.
- Determined an appropriate strategy to address those identified risks of fraud.
- Performed mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements, assessing accounting estimates for evidence of management bias and evaluating the business rationale for significant and unusual transactions.
- We have utilised our data analytics capabilities to assist with our work.

What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied.

We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.





Significant risk

Incorrect capitalisation of revenue expenditure (fraud risk)

What is the risk?

Linking to our risk of misstatements due to fraud and error above, we have considered the capitalisation of revenue expenditure on property, plant and equipment as a specific area of risk given the extent of the Council's capital programme.

What judgements are we focused on?

Whether management have appropriately classified expenditure as capital in nature

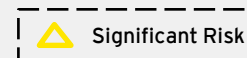
What did we do?

We have undertaken additional procedures to address the specific risk we have identified, which included:

- For significant additions to property, plant and equipment, we have examined invoices, capital expenditure authorisations, leases and other data that support these additions. We have ensure that they have been correctly classified as capital in line with accounting standards and included at the correct value in order to identify any revenue items that have been inappropriately capitalised.
- Reviewed Revenue Expenditure Funded from Capital Under Statute (REFCUS), to verify that revenue costs have not been inappropriately funded from capital.
- We have extended our testing of items capitalised in the year by lowering our testing threshold. We have also review a random sample of capital additions below our testing threshold.
- Journal testing - we have used our testing of journals to identify high risk transactions, such as items originally recorded as revenue expenditure and subsequently capitalised.

What are our conclusions?

We have not identified any revenue items that have been inappropriately capitalised from our substantive testing.





Significant risk

Provision for non compliance with rent standard (significant risk)

What is the risk?

The Code defines a provision as a liability of uncertain timing or amount. A provision should be recognised when: the Council has a present obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made.

There is a risk that the Council may not appropriately calculate the provision required in relation to the historic overcharging of rents due to non compliance with the rent standard

What judgements are we focused on?

Whether management have appropriately considered whether a provision is required in relation to the non compliance with the rent standard and whether any resulting provision has been calculated on a reasonable basis.

What did we do?

We have undertaken additional procedures to address the specific risk we have identified, which included:

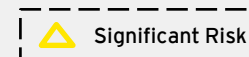
- Review of the legal opinions obtained by the Council dated February 2020 and March 2022;
- Review of the Council's letter to the Regulator of Social Housing dated February 2022 and the related appendices, in particular the report provided on the matter by external consultants;
- Review of the regulatory notice and covering letter from the Regulator of Social Housing dated May 2022;
- Review and testing of the provision calculations provided by management.

What are our conclusions?

We are satisfied that a provision is required in relation to the rents that have been overcharged as the Council has a present obligation as a result of a past event and a reliable estimate of the liability can be calculated

We are satisfied that the resulting provisions of £3.757 million in 2020/21 and £3.357 million in 2019/20 are materially accurate and that the Council has made adequate disclosure of the issue in the financial statements and Annual Governance Statement.

The resulting amendment to the prior year accounts has been subject to internal EY consultation .





Inherent risks and other areas of audit focus

What is the risk/area of focus?

Accounting for Infrastructure assets

In March 2022, an issue was raised with the National Audit Office's Local Government technical network in relation to the accounting for infrastructure assets. Under the CIPFA Code, these assets are held at depreciated historic cost. It has been identified that, whilst local authorities add expenditure incurred on replacing or enhancing such assets, most do not appear to be reviewing the Code requirement to establish whether this spend is a replacement of an asset, or a recognised component, and therefore, are not derecognising the old component. As a consequence gross cost/gross accumulated depreciation are therefore continually increasing, and the balance sheet may be misstated where the expenditure is a replacement for an asset/component not fully depreciated.

East Suffolk Council has material infrastructure assets of £57.9 million (gross book value) and £29.9 million (net book value) held on its balance sheet at 31 March 2021.

There is therefore a risk that the gross book value and accumulated depreciation may be materially misstated.

What have we done and our conclusions?

We have:

- Obtained a breakdown of the Council's infrastructure assets and considered the nature of the assets and the information held by the Council related to these
- We noted that assets held within the Coast Protection and Harbour sub-categories were the only categories that were material and therefore the only categories that could contain a material overstatement.
- We also considered the other categories with a total carrying value of £3,911k and gross book value of £6,074k, and reviewed the detailed listings for each of them looking to identify any individual assets which might be a concern. We did not identify any assets in those other categories that warranted further investigation.
- In relation to Coast Protection assets, we confirmed that the Council undertook a detailed review of this category in 2017/18 and were able to use that information to make an informed judgement whether replaced components of assets had been properly derecognised.
- In relation to the Harbour assets, we confirmed that this sub-category only contains three assets all of which relate to repairs/reconstruction work on Southwold Harbour. We are satisfied these have been correctly accounted for.

We have completed our work on above procedures and, based on the work carried out, we have obtained reasonable assurance that infrastructure assets are from material misstatement due to components not being derecognised as and when they are replaced.



Inherent risks and other areas of audit focus

What is the risk/area of focus?

Valuation of land and buildings and investment properties

The valuation of land and buildings represent significant balances in the Council's accounts and is subject to valuation changes. Management is required to make material judgements and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is therefore a risk fixed assets may be under/overstated or the associated accounting entries incorrectly posted.

Property, plant and equipment (PPE) (of which land and buildings and dwellings represent the vast majority) and investment property are significant balances in the Council's accounts. As at 31 March 2021, PPE totals £376.4 million (2019/20: £362.3 million) and investment properties £5 million (2019/20: £2.9 million).

What have we done and our conclusions?

We have:

- Considered the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Engaged our valuations specialist (EY Real Estates) to review a sample of asset valuations to verify the reasonableness of the valuation methodology applied and key assumptions used, including the potential impact of Covid-19 on valuation uncertainties. Our sample included total 8 properties - 3 investment properties and 5 from the other land and buildings category;
- Sample tested key asset information used by the valuers in performing their valuation;
- Considered the annual cycle of valuations to ensure that assets have been valued within an appropriate timescale.
- Considered any specific changes to assets that have occurred and whether these have been communicated to the valuer;
- Reviewed assets not subject to valuation in 2020/21 to confirm that the remaining asset base is not materially misstated;
- Considered changes to useful economic lives as a result of the most recent valuation; and
- Tested accounting entries have been correctly processed in the financial statements.

We have completed our work on above procedures and have not identified any issues.

EYRE have completed their work and concluded that the valuations are supportable and within the ranges calculated.



Inherent risks and other areas of audit focus

What is the risk/area of focus?

Pension liability valuation and disclosures

The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. As per the draft accounts, this liability amounts to £84.3 million as at 31 March 2021, (2019/20: £52.9 million).

The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the County Council.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What have we done and our conclusions?

To address this risk, we have carried out a range of procedures including:

- liaised with the auditors of Suffolk Pension Fund to obtain assurances over the information supplied to the actuary in relation to the Council;
- assessed the work of the Pension Fund actuary including the assumptions they have used by relying on the work of PwC, being the Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considering the review of this work by the EY Pensions actuarial team;
- Considered the nature and value of level 3 investments held by the Pension Fund and the proportion of the overall Fund relating to East Suffolk Council in order to identify any additional procedures required to support the estimates of the valuation of these asset as at 31 March 2021;
- Considered the movement in fund asset values between the actuary's estimate and year end; and
- Reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

ISA540 (revised) requires auditors to test the method of measurement of accounting estimates to determine whether the model is appropriately designed, consistently applied and mathematically accurate, and that the integrity of the assumptions and the data has been maintained in applying the model. Neither we, nor PwC as consulting actuaries, are able to access the detailed models of the actuaries in order to evidence these requirements. Therefore, we modified our planned approach and undertook alternate procedures to create an auditor's estimate, to gain the necessary assurance. We employed the services of an EY Pensions specialist to review the Council's IAS19 reports and run a parallel actuarial model which was compared to that produced by the Council's actuary. Our specialists have completed their procedures and have not reported any significant difference.

We note that the Pension fund auditor reported a difference of £0.6 million in the valuation of investment assets. This was due to the actuary basing the figures in their IAS19 report on estimated year end values. The Council has not amended the accounts for this difference.



Inherent risks and other areas of audit focus

What is the risk/area of focus?

Going concern disclosures

Covid has created a number of financial pressures throughout Local Government. It is creating financial stress through a combination of increasing service demand leading to increased expenditure in specific services, and reductions in income sources. There is currently not a clear statement of financial support from MHCLG that covers all financial consequences of Covid-19.

In addition, the auditing standard, International Auditing Standard 570 Going Concern, has been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after.

The revised standard is effective for audits of financial statements for periods commencing on or after 15 December 2019, which for the Council will be the audit of the 2020/21 financial statements.

CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 states that an Council's financial statements shall be prepared on a going concern basis; the accounts should be prepared on the assumption that the functions of the Council will continue in operational existence for the foreseeable future and can only be discontinued under statutory prescription.

However, ISA 570, as applied by Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom, still requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report.

To do this, the auditor must review management's assessment of the going concern basis applying IAS1 Presentation of Financial Statements.

What have we done and our conclusions?

The revised standard requires:

- ▶ auditor's challenge of management's identification of events or conditions impacting going concern, more specific requirements to test management's resulting assessment of going concern, an evaluation of the supporting evidence obtained which includes consideration of the risk of management bias;
- ▶ greater work for us to challenge management's assessment of going concern, thoroughly test the adequacy of the supporting evidence we obtained and evaluate the risk of management bias. Our challenge will be made based on our knowledge of the Council obtained through our audit, which will include additional specific risk assessment considerations which go beyond the current requirements;
- ▶ ensuring compliance with any updated reporting requirements;
- ▶ a stand back requirement to consider all of the evidence obtained, whether corroborative or contradictory, when we draw our conclusions on going concern; and
- ▶ necessary consideration regarding the appropriateness of financial statement disclosures around going concern.

We have requested a documented and detailed consideration to support management's assertion regarding the going concern basis, particularly with a view whether there are any material uncertainties for disclosure and the impact of the ongoing impact of Covid on future financial planning.

We have reviewed the updated going concern disclosures within the financial statements under IAS1, and associated financial viability disclosures within the Narrative Statement. We are satisfied that there are no material uncertainties that require disclosure and that the Council's assessment and related disclosures are appropriate and cover a period of at least 12 months from the date the accounts are expected to be authorised for issue.



Inherent risks and other areas of audit focus

What is the risk/area of focus?

Recognition of grant income associated with Covid

Central Government has provided a number of new and different Covid related grants to local authorities during the year. There are also funds that have been provided for the Council to distribute to other bodies.

The Council needs to review each of these grants to establish how they should be accounted for. The Council needs to assess whether it is acting as a principal or agent, with the accounting to follow that decision. Where the decision is that the Council is a principal, it must also assess whether there are any initial conditions that may also affect the recognition of the grants as revenue during 2020/21.

What have we done and our conclusions?

We have:

- Considered the revenue and capital grants received by the Council;
- Responsive to the risk, carried out testing to ensure the accounting treatment and recognition applied to grant income is appropriate.
- For a sample of the grants we have:
 - Reviewed the Council's assessment of whether it is acting as principal or agent;
 - Reviewed whether any initial conditions are attached to grants which would impact on their recognition;
 - Assessed whether the accounting appropriately follows those judgements.

We have also checked that the Council has adequately disclosed grant income received in the year, under both principal and agent arrangements.

We have completed our work on above procedures and have not identified any issue as of the date of this report.

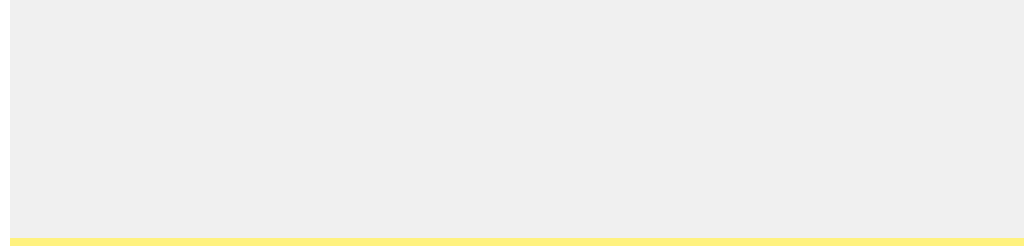
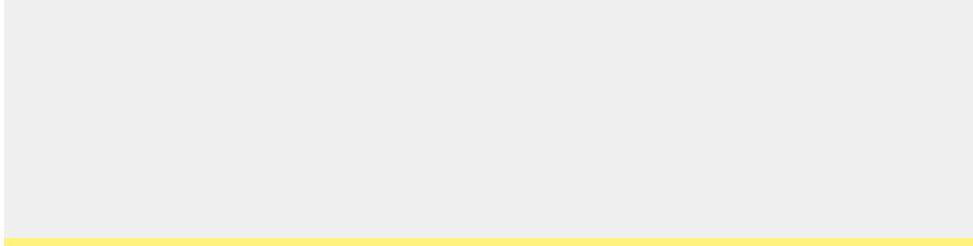


03 Audit Report



Audit Report

Our opinion on the financial statements – this will be issued separately





04

Audit Differences



Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of Audit differences as at the date of this report

The draft statement of accounts prepared by management was again of a good quality with only minor disclosure amendments required, other than the change required in relation to the inclusion of a provision for the overcharging of rents.

Corrected differences: We have identified a small number of audit differences. The main difference which has been corrected by management relates to the need to include a provision in both the 2019/20 and 2020/21 accounts in relation to the non compliance with the rent standard and the resulting overcharges to tenants over a number of years. The additional provision included in the accounts was £3.757 million in 2020/21 and £3.357 million in the prior year.

Uncorrected differences: The Pension fund auditor also reported a difference of £0.6 million in the valuation of investment assets. This was due to the actuary basing the figures in their IAS19 report on estimated year end values. The Council has not amended the accounts for this difference.

We have identified a small number of minor disclosure differences in notes to the financial statements (casting, referencing, classification etc) which management have agreed to amend in the final set of accounts.



05 Value for Money

01



Value for Money

The Council's responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment

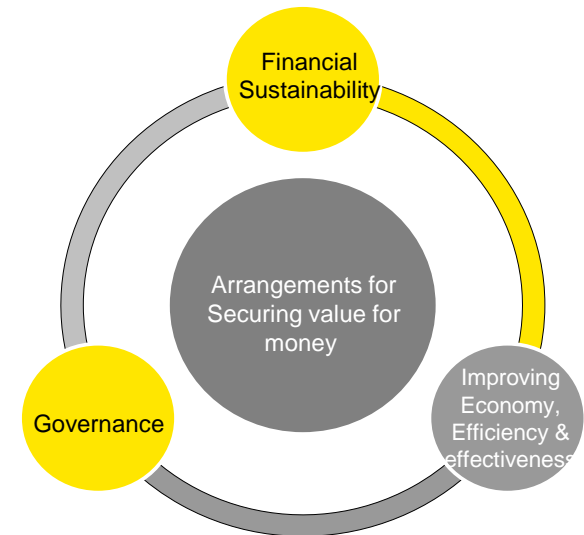
Throughout our audit we have performed a risk assessment in relation to the arrangements in place. This risk assessment looked at whether there was any risk of significant weaknesses in the VFM arrangements.

We identified a significant risk in relation to the Council's non compliance with the rent standard and how this issue has been dealt with since it was initially identified.

The Council's responsibilities for value for money

We have identified a risk of significant weakness in relation to the Council's non compliance with the rent standard, based on information provided by the Council. We have completed our work in relation to this risk and have considered the impact of this against the three reporting criteria we are required to consider under the NAO's 2020 Code.

We have concluded that the failure to take timely action when the non compliance was initially identified late in 2019 represents a significant weakness in governance arrangements in 2020/21, and will therefore report by exception details of the significant weakness in our auditor's report. We will include detailed commentary on this matter and the remainder of our value for money work in the Auditor's Annual Report as noted below. We are currently consulting with our Professional Practice Department on the modification to the audit report.



Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the audit report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily. We will issue our Auditor's Annual Report alongside the issue of our audit opinion.



06 Other reporting issues

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts for the year ended 2020/21 with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Statement of Accounts for the year ended 2020/21 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement (AGS) and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report. We note that the Council has updated the AGS following identification of the issues related to non compliance with the rent standard and how this matter has been dealt with since it was initially identified, and has reflected this as a significant governance issue.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts (WGA) return. The extent of our review, and the nature of our report, is specified by the NAO.

We have confirmed that the Council is below the threshold set by the National Audit Office (NAO) that requires detailed procedures on the Whole of Government Accounts (WGA) submission. We have also received confirmation from the NAO that they do not want any additional procedure undertaken for the Council. We will therefore submit our assurance statement to the NAO once we have issued our audit report.

Other reporting issues

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Council, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits (if applicable);
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations; and
- Group audits

We have noted, based on information provided by the Council, non compliance with the rent standard. We have considered the impact of this on our opinion and reporting in relation to the Council's value for money arrangements as well as in relation to our statutory responsibilities where we identify or become aware of non compliance with laws or regulations. We have provided details on the reporting in relation to this issue elsewhere in this report.

We have no other matters to report as of the date of this report.



07

Assessment of Control Environment



Assessment of Control Environment

Financial controls

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control, as of the date of this report, that might result in a material misstatement in your financial statements of which you are not aware. We would note however that the Council has identified weaknesses in controls related to rent setting, as noted elsewhere in this report.



08

Data Analytics



Use of Data Analytics in the Audit

► Data analytics

Analytics Driven Audit

Data analytics

We used our data analysers to enable us to capture entire populations of your financial data. These analysers:

- Help identify specific exceptions and anomalies which can then be the focus of our substantive audit tests; and
- Give greater likelihood of identifying errors than traditional, random sampling techniques.

In 2020/21, our use of these analysers in the audit included testing journal entries and payroll, to identify and focus our testing on those entries we deem to have the highest inherent risk to the audit.

We capture the data through our formal data requests and the data transfer takes place on a secured EY website. These are in line with our EY data protection policies which are designed to protect the confidentiality, integrity and availability of business and personal information.

Journal Entry Analysis

We obtain downloads of all financial ledger transactions posted in the year. We performed completeness analysis over the data, reconciling the sum of transactions to the movement in the trial balances and financial statements to ensure we have captured all data. Our analysers then review and sort transactions, allowing us to more effectively identify and test journals that we consider to be higher risk, as identified in our audit planning report.

Payroll Analysis

We also use our analysers in our payroll testing. We obtain all payroll transactions posted in the year from the general ledger. We then analyse the data against a number of specifically designed procedures. These include analysis of payroll costs by month to identify any variances from established expectations, as well as more detailed transactional interrogation.



Journal Entry Testing

What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.

What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.

What are our conclusions?

We have completed our work on journal entries and have found no exceptions to report as of the date of this report.



09 Independence

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1st April 2020 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

The next page includes a summary of the fees that are due to us in relation to the year ended 31 March 2021 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided are in the next page. Further detail of all fees has been provided to the Audit and Governance Committee.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

We confirm that we have not undertaken non-audit work, other than the certification of the Council's housing benefit subsidy claim.

Other communications

EY Transparency Report 2021

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of the reporting period from 2 July 2022 to 30 June 2023 is at [ey-uk-2023-transparency-report.pdf](https://www.ey.com/uk/en/issues-and-ideas/2023-transparency-report)

Confirmation of independence and analysis of audit fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

Description	Planned Fee (£) 2020/21	Proposed Fee (£) 2019/20
Scale fee - Code work	69,964	69,964
Changes in work required to address professional and regulatory requirements & scope changes associated with risk - Note 1	39,360	
Additional fee agreed in 2019/20 - Note 1	-	33,136
Additional work required in 2020/21 - Note 2	TBC	-
Additional work required due to changes in auditing standards for estimates - Note 3	2,500	-
Additional work required due to change in scope of VFM work - Note 3	6,000 to 11,000	-
Non-audit Fee - Housing subsidy claim	TBC	25,935
Total audit fees	TBC	129,035

All above fees are excluding VAT

Note 1: For 2019/20 and 2020/21, we have proposed an increase to the scale fee to reflect the increased level of audit work required which has been impacted by a range of factors including changes in risk profile of the audit and increases in regulatory standards. Further detail on this proposed increase was included in our previous reports to the Committee. We have proposed an increase of £39,360 to the scale fee to reflect these additional requirements and have shared details of the breakdown with management. For 2019/20, we also proposed an additional fee of £24,036, as detailed in our 2019/20 Annual Audit Letter. This reflected the increased audit work required in regard to: valuations of land and buildings and investment properties; the group accounts as well as the fact that 2019/20 was the first year of existence of East Suffolk Council; the impact of Covid-19 on a number of areas included the bad debt provision, going concern disclosures, and the material uncertainty in the property valuer's report. PSAA have determined an overall additional fee of £33,136 for 2019/20.

Note 2: For 2020/21, the additional fee will be quantified after completion of audit and will be discussed with the management before submission to PSAA. PSAA will determine the final fee. There will be a significant additional fee as a result of the rent setting issue which has impacted on both our opinion and value for money work.

Note 3: PSAA published additional information for 2020/21 audit fees in August 2021, whereby PSAA provided guidance about the range of minimum additional fee in certain areas of audit. The figures above are the ranges or minimum fee set by PSAA. PSAA also revised its hourly rates for calculating the additional fee variations.



10 Appendices

Audit approach update

We summarise below our approach to the audit of the balance sheet and any changes to this approach from the prior year audit.



Our audit procedures are designed to be responsive to our assessed risk of material misstatement at the relevant assertion level. Assertions relevant to the balance sheet include:

- **Existence:** An asset, liability and equity interest exists at a given date
- **Rights and Obligations:** An asset, liability and equity interest pertains to the entity at a given date
- **Completeness:** There are no unrecorded assets, liabilities, and equity interests, transactions or events, or undisclosed items
- **Valuation:** An asset, liability and equity interest is recorded at an appropriate amount and any resulting valuation or allocation adjustments are appropriately recorded
- **Presentation and Disclosure:** Assets, liabilities and equity interests are appropriately aggregated or disaggregated, and classified, described and disclosed in accordance with the applicable financial reporting framework. Disclosures are relevant and understandable in the context of the applicable financial reporting framework

Balance sheet category	Audit Approach in current year	Audit Approach in prior year	Explanation for change
Trade receivables	Substantively tested all relevant assertions	Substantively tested all relevant Assertions	No change
Property, plant and equipment	Fully substantive approach. Engaged with EY Real Estate	Fully substantive approach. Engaged with EY Real Estate	No change
Trade payables	Fully substantive approach	Fully substantive approach	No change
Cash, investments and borrowings	Substantively tested all relevant assertions	Substantively tested all relevant assertions	No change
Grants	Fully substantive approach	Fully substantive approach	No change
Pensions	Substantively tested all relevant assertions. We engaged EY Pensions to assist with reviewing actuary model.	Substantively tested all relevant assertions	We engaged our pensions specialists due to the requirements of ISA540 (revised)

Required communications with the Audit and Governance Committee

There are certain communications that we must provide to the Audit and Governance Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Audit and Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Indicative Audit Planning Report - 7 September 2021
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Indicative Audit Planning Report - 7 September 2021
Significant findings from the audit	<ul style="list-style-type: none"> • Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures • Significant difficulties, if any, encountered during the audit • Significant matters, if any, arising from the audit that were discussed with management • Written representations that we are seeking • Expected modifications to the audit report • Other matters if any, significant to the oversight of the financial reporting process 	Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023

Appendix B

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The adequacy of related disclosures in the financial statements 	<p>Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023</p>
Misstatements	<ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Material misstatements corrected by management 	<p>Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023</p>
Subsequent events	<ul style="list-style-type: none"> • Enquiry of the Audit and Governance Committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements. 	<p>Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023</p>
Fraud	<ul style="list-style-type: none"> • Enquiries of the Audit and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority • Any fraud that we have identified or information we have obtained that indicates that a fraud may exist • Unless all of those charged with governance are involved in managing the Authority, any identified or suspected fraud involving: <ol style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. • The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected • Any other matters related to fraud, relevant to Audit and Governance Committee responsibility. 	<p>Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023</p>

Appendix B




		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the Authority's related parties including, when applicable:</p> <ul style="list-style-type: none"> • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and regulations • Difficulty in identifying the party that ultimately controls the Authority 	<p>Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023</p>
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> • The principal threats • Safeguards adopted and their effectiveness • An overall assessment of threats and safeguards • Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Indicative Audit Planning Report - 7 September 2021</p> <p>Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023</p>
External confirmations	<ul style="list-style-type: none"> • Management's refusal for us to request confirmations • Inability to obtain relevant and reliable audit evidence from other procedures. 	<p>Indicative Audit Planning Report - 7 September 2021 Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023</p>
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> • Significant deficiencies in internal controls identified during the audit. 	<p>Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023</p>

Appendix B

		Our Reporting to you
Required communications	What is reported?	When and where
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023
Auditors report	<ul style="list-style-type: none"> Any circumstances identified that affect the form and content of our auditor's report 	Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023
Fee Reporting	<ul style="list-style-type: none"> Breakdown of fee information when the audit planning report is agreed Breakdown of fee information at the completion of the audit Any non-audit work 	Indicative Audit Planning Report - 7 September 2021 Provisional Audit Results Report - 2 March 2022 Updated Audit Results Report - June 2023 Final Audit Results Report - November 2023
Value for money commentary	A commentary on the arrangements in place during 2020/21 to achieve value for money, and any recommendations we may make to improve those arrangements.	Auditor's Annual Report - December 2023
Consideration of laws and regulations	<ul style="list-style-type: none"> Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur Enquiry of the Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit and Governance Committee may be aware of 	We have asked management and those charged with governance. We have not identified any material instances or non-compliance with laws and regulations.

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item 	Actions to resolve 	Responsibility 
Modified audit report consultation	Completion of our internal consultation procedures related to the modification of the audit report to refer to weaknesses in the Council's arrangements to respond to the non-compliance with the rent standard.	EY
Completion procedures	Our finalisation procedures, including receipt of final version of financial statements and signed representation from management (refer Appendix E for draft representation letter), subsequent events review, final checks on financial statements and other sign off procedures.	EY and Management
Completion of procedures required for whole of government accounts	Submission of assurance statement to be undertaken upon completion of the audit.	EY
Issue of the Auditors Annual Report (AAR)	Finalisation of the value for money (vfm) commentary for inclusion in the AAR. Due to the modification of the audit report in relation to the significant weaknesses in vfm arrangements this commentary is subject to internal consultation.	EY
Issue of the audit certificate	We will issue the certificate as part of our audit report following completion of the above procedures	EY

DRAFT Management representation letter

Management Representation Letter - DRAFT

[To be prepared on the entity's letterhead]
[Date]

Ernst & Young
400 Capability Green
Luton
Bedfordshire
LU1 3LU

This letter of representations is provided in connection with your audit of the consolidated and council financial statements of East Suffolk Council ("the Group and "the Council") for the year ended 31 March 2021. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and Council financial statements give a true and fair view of the Group and Council financial position of East Suffolk Council as of 31 March 2021 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group and Council, CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).

We understand that the purpose of your audit of our consolidated and council financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and the Council the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).
2. We acknowledge, as members of management of the Group and Council, our responsibility for the fair presentation of the consolidated and council financial statements. We believe the consolidated and Council financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and Council in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)) and are free of material misstatements, including omissions. We have approved the consolidated and council financial statements.
3. The significant accounting policies adopted in the preparation of the Group and Council financial statements are appropriately described in the Group and Council financial statements.
4. As members of management of the Group and Council, we believe that the Group and Council have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)) for the Group and for the Council that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic and the effects of the conflicts and related sanctions in Ukraine, Russia and or Belarus on our system of internal controls.

DRAFT Management representation letter

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5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated and Council financial statements taken as a whole. We have not corrected these differences identified and brought to our attention by the auditor because [specify reasons for not correcting misstatement].
6. We confirm the Group and Council does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible for determining that the Group and Council's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the consolidated and Council financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Group or Council (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
 - ▶involving financial statements;
 - ▶related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or Council's financial statements;
 - ▶related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Group or Council's activities, its ability to continue to operate, or to avoid material penalties;
 - ▶involving management, or employees who have significant roles in internal controls, or others; or

▶in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and [all material transactions, events and conditions are reflected in the consolidated and council financial statements, including those related to the COVID-19 pandemic.
3. We have made available to you all minutes of the meetings of the Group and Cabinet and Audit and Governance Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: [list date]
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and council financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with applicable financial reporting framework.

DRAFT Management representation letter

Management Representation Letter - DRAFT

6. We have disclosed to you, and the Group and Council has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and Council financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter (31 August 2021) through the date of this letter we have disclosed to you any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants) , to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and Council financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have not given any guarantees to third parties.

E. Going Concern

1. Note 1 to the consolidated and parent entity financial statements discloses all the matters of which we are aware that are relevant to the Group and Council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. There have been no events including events related to the COVID-19 pandemic, and including events related to the conflict and related sanctions in Ukraine, Russia and Belarus, subsequent to year end which require adjustment of or disclosure in the consolidated and Council financial statements or notes thereto.

G. Group audits

1. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst Council, subsidiary undertakings and associated undertakings.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Annual Governance Statement and Statement of Accounts 2020/2021.
2. We confirm that the content contained within the other information is consistent with the financial statements.

I. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and reflected in the consolidated and Council financial statements.
2. The key assumptions used in preparing the consolidated and Council financial statements are, to the extent allowable under the requirements of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)), aligned with the statements we have made in the other information or other public communications made by us

DRAFT Management representation letter

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J. Ownership of Assets

1. The Group and Council has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Group and Council's assets, nor has any asset been pledged as collateral. All assets to which the Group and Council has satisfactory title appear in the balance sheet(s).
2. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

K. Reserves

1. We have properly recorded or disclosed in the consolidated and Council financial statements the useable and unusable reserves.

L. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the valuation of land and buildings included in property, plant and equipment and investment properties and IAS 19 pension liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and Council financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

M. Estimates

Valuation of land and buildings included in property plant and equipment and investment properties

1. We confirm that the significant judgments made in making the valuation of land and buildings included in property, plant and equipment and investment properties estimate have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of land and buildings and investment properties estimate.

3. We confirm that the significant assumptions used in making the valuation of land and buildings and investment properties estimate appropriately reflect our intent and ability to continue to use the assets in the provision of services or generation of income on behalf of the Group and Council.
4. We confirm that the disclosures made in the consolidated and Council entity financial statements with respect to the accounting estimates, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).
5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of land and buildings and investment properties estimate.
6. We confirm that no adjustments are required to the accounting estimates and disclosures in the consolidated and parent entity financial statements, including due to the COVID-19 pandemic.

IAS 19 Pensions liability

1. We confirm that the significant judgments made in making the IAS 19 pensions liability estimate have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the IAS 19 pensions liability estimate.
3. We confirm that the significant assumptions used in making the IAS 19 pensions liability estimate appropriately reflect our intent and ability to continue to participate in the Pension Fund
4. We confirm that the disclosures made in the consolidated and Council entity financial statements with respect to the accounting estimates, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).

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5. We confirm that appropriate specialized skills or expertise has been applied in making the IAS 19 Pensions Liability estimate.
6. We confirm that no adjustments are required to the accounting estimates and disclosures in the consolidated and parent entity financial statements, including due to the COVID-19 pandemic.

O. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

P. Comparative information - corresponding financial information

1. Add a paragraph providing a brief description of each matter giving rise to a restatement and the amounts concerned
2. The comparative amounts have been correctly restated to reflect the above matter and appropriate note disclosure of this restatement has also been included in the current year's consolidated and Council financial statements.

Yours faithfully,

(Chief Financial Officer)

(Chairman of the Finance, Audit and Risk Committee)

Implementation of IFRS 16 Leases

In previous reports to the Audit and Governance Committee, we have highlighted the issue of new accounting standards and regulatory developments. IFRS 16 introduces a number of significant changes which go beyond accounting technicalities. For example, the changes have the potential to impact on procurement processes as more information becomes available on the real cost of leases. The key accounting impact is that assets and liabilities in relation to significant lease arrangements previously accounted for as operating leases will need to be recognised on the balance sheet. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

The adoption of IFRS 16 by CIPFA/LASAAC as the basis for preparation of Local Authority Financial Statements has been deferred until 1 April 2023. Officers should be acting now to assess the Council's leasing positions and secure the required information to ensure the Council will be fully compliant with the CIPFA Code. The following table summarises some key areas officers should be progressing.

IFRS 16 theme	Summary of key measures
Data collection	<p>Management should:</p> <ul style="list-style-type: none"> Put in place a robust process to identify all arrangements that convey the right to control the use of an identified asset for a period of time. The adequacy of this process should be discussed with auditors. Classify all such leases into low value; short-term; peppercorn; portfolio and individual leases Identify, collect, log and check all significant data points that affect lease accounting including: the term of the lease; reasonably certain judgements on extension or termination; dates of rent reviews; variable payments; grandfathered decisions; non-lease components; and discount rate to be applied.
Policy choices	<p>The Council needs to agree on certain policy choices. In particular:</p> <ul style="list-style-type: none"> Whether to adopt a portfolio approach What low value threshold to set and agree with auditors Which asset classes, if any, are management adopting the practical expedient in relation to non-lease components What is management's policy in relation to discount rates to be used?
Code adaptations for the public sector	<p>Finance teams should understand the Code adaptations for the public sector. The Code contains general adaptations, (e.g. the definition of a lease); transitional interpretations (e.g. no restatement of prior periods) and adaptations that apply post transition (e.g. use of short-term lease exemption).</p>
Transitional accounting arrangements	<p>Finance teams should understand the accounting required on first implementation of IFRS 16. The main impact is on former operating leases where the authority is lessee. However, there can be implications for some finance leases where the council is lessee; and potentially for sub-leases, where the council is a lessor, that were operating leases under the old standard.</p>
Ongoing accounting arrangements	<p>Finance teams need to develop models to be able to properly account for initial recognition and subsequent measurement of right of use assets and associated liabilities. This is more complex than the previous standard due to more regular remeasurements and possible modifications after certain trigger events.</p>
Remeasurements and modifications	<p>Finance teams need to familiarise themselves with when the 'remeasurement' or 'modification' of a lease is required and what to do under each circumstance. A modification can lead to an additional lease being recognised. It is also important to know when remeasurements require a new discount rate is to be applied to the lease.</p>

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

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A photograph of a modern, brightly lit interior space, likely a council chamber or meeting room. The room features a high ceiling with recessed lighting and a floor made of light-colored wood panels. The walls are primarily glass, reflecting the interior lights and the surrounding environment. The perspective is from a low angle, looking down a long, narrow hallway or room.

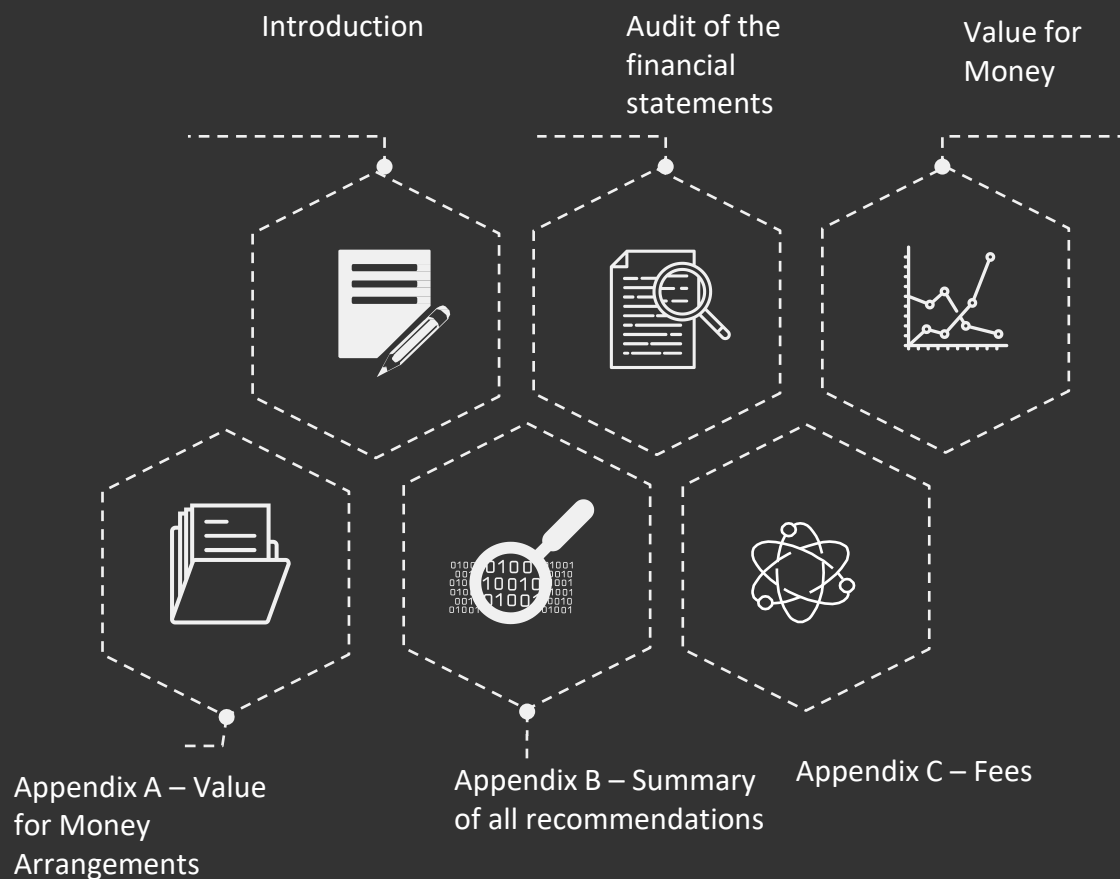
East Suffolk Council

Auditor's Annual Report

December 2023

Year ended 31 March 2021

Contents



Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Council and management of East Suffolk Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Council and management of East Suffolk Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Council and management of East Suffolk Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



Introduction

Purpose

The purpose of the Auditor's Annual Report is to bring together all of the auditor's work over the year. A core element of the report is the commentary on value for money (VFM) arrangements, which aims to draw to the attention of the Council, or the wider public, relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

Responsibilities of the appointed auditor

We have undertaken our 2020/21 audit work in accordance with the Audit Plan that we issued in September 2021. We have complied with the National Audit Office's (NAO) 2020 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- The 2020/21 financial statements;
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

- If the Annual Governance Statement does not comply with relevant guidance or is not consistent with our understanding of the Council;
- If we identify a significant weakness in the Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and
- Any significant matters that are in the public interest.

Responsibilities of the Council

The Council is responsible for preparing and publishing its financial statements, narrative statement and Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.



Introduction (continued)

2020/21 Conclusions

Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2021 and of its expenditure and income for the year then ended. We issued our auditor’s report on xx December 2023.
Going concern	We have concluded that the Finance Director’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Consistency of the other information published with the financial statement	Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.
Value for money (VFM)	We have completed our consideration of the impact of the Council’s non compliance with the rent standard on our reporting in relation to the Council’s value for money arrangements and our audit report. We have concluded that the non compliance represents a significant weakness in governance arrangements in 2020/21, and are therefore reporting by exception details of the significant weakness in our auditor’s report. We have also included consideration of this in our VFM commentary within this report.
Consistency of the annual governance statement	We were satisfied that the Annual Governance Statement was consistent with our understanding of the Council.
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Whole of government accounts	Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts (WGA) return. The extent of our review, and the nature of our report, is specified by the NAO. As the Council falls below the £2 billion threshold for review as per the NAO’s 2021/21 group instructions, we do not have to perform any detailed procedures. The NAO has also confirmed that they do not require any additional audit procedures to be undertaken on east Suffolk District Council. We will therefore issue our assurance statement alongside our audit opinion.
Certificate	We will issue our certificate as part of our audit report.



Audit of the financial statements

Key findings

The Narrative Statement and Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

On xx December 2023, we issued an unqualified opinion on the financial statements. We reported our detailed findings to the Audit and Governance Committee on 11 December 2023 through our updated Audit Result Report. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan.

Significant/Fraud Risk

Conclusion

Misstatements due to fraud or error(Fraud risk)

There is a risk that the financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

We did not identify any material weaknesses in controls or evidence of material management override. We did not identified any instances of inappropriate judgements being applied. We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.

Inappropriate capitalisation of revenue expenditure (Fraud risk)

Linking to our risk of misstatements due to fraud and error above, we have considered the capitalisation of revenue expenditure on property, plant and equipment as a specific area of risk given the extent of the Council's capital programme

We did not identified any revenue items that have been inappropriately capitalised from our substantive testing.

Provision for non compliance with rent standard (Significant risk)

The Code defines a provision as a liability of uncertain timing or amount. A provision should be recognised when: the Council has a present obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made. There is a risk that the Council may not appropriately calculate the provision required in relation to the historic overcharging of rents due to non compliance with the rent standard

We are satisfied that a provision is required in relation to the rents that have been overcharged as the Council has a present obligation as a result of a past event and a reliable estimate of the liability can be calculated. We are satisfied that the resulting provisions of £3.757 million in 2020/21 and £3.357 million in 2019/20 are materially accurate and that the Council has made adequate disclosure of the issue in the financial statements and Annual Governance Statement. The resulting amendment to the prior year accounts has been subject to internal EY consultation which has confirmed that the amendment and associated disclosure are appropriate.



Audit of the financial statements

Areas of audit focus

Accounting for infrastructure assets

In March 2022, an issue was raised with the National Audit Office's Local Government technical network in relation to the accounting for infrastructure assets. Under the CIPFA Code, these assets are held at depreciated historic cost. It has been identified that, whilst local authorities add expenditure incurred on replacing or enhancing such assets, most do not appear to be reviewing the Code requirement to establish whether this spend is a replacement of an asset, or a recognised component, and therefore, are not derecognising the old component. As a consequence gross cost/gross accumulated depreciation are therefore continually increasing, and the balance sheet may be misstated where the expenditure is a replacement for an asset/component not fully depreciated. East Suffolk Council has material infrastructure assets of £57.9 million (gross book value) and £29.9 million (net book value) held on its balance sheet at 31 March 2021. There is therefore a risk that the gross book value and accumulated depreciation may be materially misstated

Valuation of land & buildings and investment properties

The valuation of land and buildings represent significant balances in the Council's accounts and is subject to valuation changes. Management is required to make material judgements and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is therefore a risk fixed assets may be under/overstated or the associated accounting entries incorrectly posted.

Property, plant and equipment (PPE) (of which land and buildings and dwellings represent the vast majority) and investment property are significant balances in the Council's accounts. As at 31 March 2021, PPE totals £376.4 million (2019/20: £362.3 million) and investment properties £5 million (2019/20: £2.9 million).

Pension liability valuation and disclosures

The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. As per the draft accounts, this liability amounts to £84.3 million as at 31 March 2021, (2019/20: £52.9 million).

The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the County Council.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Conclusion

Our review of the records held and accounting entries focused on assets held within the Coast Protection and Harbour sub-categories, as these were the only categories of assets that were material and therefore the only categories that could contain a material overstatement.

Based on the work carried out, we obtained reasonable assurance that infrastructure assets are free from material misstatement and are appropriately recognised in the Council's accounts.

Our work on the valuation of land and buildings included performing procedures to assess whether we could place reliance on the Council's valuers, and reviewing assets not subject to valuation in 2020/21 to confirm that they were not materially misstated. We also engaged our valuations specialist to review a sample of asset valuations to verify the reasonableness of the valuation methodology applied and key assumptions used,

Based on the work carried out we did not identify any issues and our internal valuers and concluded that the valuations they reviewed were supportable and within the ranges calculated.

Our work on pensions included reviewing and agreeing the accounting entries and pension disclosures in the draft financial statements and assessing the work of the actuary. We also obtained assurances from the Pension Fund auditor in relation information provided to the actuary. The Pension fund auditor reported a difference of £0.6 million in the valuation of investment assets due to the actuary basing the figures in their report on estimated rather than actual year end values due to the timing of their report. The Council has not amended the accounts for this difference, which is not material.

We also engaged an EY Pensions specialist to review the actuary reports and run a parallel actuarial model to estimate the pension liability, which was compared to that produced by the Council's actuary. This did not identify any significant difference.



Audit of the financial statements

Areas of audit focus

Conclusion

Going concern disclosures

Covid has created a number of financial pressures throughout Local Government. It is creating financial stress through a combination of increasing service demand leading to increased expenditure in specific services, and reductions in income sources. At the time of preparation of the 2020/21 financial statements, there was not a clear statement of financial support from MHCLG (now DLUHC) that covered all financial consequences of Covid-19. In addition, the auditing standard, International Auditing Standard 570 Going Concern, has been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after.

The revised standard is effective for audits of financial statements for periods commencing on or after 15 December 2019, which for the Council is the audit of the 2020/21 financial statements. CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 states that an Council's financial statements shall be prepared on a going concern basis; the accounts should be prepared on the assumption that the functions of the Council will continue in operational existence for the foreseeable future and can only be discontinued under statutory prescription.

However, ISA 570, as applied by Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom, still requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report.

To do this, the auditor must review management's assessment of the going concern basis applying IAS1 Presentation of Financial Statements.

We reviewed and evaluated the Council's updated going concern disclosures within the financial statements and associated financial viability disclosures within the Narrative Statement. On this basis of this review, we are satisfied that there are no material uncertainties that require disclosure and that the Council's assessment and related disclosures are appropriate and cover a period to March 2025, which is more than 12 months from the date the accounts are authorised for issue.

Recognition of grant income associated with Covid-19

Central Government has provided a number of new and different Covid related grants to local authorities during the year. There are also funds that have been provided for the Council to distribute to other bodies. The Council needs to review each of these grants to establish how they should be accounted for. The Council needs to assess whether it is acting as a principal or agent, with the accounting to follow that decision. Where the decision is that the Council is a principal, it must also assess whether there are any initial conditions that may also affect the recognition of the grants as revenue during 2020/21.

To address this risk we identified the revenue and capital grants received by the Council and carried out testing to ensure the accounting treatment and recognition applied to grant income is appropriate, taking into account any conditions that would impact on their recognition. We also checked that the Council has adequately disclosed grant income received in the year. Our work did not identify any issues.

We identified a risk of significant weaknesses in the Council's VFM arrangements for 2020/21.

Our VFM commentary highlights relevant issues for the Council and the wider public.

We have concluded that the failure to take timely action when the non compliance was initially identified late in 2019 represents a significant weakness in governance arrangements in 2020/21.

Scope

We are required to report on whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We have complied with the guidance issued to auditors in respect of their work on value for money arrangements (VFM) in the 2020 Code of Audit Practice (2020 Code) and Auditor Guidance Note 3 (AGN 03). We presented our VFM risk assessment to the Council which was based on a combination of our cumulative audit knowledge and experience, our review of Council reports, meetings with officers and evaluation of associated documentation through our regular engagement with Council management and the finance team.

Reporting

Our risk assessment procedures identified a risk of significant weakness in relation to the Council's governance arrangements to respond to a non compliance with the rent standard between March 2020 and November 2021.

Having completed our procedures to respond to this risk, we have concluded that the failure to take timely action when the non compliance was initially identified represents a significant weakness in governance arrangements in 2020/21. We have therefore reported by exception details of the significant weakness in our auditor's report.

We have included detailed commentary on this matter on pages 9 to 10 of this report.

Our commentary for 2020/21 on the Council's overall arrangements is set out on pages 13 to xx, where also note how the significant weakness we have identified impact on the sub criteria. The commentary on these pages summarises our conclusions over the arrangements at the Council in relation to our reporting criteria (see below) throughout 2020/21.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria.

We identified a risk of significant weaknesses in the Council’s VFM arrangements for 2020/21.

Our VFM commentary highlights relevant issues for the Council and the wider public.

We have concluded that the failure to take timely action when the non compliance was initially identified late in 2019 represents a significant weakness in governance arrangements in 2020/21.

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
<p>Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services</p>	<p>No significant risks identified</p>	<p>No significant weaknesses identified</p>
<p>Governance: How the Council ensures that it makes informed decisions and properly manages its risks</p>	<p>We identified a significant risk in relation to the Council’s failure to take timely action in relation to non compliance with the rent standard between when it was initially identified and November 2021.</p>	<p>There were significant weaknesses in the governance arrangements within the Council, and in particular within the Housing Department, of East Suffolk Council during 2020/21.</p> <p>The weaknesses, in particular, relate to:</p> <ul style="list-style-type: none"> • Lack of adequate controls to ensure compliance with laws and regulations – specifically in relation to housing services • Lack of adequate governance and risk management procedures to ensure there was an adequate response when the non-compliance issue was identified • Lack of adequate governance arrangements to ensure appropriate communication of the issue with senior management and members as well as internal and external audit on a timely basis
<p>Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services</p>	<p>No significant risks identified</p>	<p>No significant weaknesses identified.</p>

Significant weakness in governance arrangements – key findings:

In our view, there were significant weaknesses in the governance arrangements within the Council, and in particular within the Housing Department, of East Suffolk Council during 2020/21.

Our judgement on the nature of the weakness identified that:

- During 2019/20, the Council identified a possible breach of regulations relating to the conversion of rental charges on its social housing from social to affordable rents. The Council obtained legal advice on the matter, which it received in February 2020. This recommended that the Council self-referred to the Social Housing Regulator. At this point the Council wrote to the Ministry of Housing, Communities and Local Government (MHCLG). They did not receive a response from MHCLG and did not follow up on the issue until November 2021. Management did not inform internal or external audit of the issue until December 2021.
- No action was taken by the Council to progress the matter between March 2020 and November 2021.

We have concluded that there were significant weakness in the Council's governance arrangements, in particular within the housing department, in 2020/21. The weaknesses, in particular, relate to:

- Lack of adequate controls to ensure compliance with laws and regulations – specifically in relation to housing services
- Lack of adequate governance and risk management procedures to ensure there was an adequate response when the non-compliance issue was identified
- Lack of adequate governance arrangements to ensure appropriate communication of the issue with senior management and members as well as internal and external audit on a timely basis

The evidence on which our view is based includes:

- The legal advice obtained by the Council in February 2020 regarding the continued conversion of properties from social to affordable rents;
- The February 2022 report from external consultants on their review of the Council's approach to rent setting against the Regulator of Social Housing Rent Standard which was commissioned by the Council;
- Further legal advice obtained by the Council in March 2022 to provide a second opinion in relation to the regulatory compliance issues and also in relation to whether or not some of the charges that have been levied have been properly charged, whether as rent or service charges;
- The output from a forensic review of rent charges commissioned by the Council from external consultants to ensure that any overpayments were returned to affected tenants;
- The Council's calculation of the estimated provision required in relation to overcharged service charges included in the 2020/21 accounts based on the external consultants' forensic review; and
- The June 2023 report from the Governance Review of Housing Services which was commissioned by the Council.

The impact on the Council is set out below:

- An independent review, concluded in February 2022, confirmed that by continuing to convert rents from social to affordable rents above the level permitted by regulation, the Council had breached housing regulations. At this point, the Council self-referred to the Social Housing Regulator.
- The external consultants also identified incorrect inclusion of heating service charges in rents and a failure to comply with home consumer standards, in particular fire safety.
- As a result of the conversion and rent setting issues, rent had been overcharged for several years. Following further legal advice that confirmed the Council had a legal obligation to repay these overcharges, the Council reengaged the external consultants to undertake a detailed review of all tenancies going back to 2010/11 to identify the level of overcharge for each individual tenant
- Following the completion of this work the Council has taken action to remedy the situation and has made tenants aware of the issue and their right to repayment. In early 2022, they put in place a new compliance dashboard which will provide real-time recording, as well as an HRA Asset Management and Compliance Strategy. They also commissioned an external Governance Review of Housing Services which reported in June 2023.

Significant weakness in governance arrangements – Key findings (cont'd):

- Following the completion of this work the Council has taken action to remedy the situation and has made tenants aware of the issue and their right to repayment. In early 2022, they put in place a new compliance dashboard which will provide real-time recording, as well as an HRA Asset Management and Compliance Strategy. They also commissioned an external Governance Review of Housing Services which reported in June 2023.
- The Council have included a provision of £3.8 million in the 2020/21 financial statements for the repayments due to housing tenants in relation to overcharging of services charges. Comparator figures in the accounts have also been restated to reflect a provision of £3.6 million as at 31 March 2020.
- In addition, the Council has concluded that it has a constructive obligation to repay overcharged rent as a result of incorrect conversion and has included a provision of £4.17 million in its 2022/23 financial statements, along with £4.50 million in relation to overcharged service charges.

The weakness in arrangements exposed the Council to financial losses as a result of overcharging of rent and service charges. In addition, the Council incurred costs of around £300,000 in investigating the issue and quantifying the sums due for repayment. The Council was also exposed to reputational damage due to the failure to take appropriate and timely action when the incorrect rent conversion was initially identified as a potential issue in 2019/20 and then in February 2020 when the legal advice confirmed the non-compliance with the rent standard due to the rent conversions. The failure to comply with home consumer standards is also a reputational risk for the Council and this also has financial implications.

We recommend that the Council:

- Implement the recommendations from the external review of the governance arrangements in the housing department as a priority
- Put appropriate governance arrangements in place to ensure that any suspected non-compliance with regulations in any department are reported to senior management and an appropriate Committee of the Council as well as internal and external audit on a timely basis
- Put appropriate governance arrangements in place to ensure any risks related to suspected non-compliance with regulations are included in the Service or Corporate risk register in a timely manner and that any action plans to address any non-compliance are progressed in a timely manner

Management response

When the Council identified it believed it was non-compliant with the RSH Rent Standard it immediately commissioned a significant forensic audit. This was to ensure a robust and in-depth review of every tenancy record held from 2010 to present day was checked for any overcharging or erroneous service charges, which may have been levied. A Rents Development Group was created in the Summer of 2022. The Group developed the first Rent and Service Charge Policy for the Council which was approved by Cabinet on 7 March 2023. The group will oversee the rent refund programme and will review the annual rent setting process, ensuring an annual sample audit is conducted by external specialists, who specialise in rent regulation.

With the Council's self-referral letter to the Regulator of Social Housing (RSH), the Council committed to an independent governance review which was reported to the Audit & Governance Committee on 10 July 2023, along with a management response to the review recommendations which have been accepted and actioned (or are in the process of being actioned) so that best practice and good governance arrangements are in place moving forward to support decision making and to help identify, manage, mitigate and monitor risks. The Council has taken significant steps to address the shortcomings identified in the review and to prevent recurrence. Corporate Leadership Team (CLT) meetings have agenda items with specific focus on key areas, which includes Governance and Risk. Minutes are taken of CLT meetings and actions are followed up. Where the work of internal audit identifies high level risks these are considered and incorporated into the Corporate Risk Register. The Chief Executive also convenes quarterly 'golden triangle' meetings of the Chief Executive, Section 151 Officer and Monitoring Officer. A Constitution Review Working Group was established in July 2023 and a review of the Constitution is in progress. Governance training will be prepared and delivered on the revised Constitution to elected Members, existing staff, with a focus on the Corporate Leadership Team.

Appendices



Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria

Findings

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

The finance team works with service areas throughout the year to collate information on financial pressures for consideration in the annual budget and MTFS. Each year the Finance team prepares a budget for the budget year, and the Medium Term Financial Strategy (MTFS) which sets out indicative budgets for three further years. The MTFS includes assumptions about all known expenditure and income over that period. This is taken to Full Council in February each year for approval. The Council prepares a capital strategy alongside the revenue budget for the same time period, with the revenue implications of the capital strategy included within the revenue budget.

The 2020/21 Budget was reported to Full Council on 26 February 2020. The 2021/22 Budget was reported to Full Council on 24 February 2022. The financial implications from Covid were significant in 2020/21 and became the main focus of the MTFS planning in 2020/21. A report on the financial implications of Covid was reported to Cabinet on 21 July 2020 which included an updated forecast on the budget gap over the MTFS period. An MTFS update was prepared in the Autumn of 2020 and reported to Cabinet on 1 December 2020 and Scrutiny on 17 December 2020 and confirmed on 10 February 2021. All relevant reports to Council, Cabinet and other Committees have financial implications identified and the links to the Financial Sustainability theme of the East Suffolk Strategic Plan is outlined.

How the body plans to bridge its funding gaps and identifies achievable savings

The latest MTFS (2021/22-2024/25) that was presented on 5 January 2021 shows that although the Council has been able to bridge the gap for the years 2020/21 and 2021/22, there is still a budget gap for the years 2022/23 onwards which needs to be addressed. The 2020/21 Budget reported to Full Council on 26 February 2021, noted that the use of reserves was planned to bridge a funding gap for 2020/21. An updated General Fund Budget and Council Tax Report 2022/23 dated 1 February 2022 showed that the 2022/23 Budget Gap had closed and showed a surplus position from 2023/24 up to 2025/26. For 2020/21 the Council's General Fund realised a surplus year end position of £1.107 million as noted in the Outturn Report 2020/21 dated 13 July 2021. The Council's objective is always to have a balanced budget in each of the next two financial years when the budget is approved in the February of each year, to demonstrate that the Surplus Savings Reserve provides sufficient headroom to manage funding gaps.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The finance team works with service areas throughout the year to collate information on financial pressures for consideration in the annual budget and MTFS. All relevant reports to Council, Cabinet, and Committees have their financial implications identified and the links to the Financial Sustainability theme of the East Suffolk Strategic Plan is outlined.

Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria

Findings

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

The MTFs is complied in conjunction with the capital programme and the East Suffolk Strategic Plan. The finance team works with service areas throughout the year to collate information on financial pressures for consideration in the annual budget and MTFs. All relevant reports to Council, Cabinet, and Committees have their financial implications identified and the links to the Financial Sustainability theme of the East Suffolk Strategic Plan is outlined. The Council has a Corporate Governance Group. Membership of the Corporate Governance Group is those officers that hold statutory roles within the Council, such as Monitoring Officer, Section 151 Officer and Head of Internal Audit. The group met regularly to discuss management of finances and issues related to governing business e.g. value for money / Medium Term Financial Strategy (MTFS) etc.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

The Budget reports to the full Council identifies risk, their impact, probability and mitigating action. The budget to the Full Council in February also includes the CFO's report. This report includes a financial risk assessment of key areas and a sensitivity analysis of budget assumptions.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

Findings

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

Budget and MTFS are continuously monitored and updated. The Council has a Corporate Governance Group. Membership of the Corporate Governance Group is for those officers that hold statutory roles within the Council, such as Monitoring Officer, Section 151 Officer and Head of Internal Audit. The group met regularly to discuss management of finances and issues related to governing business e.g. value for money / Medium Term Financial Strategy (MTFS) etc. The East Suffolk Annual Report contains the KPI's reported and monitored internally on a quarterly basis. The annual report sets out performance against the Council's Strategic Plan.

We concluded that the failure to take timely and appropriate action in relation to the housing rent non compliance noted on pages 9 and 10, represents a significant weakness in governance arrangements, in particular within the Housing Department, during 2020/21. Specifically, we identified a weakness in relation to how the Council monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud.

How the body approaches and carries out its annual budget setting process

The Finance team works with service areas throughout the year. This information is collated and incorporated into the MTFS. A draft MTFS is reported to Cabinet and the Scrutiny Committee in the Autumn, providing Scrutiny with the opportunity to challenge assumptions. Following the reporting of the draft MTFS, the Budget Report for the following financial year is reported to Cabinet and Scrutiny (January/February) and then Full Council in February.

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

The council follows the Financial Procedure Rules as per the Constitution. Service area financial management reports are available on the Council's intranet which are updated daily. The Finance team have in place a detailed year end closedown plan for the year end closure of the Accounts. Year end timetables are communicated to SMT and relevant Officers of the Council.

The Council has a Corporate Governance Group. Membership of the Corporate Governance Group is those officers that hold statutory roles within the Council, such as Monitoring Officer, Section 151 Officer and Head of Internal Audit. The group met regularly to discuss management of finances and issues related to governing business e.g. value for money / Medium Term Financial Strategy (MTFS).

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee

Findings

The Council has a Corporate Governance Group. Membership of the Corporate Governance Group is those officers that hold statutory roles within the Council, such as Head of Paid Service, Monitoring Officer, Section 151 Officer and Head of Internal Audit. The group met regularly to discuss management of:

- finances and governing business (value for money / Medium Term Financial Strategy (MTFS) and budget setting /risk management/internal audit/ ethical issues/ business continuity);
- resources (workforce planning / recruitment monitoring / absences / health & safety / asset management); and
- performance (inspections / business plan / service plans / partnerships / measuring performance / emerging issues).

We concluded that the failure to take timely and appropriate action in relation to the housing rent non compliance noted on pages 9 and 10, represents a significant weakness in governance arrangements, in particular within the Housing Department, during 2020/21. Specifically, we identified a weakness in relation to how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency.

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

Protocols and Codes of Conduct reviewed as part of the new Constitution for ESC, and kept under review. Training about ethical standards is provided to Councillors at time of election, as part of induction programme, with follow up training as required, either as part of a regular update, or specifically following a complaint, if required. Councillor declarations of interest had been completed by new councillors and are updated annually. Regular reminders about standards are issued to staff within bulletins and team meetings. Declarations of interests, gifts and hospitality are made and monitored by the Audit and Governance Committees. However based on our initial work performed and enquiries made with management, we have identified a significant risk in relation to the Council's non compliance with the rent standard and how this issue has been dealt with since it was initially identified.

We concluded that the failure to take timely and appropriate action in relation to the housing rent non compliance noted on pages 9 and 10, represents a significant weakness in governance arrangements, in particular within the Housing Department, during 2020/21. Specifically, we identified a weakness in relation to how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements.

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
How financial and performance information has been used to assess performance to identify areas for improvement	The East Suffolk Annual Report contains the KPI's reported and monitored internally on a quarterly basis. The annual report sets out performance against the Council's Strategic Plan.
How the body evaluates the services it provides to assess performance and identify areas for improvement	The East Suffolk Annual Report contains the KPI's reported and monitored internally on a quarterly basis. The annual report sets out performance against the Council's Strategic Plan.
How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve	The Council works in partnership wherever possible to gain synergies of working together with other organisations and local authorities. Full review of the leisure contract with Sentinel Leisure Trust and a procurement exercise was put in place to reduce the financial risk to the council of Leisure contracts. The contract with Sentinel Leisure Partnership ceased and a full procurement process has taken place. Everyone Active has been appointed as the successful bidder, and the contract term commenced in January 2021. A major review has started of the contract and services provided by Norse. Norse Partnership Board meetings are held quarterly. In 2021/22 Governance Meetings with Norse have also been established.
How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits	Procurement process are set out in the Constitution. In the Summer of 2020, a motion was raised at a meeting of East Suffolk's Full Council regarding how the authority procures goods, works and services. A Task and Finish Group on Procurement was established. The recommendations of the Group was reported to Cabinet in July 2021. In July 2021 the Council commissioned work from the East of England LGA to carry out a review of procurement processes. The Council is awaiting the EELGA results before finalising the Procurement Strategy.

Appendix B – Summary of all recommendations

Recommendations

The table below sets out all the recommendations arising from the financial statements and value for money audits in 2020/21. All recommendations have been agreed by management.

Issue	Recommendation	Management Response
<p>There were significant weaknesses in the governance arrangements within the Council, and in particular within the Housing Department, of East Suffolk Council during 2020/21.</p> <p>The weaknesses, in particular, relate to:</p> <ul style="list-style-type: none"> • Lack of adequate controls to ensure compliance with laws and regulations – specifically in relation to housing services • Lack of adequate governance and risk management procedures to ensure there was an adequate response when the non-compliance issue was identified • Lack of adequate governance arrangements to ensure appropriate communication of the issue with senior management and members as well as internal and external audit on a timely basis 	<p>Implement the recommendations from the external review of the governance arrangements in the housing department as a priority</p> <p>Put appropriate governance arrangements in place to ensure that any suspected non-compliance with regulations in any department are reported to senior management and an appropriate Committee of the Council as well as internal and external audit on a timely basis</p> <p>Put appropriate governance arrangements in place to ensure any risks related to suspected non-compliance with regulations are included in the Service or Corporate risk register in a timely manner and that any action plans to address any non-compliance are progressed in a timely manner</p>	<p>When the Council identified it believed it was non-compliant with the RSH Rent Standard it immediately commissioned a significant forensic audit. This was to ensure a robust and in-depth review of every tenancy record held from 2010 to present day was checked for any overcharging or erroneous service charges, which may have been levied. A Rents Development Group was created in the Summer of 2022. The Group developed the first Rent and Service Charge Policy for the Council which was approved by Cabinet on 7 March 2023. The group will oversee the rent refund programme and will review the annual rent setting process, ensuring an annual sample audit is conducted by external specialists, who specialise in rent regulation.</p> <p>With the Council’s self-referral letter to the Regulator of Social Housing (RSH), the Council committed to an independent governance review which was reported to the Audit & Governance Committee on 10 July 2023, along with a management response to the review recommendations which have been accepted and actioned (or are in the process of being actioned) so that best practice and good governance arrangements are in place moving forward to support decision making and to help identify, manage, mitigate and monitor risks. The Council has taken significant steps to address the shortcomings identified in the review and to prevent recurrence. Corporate Leadership Team (CLT) meetings have agenda items with specific focus on key areas, which includes Governance and Risk. Minutes are taken of CLT meetings and actions are followed up. Where the work of internal audit identifies high level risks these are considered and incorporated into the Corporate Risk Register. The Chief Executive also convenes quarterly 'golden triangle' meetings of the Chief Executive, Section 151 Officer and Monitoring Officer. A Constitution Review Working Group was established in July 2023 and a review of the Constitution is in progress. Governance training will be prepared and delivered on the revised Constitution to elected Members, existing staff, with a focus on the Corporate Leadership Team.</p>

Appendix C – Fees

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2020 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity. As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted. We carried out our audit of the Council's financial statements in line with PSAA's "Statement of Responsibilities of auditors and audited bodies" and "Terms of Appointment and further guidance (updated April 2018)".

Audit Fees	Final Proposed Fee 2020/21	Planned fee 2020/21	Final Fee 2019/20
	£	£	£
Scale fee - Code work	65,640	65,640	69,964
Changes in work required to address professional and regulatory requirements & scope changes associated with risk - Note 1	TBC	39,360	-
Additional fee agreed in 2019/20 - Note 1	-	-	33,136
Additional work required in 2020/21 - Note 2	TBC	TBC	-
Additional work required due to changes in auditing standards for estimates - Note 3	TBC	2,500	-
Additional work required due to change in scope of VFM work - Note 3	TBC	6,000-11,000	-
Non-audit Fee - Housing subsidy claim	TBC	TBC	25,935
Total Audit Fees	TBC	TBC	129,035

All fees exclude VAT

Note 1: For 2019/20 and 2020/21, we have proposed an increase to the scale fee to reflect the increased level of audit work required which has been impacted by a range of factors including changes in risk profile of the audit and increases in regulatory standards. Further detail on this proposed increase was included in our previous reports to the Committee. We have proposed an increase of £39,360 to the scale fee to reflect these additional requirements and have shared details of the breakdown with management. For 2019/20, we also proposed an additional fee of £24,036, as detailed in our 2019/20 Annual Audit Letter. This reflected the increased audit work required in regard to: valuations of land and buildings and investment properties; the group accounts as well as the fact that 2019/20 was the first year of existence of East Suffolk Council; the impact of Covid-19 on a number of areas included the bad debt provision, going concern disclosures, and the material uncertainty in the property valuer's report. PSAA have determine and overall additional fee of £33,136 for 2019/20.

Note 2: For 2020/21, the additional fee will be quantified after completion of audit and will be discussed with the management before submission to PSAA. PSAA will determine the final fee. There will be a significant additional fee as a result of the rent setting issue which has impacted on both our opinion and value for money work.

Note 3: PSAA published additional information for 2020/21 audit fees in August 2021, whereby PSAA provided guidance about the range of minimum additional fee in certain areas of audit. The figures above are the ranges or minimum fee set by PSAA. PSAA also revised its hourly rates for calculating the additional fee variations.

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Introduction to the 2020/21 Statement of Accounts

As Cabinet member for Resources, I am delighted to present the Council's Statement of Accounts for the financial year ended 31 March 2021. These are the second set of Accounts for East Suffolk Council, following the merger on 1 April 2019 of Suffolk Coastal District Council and Waveney District Council.

Covid-19

With three lockdowns and a year of homeworking, 2020/21 has challenged the way we have delivered services across East Suffolk. Service areas have worked hard to refocus resources to ensure uninterrupted support to residents, businesses, and other organisations in greatest need. A hardship fund was set up to offer community funding to new and existing groups who are working to support vulnerable people during the crisis, and a range of grants were paid out to businesses and individuals because of lockdown restrictions and self-isolation. Business Support Grant funding received, processed, and paid by the Council amounted to over £115m to date.

Although extensive financial support has been forthcoming from the Government, Covid-19 also had a direct financial impact on the Council itself, including reduced income on services such as car parking, and expenditure pressures in areas such as community support and supporting closed leisure

facilities. The Council has continually monitored and reported on these impacts, liaising closely with Central Government and multiple agencies and authorities across Suffolk.

Strategic Plan

Following approval of the East Suffolk Strategic Plan by Full Council in February 2020, work has continued on the five key themes:

- Growing our Economy
- Enabling our Communities
- Remaining Financially Sustainable
- Delivering Digital Transformation
- Caring for our Environment

Although Covid-19 has delayed the completion of some of these objectives, the Council has continued to ensure that it maintains a robust financial position. A balanced budget was presented and agreed at Full Council on 24 February 2021 for the 2021/22 financial year, which included a freeze on Council Tax for 2021/22. This will be seen as a welcome relief by many residents during these challenging financial times.

Work has continued throughout the year to ensure the Council is compliant with the principles and standards of the Financial Management Code which further demonstrates the financial sustainability of the Council.

Chief Finance Officer

This year, sadly, saw the passing of Section 151 and Chief Finance Officer, Simon Taylor-Buglione following a prolonged and difficult period of illness. Simon was, in no small part, responsible for the robust financial position of the Council. Myself and many of our colleagues have benefited from his acumen and expertise and Simon will be sorely missed.

I am delighted that Simon's successor as Section 151 and Chief Finance Officer is Mr Brian Mew and that equally robust and prudent financial management will continue.



Councillor Maurice Cook

Cabinet Member for Resources

Foreword by the Chief Finance Officer

The Council's Statement of Accounts (the Accounts) for the financial year ended 31 March 2020 are the second set of Accounts for East Suffolk Council, following the merger on 1 April 2019 of Suffolk Coastal District Council and Waveney District Council. The Accounts inform readers as to the financial performance of the Council during the financial year and are an important element of demonstrating sound financial stewardship of taxpayers' money.

The deadlines for the preparation of the Accounts have once again been changed for 2020/21 and 2021/22. The Accounts and Audit (Amendment) Regulations 2021 have amended the Accounts and Audit Regulations 2015. The draft Accounts must now be published and

available for inspection on or before 1 August 2021 and the timeline for the conclusion of the audit is now 30 September 2021.

Prior to approval, the draft Accounts are subject to a single period of 30 working days for the exercise of public rights, where any objection, inspection and questioning of the local auditor must be undertaken. The unaudited Accounts were available to the public on the Council's website from 2 July 2021, so the inspection period will commence on 5 July 2021 and finish on 13 August 2021.

The principles adopted in compiling the Accounts are those recommended by The Chartered Institute of Public Finance and Accountancy (CIPFA) namely:

- The Code of Practice on Local Authority Accounting in the United Kingdom (the Code); and
- International Financial Reporting Standards (IFRS).



Brian Mew

Chief Finance Officer and Section 151 Officer

Narrative Report

1. Introduction

This document presents the statutory financial statements (the “Statement of Accounts”) for East Suffolk Council for the period 1 April 2020 to 31 March 2021 and provides a comprehensive summary of the overall financial position of the Council.

The Statement of Accounts is presented in the format recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA), as set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code).

The Narrative Report, which is not formally part of the Statement of Accounts, follows the reporting principles established by the International Integrated Reporting Council (IIRC) and provides information on the Council, its main objectives and strategies and the principal risks that it faces, as well as providing a commentary on how the Council has used its resources to achieve its desired outcomes in line with its objectives and strategies.

2. Introducing East Suffolk Council

Suffolk has a two-tier system of local government, comprising Suffolk County Council and five district councils. The County Council administers services such as education, waste disposal and social services across the whole of Suffolk, whereas locally, East Suffolk Council operates a range of services including building regulation, burials/cremations, community safety, the administration of council tax and business rates, environmental health, electoral administration, licensing, sports facilities, housing, street cleaning and refuse collection.

East Suffolk has a population of 249,461 (ONS, 2019) and covers an area of 125,979 hectares (1,260km²), has 79km of coastline and comprises a mix of urban and rural areas with Lowestoft and Felixstowe being the largest towns. There are also a number of historic towns and a large number of villages. In total, the district has 175 town and parish councils.

East Suffolk is an attractive place to live and work, attracting tourism and visitors and combining a strong economy with a natural and built environment. However, nine neighbourhoods in Lowestoft are within the 10% most deprived in the country and unemployment levels in two wards are double the regional average.

The district also includes the Port of Felixstowe, which is a major gateway for Britain to Europe and the world and increasingly important post Brexit. The district is also increasingly becoming a major energy supplier to the whole of Britain. The expansion of the long-established Sizewell Nuclear Power Station, which sits within the district boundary, continues and is being joined by major offshore developments (driving onshore infrastructure developments) in the fields of energy generation from wind, wave and gas.

Political Leadership

The Council was governed by 55 councillors, covering 29 wards. The makeup of the Council for 2020/21 was:

Conservative Party	Labour Party	Green Party	Liberal Democrat Party	Independent
40	7	4	3	1

Executive Leadership

The senior management team work closely with Councillors to ensure that the Council delivers its corporate priorities, and comprises a Chief Executive, two Strategic Directors and eleven Heads of Service, collectively known as the “Corporate Management Team” (CMT). Separately, the Chief Executive and Strategic Directors make up the Strategic Management Team (SMT). SMT is led by the Chief Executive and takes responsibility for the whole workforce, providing strategic direction and leadership. Heads of Service support SMT in the overall management of both councils and individually they provide direct management of their individual service areas.

East Suffolk Strategic Plan

In 2020 the Council launched the first East Suffolk Strategic Plan. Our aim is to deliver the highest quality of life possible for everyone who lives in, works in and visits East Suffolk. To help us achieve this, we will use this strategic plan as a compass to guide all our decision making. Within the compass, our five key themes show the direction we will take. All themes are interconnected and complement each other. Our achievements over the last 12 months are presented in the Council’s Annual Report (Section 4).



GROWING OUR ECONOMY - Let’s build a strong sustainable economy for our future; we want our district to achieve its maximum potential, for the good of everyone in the area.

ENABLING OUR COMMUNITIES - Working together, we will enable our communities to identify opportunities and challenges, we will empower them to make a difference; we will support our communities to enhance the places we live and work for the well-being of all.

REMAINING FINANCIALLY SUSTAINABLE - We will grow and prosper as a council; we will ensure we are well-run; provide value for money and strive for excellence.

DELIVERING DIGITAL TRANSFORMATION - Digital technology can transform the way we work and live; we will use technology to make services efficient and easily accessible to all and assist our communities to embrace and access new technologies.

CARING FOR OUR ENVIRONMENT - We know you are concerned about our environment; we are too, so we will put the environment at the heart of everything we do.

Service Delivery

A tailored approach is adopted with directly delivered services operating alongside services delivered through third parties and joint arrangements. Examples include:

- **Direct Services** – Community Development, Customer and Support Services, Economic Development, Environmental Services, Housing, Licensing and Planning.
- **Third Party Services** – Car Parks, Facilities Management, Refuse Collection, Grounds Maintenance (all through Suffolk Coastal Norse Limited and Waveney Norse Limited) and Leisure (through Everyone Active and Places Leisure); and
- **Joint Arrangements** – Building Control and Internal Audit (both in partnership with Ipswich Borough Council), Coastal Management (through the Coastal Partnership East), and Revenues and Benefits (through the Anglia Revenues Partnership).

3. Operating Model

The way in which the Council operates, deploying and consuming available resources – both human and financial – ultimately determines the outcomes achieved for residents through the services it provides. It is a dynamic model that changes over time, and adapting to changes in the supply of, and demand for, resources is a major challenge in an era of ‘austerity’ and a changing society.

Human Resources

As at 31 March 2021, there were 784 full-time equivalent staff employed by East Suffolk; a wide range of professional teams, delivering a diverse range of services.

Corporate Values: ‘how’ the work is done.

Each staff member is expected to demonstrate a set of core behaviours which define ‘how’ – as employees – they should approach their work. The behaviours sit alongside ‘what’ they do and are designed to encourage every member of staff to reach their potential, reflecting our five corporate values below.



Performance and Development

The Council recognises that developing the capability of its People, its Leaders and its Culture is vital to the achievement of organisational priorities.

To this end, the East Suffolk People Strategy includes a new approach to managing performance and personal development called “My Conversation”. My Conversation allows the Council to constantly gauge progress against Service Plans and the Strategic Plans, ensuring that staff can develop the skills and behaviours required to undertake their roles and successfully meet future challenges. The approach can be distinguished from the traditional annual appraisal system and is about continuous and ongoing performance management, providing regular feedback, recognition and personal development.

The system is supported by real investment in training and development whereby a number of options are offered ranging from on the job coaching (including an in-house apprenticeship scheme) through to external courses.

The breadth of the Council services means that training and development has to be carefully tailored. Professionals from many different fields are employed, for example Accountancy, Legal, Human Resources, Environmental Services and Planning. Professional staff are required to complete continuous professional development, which needs to be factored in alongside personal and organisational development. The workforce also includes large teams of customer facing staff including Customer Service Advisors and with our service delivery partners, Leisure Assistants and Refuse Workers.

4. Council’s Performance

The Council’s [Annual Report](#) has been produced on its YouTube channel which reports on outcomes and key achievements in the financial year. This report was presented at the Strategic Plan Delivery Board and Full Council and is also available on the Council’s website. To support this the Council published its Performance Report capturing how the Council performed in 2020/21 against priorities within the East Suffolk Strategic Plan, Key Performance Indicators (KPIs), corporate risks and performance of partners. Achievements in 2020/21 to highlight include:

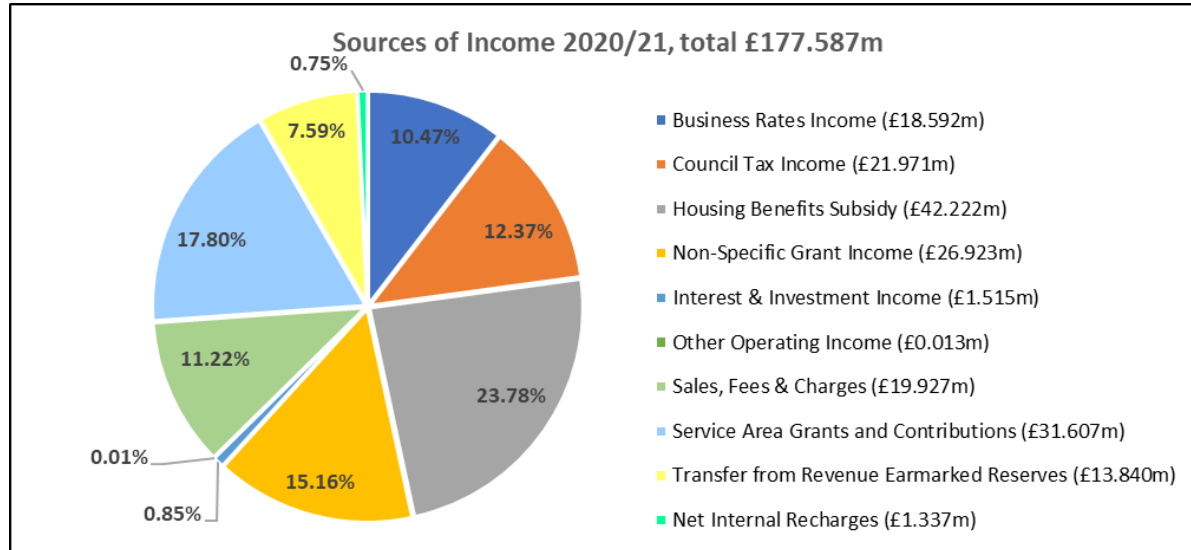
- **Lowestoft Investment Plan** - In March 2021 the Council's bid to the government's Towns Fund was successful. Lowestoft was offered £24.9 million to invest in the regeneration of the town, driving economic growth and acting as a catalyst for future investment.
- **Town Revitalisation Programme** - ESC worked closely the 12 main town centres to identify challenges/opportunities to enhance high streets and address retail decline. As part of the 'Reopening High Streets Safely Fund' ESC was allocated over £200,000 for a Shop Local Stay Safe Campaign which included producing 12 videos, one for each town, and social media campaign.
- **Smart Towns** - Project was awarded £200,000 by the NALEP Innovative Projects Fund and £250,000 from Getting Building Fund. From November 2020 to March 2021, a taster programme of the Digital Advice Service was piloted, supporting over 100 businesses with expert digital help including web audits, skills workshops and 1-2-1 digital advice. Early installation plans are expected to be in place by May 2021.
- **Felixstowe Development** - Transformation of the South Seafront area of Felixstowe through significant investment in new tourism assets proceeded. Phase 3 of the scheme is up and running with the new beach village and activity park project approved in January 2021. Other planning underway included public realm improvements and the Martello Tower development as a visitor destination. The building of a new cafe on the south seafront is well advanced with completion due 2021/22.
- **Flood barrier** - ESC awarded over £43 million by Government to deliver tidal flood walls and a tidal barrier to protect and safeguard the future of Lowestoft. This was the largest single award to any scheme in the country, as part of a £170 million pot for national flood protection projects. Construction of tidal flood walls is underway as part of the wider project which, when completed will protect 1,500 homes and 800 businesses.
- **East Suffolk Community Partnerships** – ESC allocated funding to Community Partnerships to focus on specific neighbourhood issues. In 2020/21 a range of issues were targeted and addressed including:
 - £75,818 allocated across the eight Community Partnership to tackle local priorities.
 - £100,000 provided for a Bounce Back Fund to help reduce the impact of Covid-19. 60 community projects benefited from the fund.
 - £90,000 allocated to the relaunch of ESC's Hidden Needs Programme.
 - In Kesgrave, Martlesham, Rushmere St Andrew, Carlford and Fynn Valley, allocated £5,000 to deliver two Mental Health First Aid Awareness training sessions.
 - In Felixstowe Peninsula education was identified as a key priority and £5,000 was allocated to a library project at Felixstowe School.
 - Beccles, Bungay, Halesworth and Villages Community Partnership allocated £3,250 to Bungay Town Council for a project to reclaim its old cemetery.
- **Housing**
 - Set up Independent Living East Suffolk and worked closely with Suffolk local authorities to develop outstanding services for those living with a disability.

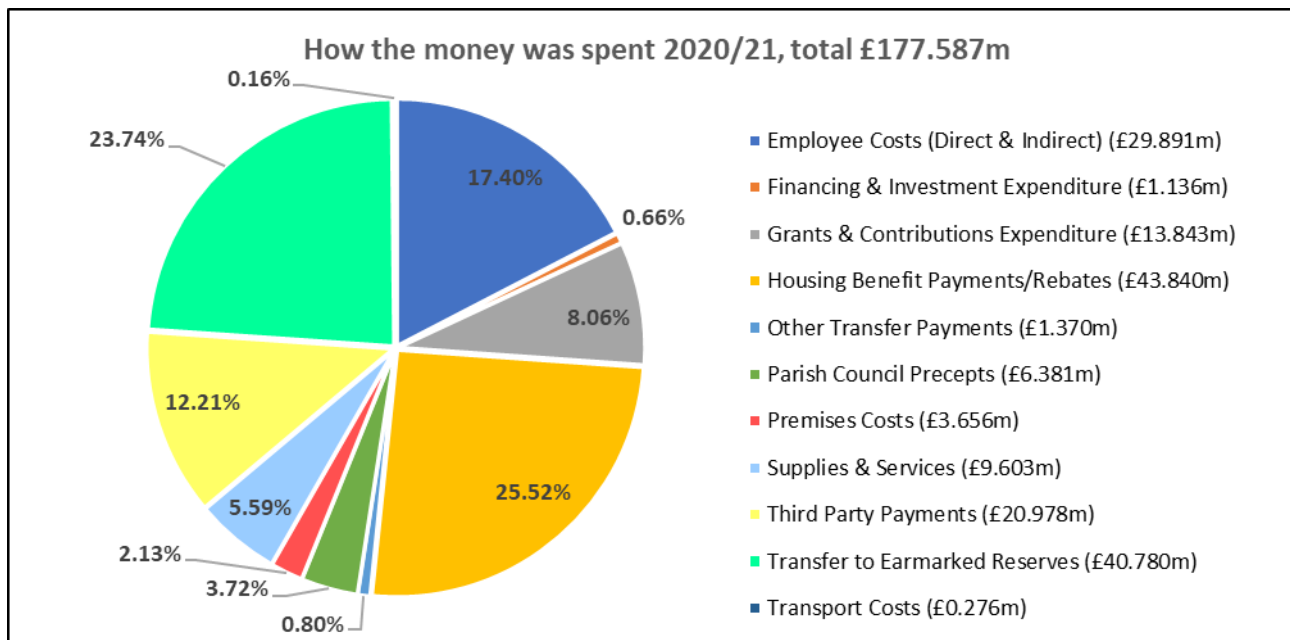
- Rent arrears as a percentage of the debit was 3.45% for 2020/21 exceeding its target of 4.40%. Due to predictive analytics software in place, and work of rents team to support tenants, we continued to reduce rent arrears profile to lowest level for 4 years.
 - 624 net dwellings were completed for the year including 126 affordable homes. Covid-19 restrictions reduced the number of anticipated completions, but 799 dwellings, including 150 affordable units were under construction at the end of Quarter 4.
 - The Council published two new Local Plans running until 2036, one covering the former Waveney area, and the other covering the former Suffolk Coastal area.
 - 286 homeless preventions were achieved under the Preventions Duty for the year. 65 applications were in temporary accommodation at the end of Quarter 4 and 238 were in temporary accommodation during the year.
- **Food Hygiene Rating** - (percentage at 3-5 rating i.e. rated 'generally satisfactory' or 'better') exceeded its target of 95% with performance achieving 99% for the year.
 - **Leisure** - Project to improve Waveney Valley Leisure Centre, costing £3.4 million, was completed in October 2020. The £1 million refurbishment at Waterlane Leisure Centre concluded in February 2021.
 - **Financial** - In 2021/22 committed to spending £129 million on delivering essential services to residents, businesses and communities. ESC froze its element of council tax for 2021/22.
 - **Housing Benefit** new claims and changes continued to exceed targets throughout the year with overall performance at 4.14 days, and the number of local authority overpayments was better than the target of 0.35% at 0.16.%.
 - **Digital** - ESC website had over 3.4 million page views, more than 141,000 automated internet payment transactions and over 116,000 e-forms submitted. Twitter followers hit 10,000 for the first time and increased by around 6%. Facebook followers topped 8,000 with an increase of around 22%. Instagram had over 2,000 followers, increasing by 26% and LinkedIn up to nearly 3,000, 30% increase in followers.
 - **Waste and Recycling Services** - continues to put the environment first with 99% going to energy reproduction and recycling - not landfill. Household waste sent for reuse, recycling and composting was 39.73% for 2020/21, below its target of 44.62%. Residential waste per household performance was 508.93kg also below target.
 - **Economic Development** – engaged with 6,346 businesses, high level of engagements undertaken through Covid related activities. Figure strengthened through Digital Advice Service project and engagement through Ambassador programme. 2,716 businesses received direct support.
 - **Planning** - Performance for all planning applications determined consistency exceeded targets through 2020/21 with overall performance at:
 - Minor planning applications – 80% determined in 8 weeks.
 - Major planning applications – 82% determined in 13 weeks.
 - Other planning applications - 90% determined in year.

5. Financial Performance

5.1 General Fund Revenue Income and Expenditure

The following two charts show the sources of income to the Council during the year and how the income has been spent (excluding accounting adjustments required by Internal Financial Reporting Standards).





5.1 General Fund Revenue Outturn

Within the Net Cost of Service, the total by Service Area will differ to those shown in the EFA in Note 7 of the Financial Statement. This is due to The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) which defines proper accounting practices for local authorities, and some transactions must be analysed differently in the Financial Statement than when they are reported in the budget and for the purpose of internal financial management reporting.

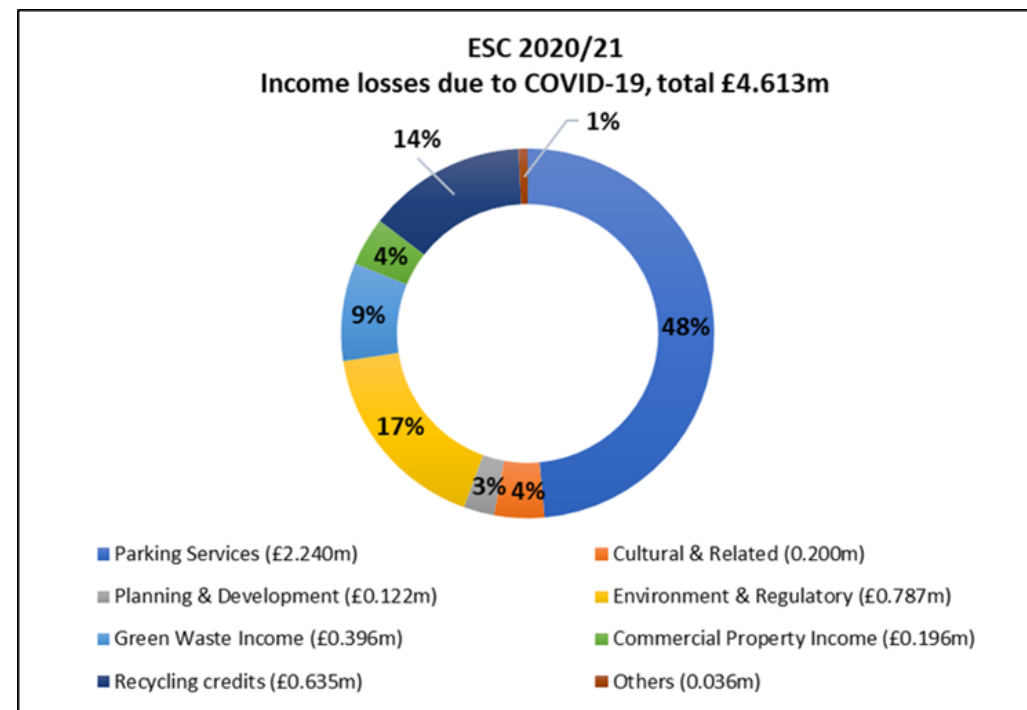
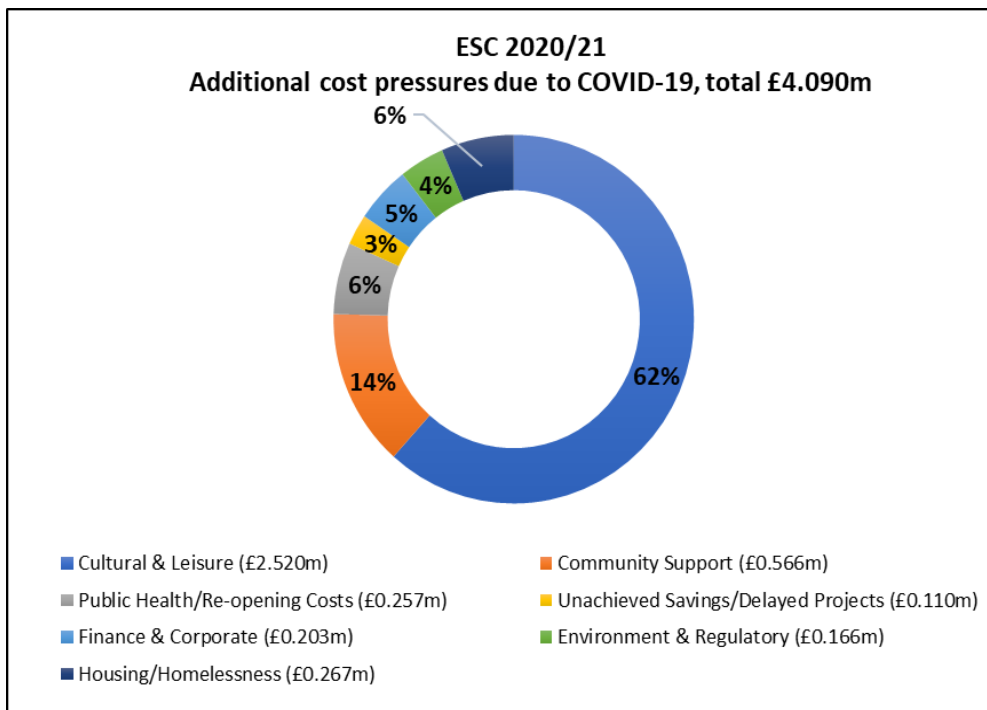
As at the 2020/21 year end, the Council was in a position to increase its Earmarked Reserves by £1.1m due to a favourable outturn position. This has been added to the Transformation Reserve to provide financial support for the delivery of the Strategic Plan. The table below provides the General Fund revenue outturn position for the Council for 2020/21, compared to the revised budget position. There are some significant variances shown in cost of service, which are largely due to Covid. Further analysis of the outturn position will be reported in the Outturn Report to Cabinet in July 2021.

Service Area	Original	Revised	Actual	Variance
	Budget	Budget	Outturn	
	2020/21	2020/21	2020/21	2020/21
	£'000	£'000	£'000	£'000
Senior and Corporate Management	2,582	2,698	2460	(238)
Economic Development and Regeneration	1,777	3,638	728	(2,910)
Financial Services, Corporate Performance and Risk	637	2,191	1,956	(235)
Revenue and Benefits	2,322	2,460	690	(1,770)
ICT	2,596	2,894	2674	(220)
Internal Audit & Corporate Investigations	501	484	430	(54)
Human Resources	655	797	771	(26)
Legal and Democratic Services	2,312	2,259	1988	(271)
Planning and Coastal Management	2,659	2,585	1543	(1,042)
Customer Services, Communications & Marketing	2,016	1,891	1725	(166)
Operations	10,455	18,728	14,417	(4,311)
Communities	1,963	2,145	(1,689)	(3,834)
Environmental Services and Port Health	683	801	29	(772)
Housing Services	2,893	1,662	1,520	(142)
Net Cost of Service	34,051	45,233	29,242	(15,991)
Non-Cost of Service Expenditure Adjustments				
Direct Revenue Financing (DRF)	1,928	5,727	4,760	(967)
Revenue provision for the repayment of debt (MRP)	1,100	821	821	0
Recharges to the Housing Revenue Account (HRA)	(1,377)	(1,337)	(1,337)	0
Bad Debt Provision	0	5	121	116
Other Accounting Adjustments	35	25	27	2
Other Operating Expenditure				
Town & Parish Precepts	6,381	6,381	6,381	0
Levies	240	246	252	6

	Original	Revised	Actual	Variance
	Budget	Budget	Outturn	
	2020/21	2020/21	2020/21	2020/21
	£'000	£'000	£'000	£'000
Financing and Investment Income and Expenditure				
Interest Payable	363	415	428	13
Interest Receivable	(800)	(800)	(1,151)	(351)
HRA Share of Interest Payable & Receivable	(104)	(61)	7	68
Investment Property Income & Expenditure	(139)	(171)	(235)	(64)
Other Financing Charges	450	450	450	0
Non-Specific Grant Income	(7,222)	(31,617)	(25,927)	5,690
Net Budget Expenditure before Reserve Movements	34,906	25,317	13,839	(11,478)
Net Movements on Reserves	4,126	15,139	27,300	12,161
Net Budget Expenditure After Reserve Movements	39,032	40,456	41,139	683
Financed By:				
Council Tax Income (District Council)	(15,053)	(15,053)	(15,053)	0
Council Tax Income (Town & Parish Precepts)	(6,381)	(6,381)	(6,381)	0
Share of (Surplus)/Deficit on Collection Fund - Council Tax	(537)	(537)	(537)	0
Business Rates Income	(11,308)	(12,732)	(12,872)	(140)
Share of (Surplus)/Deficit on Collection Fund - Business Rates	(5,177)	(5,177)	(5,720)	(543)
Revenue Support Grant	(328)	(328)	(328)	0
Rural Services Delivery Grant	(248)	(248)	(248)	0
Total Financing	(39,032)	(40,456)	(41,139)	(683)

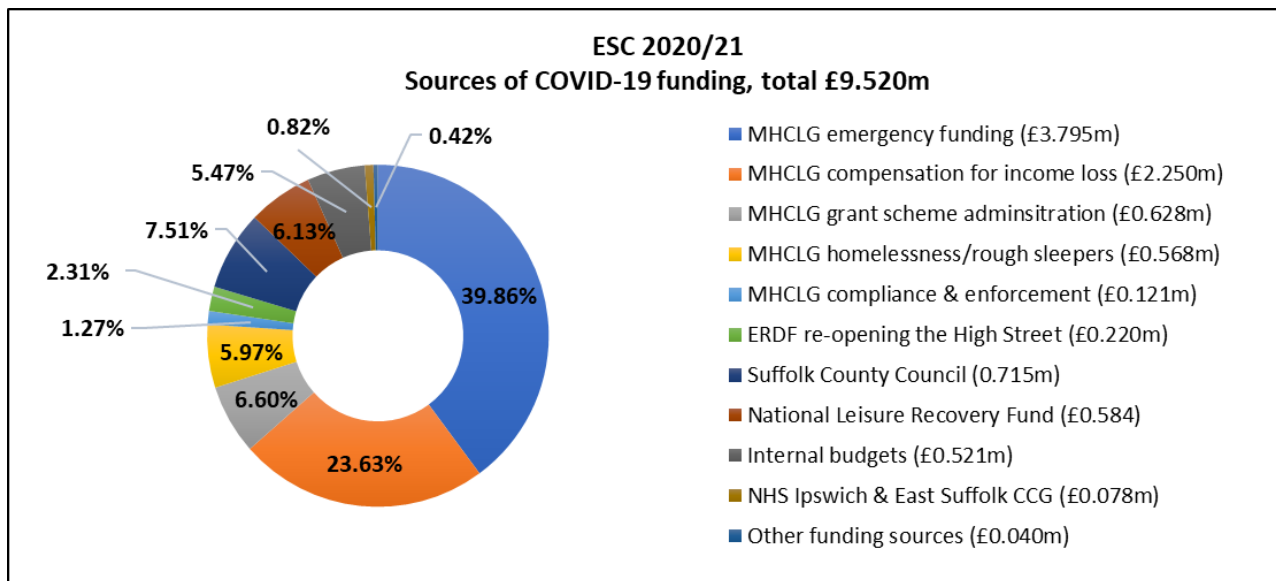
5.2 Impact of COVID-19 on financial performance

The following two charts outline the impact of Covid-19 on the Council's income and the additional cost pressures during the financial year. The Council also redeployed staff from business-as-usual work to assist with activities such as supporting communities and the administration and processing of business grant schemes. The value of this redeployed work is estimated to be in the region of £1m for 2020/21.



Over the course of the year, various funding streams have been made available to the Council from Central Government to support the financial pressures of Covid-19. The Council has received a total of £3.917m (£0.121m in March 2020) of Government emergency funding. Of this, £1.5m has been transferred to the Covid-19 Reserve for use in 2021/22. Over £0.620m of Government funding has been received towards the administration of the various grant schemes the Council has administered on behalf of Government. This is covered in further detail in Section 7.

A further £2.250m has been claimed from Government for compensation for the loss of income from Sales, Fees and Charges. This support is to continue for the first quarter of 2021/22. Funding was also received from other bodies, included Suffolk County Council and Ipswich and East Suffolk Clincial Commissioning Group (CCG). In total the Council received over £9.5m of funding which is illustrated in the chart below.



Of the above funding received in the year, £2.6m has been carried forward into 2021/22, by way of transfer to the Covid Earmarked Reserve or as a Receipt in Advance in the Income and Expenditure Statement (dependent on the required accounting treatment).

Savings of over £0.320m have been realised in 2020/21 due to Covid, with £0.293m arising from savings on staff and member mileage and travel costs.

Due to the level of funding that has been received, the financial net impact of the pandemic on the Council has been significantly reduced from original estimates in the first quarter of 2020/21, which was in the region of £8.6m. A summary of the overall impact of Covid-19 on the Council is set out in the table below and shows a net impact for the year of £1.461m.

Covid-19 Impact 2020/21	£'000
Covid funding received for cost and income pressures	(9,520)
Savings realised	(322)
Income loss due to Covid	4,613
Additional expenditure due to Covid	4,090
Covid ring-fenced funding carried forward to 2021/22	2,600
Total net impact on the General Fund	1,461

Details of the grant schemes administered by Council is covered in Section 7.1.

5.3 Housing Revenue Account (HRA)

The HRA is a ring-fenced account, containing solely the costs arising from the provision and management of the Council's housing stock, offset by tenant rents, service charges and other income. The Self-Financing regime was introduced in April 2012 and the Council had to take on a significant amount of debt (£68m) in exchange for not paying future Housing Subsidy. The total debt for the Council's HRA is currently at £76m (£68m from the self-financing settlement and £8m pre-Self-Financing).

The Council's housing stock totalled 4,459 dwellings as of 31 March 2021 (4,460 as of 31 March 2020). During 2020/21 the Council added 13 properties to its housing stock and sold 14 properties through the Right to Buy Scheme.

Total Rent arrears as of 31 March 2021 was £1.162m (£0.973m as of 31 March 2020) and represented 5.8% of the HRA's gross collectable income up from 4.9% due in part to the impact of Covid-19. As illustrated in the table to the right, and in the HRA section of the Statement of Accounts, the in-year movement on the HRA working balance was a surplus position of £0.786m. The outturn figure for Service Charges income of £0.842m includes a Service Charge Provision for 2020/21 of £0.400m. Further details in respect of this are provided in Note 20 to the Statement of Accounts.

The HRA working balance as of 31 March 2021 is £4.575m. The HRA also holds Earmarked Reserves which are set out in Note 10 to the Statement of Accounts. As of 31 March 2021, the total balance on the HRA Earmarked Reserves was £17.302m. £10.187m of this relates to the HRA Debt Repayment Reserve which is to provide funding for future liabilities for repaying the self-financing debt. The HRA working balance and Earmarked Reserves as at 31 March 2021 have been restated, due to prior period adjustments in respect of the Service

Charge Provision. Note 33 to the Statement of Accounts provides further information.

The HRA capital programme consists of capital budgets for housing repairs, project development and the housing development programme. In 2020/21 the HRA capital spend totalled £4.151m, which consisted of £2.099m for the new build programme, £0.860m on the Housing Project Development and £1.574m for housing repairs and improvements. The HRA spending plans, including its capital investment programme, are currently fully funded from existing resources, with no requirement for additional borrowing during 2020/21.

Housing Revenue Account Outturn Summary				
	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Outturn	2020/21 Variance
	£'000	£'000	£'000	£'000
Income				
Dwelling rent	(19,157)	(19,237)	(19,284)	(47)
Non-dwelling rents	(175)	(178)	(183)	(5)
Service charges and facilities	(1,239)	(1,265)	(842)	423
Leaseholders charges for services	(10)	(14)	(14)	0
Contributions towards expenditure	(34)	(48)	(48)	0
Reimbursement of costs	(285)	(341)	(341)	0
Interest income	(106)	(133)	(201)	(68)
Total Income	(21,006)	(21,216)	(20,913)	303
Expenditure				
Repairs & maintenance	4,318	4,889	4,966	77
Supervision and management	3,456	3,123	3,039	(84)
Special services	2,109	2,034	1,990	(44)
Rents, rates and other charges	102	141	146	5
Movement in bad debt provision	37	254	189	(65)
Contribution to CDC*	87	95	98	3
Capital charges	3,539	3,495	3,460	(35)
Interest charges	2,265	2,194	2,180	(14)
Revenue contribution to capital	5,410	1,743	1,159	(584)
Transfers to earmarked reserves	0	2,500	2,900	400
Total Expenditure	21,323	20,468	20,127	(341)
Net movement on the HRA for the year	317	(748)	(786)	(38)
* Corporate and Democratic Core (CDC)				

5.4 General Fund Capital Programme

The successful delivery of many of the Council services also relies on the acquisition and maintenance of fixed assets such as land, buildings, and equipment. Acquisitions and expenditure which enhance the value of assets is funded through capital expenditure, whereas maintenance (which maintains, rather than adds value) is funded through (General Fund) revenue expenditure.

Capital budgets are approved for the life of the project which can span more than one financial year. Any capital budgets for a project that remain unspent at the end of the financial year are carried forward to the following year. Similarly, with projects that are ahead of the original profile, budgets can be brought forward.

The table in this Section summarises the General Fund Capital Programme outturn for the year. The variance at the end of the year of £5.051m is due to projects being rephased to 2021/22 and the budgets will be carried forward accordingly.

Unlike the revenue expenditure, the impact of the Covid-19 pandemic on capital programme delivery was limited. Delays at the beginning of the pandemic were offset during the year as the project teams were able to accelerate other projects to take advantage of lower footfall that resulted from lockdown. For example, the Lowestoft beach hut programme and other leisure refurbishments were brought forward.

The outturn report to Cabinet will provide further information on the Capital Programme performance in 2020/21.

General Fund Capital Programme Outturn				
Service Area	2020/21 Original Budget £'000	2020/21 Revised Budget £'000	2020/21 Outturn £'000	2020/21 Variance £'000
Economic Development & Regeneration	0	518	468	(50)
Environmental Services & Port Health	11	200	454	254
Financial Services, Corporate Performance & Risk Mgt	5,000	7,400	3,630	(3,770)
Housing Improvements	1,716	1,000	1,101	101
ICT Services	400	785	329	(456)
Operations	19,889	9,166	6,297	(2,869)
Planning & Coastal Management	14,552	8,093	9,832	1,739
Total General Fund Capital Expenditure	41,568	27,162	22,111	(5,051)
Financed By:				
<i>External:</i>				
Grants	16,940	10,191	6,845	(3,346)
Contributions	0	0	0	0
Borrowing	1,000	0	0	0
<i>Internal:</i>				
Capital Receipts	0	785	193	(592)
Borrowing	21,422	11,269	10,313	(956)
Reserves	2,206	4,917	4,760	(157)
Total General Fund Capital Financing	41,568	27,162	22,111	(5,051)

5.5 Reserves and Balances

The careful management of reserves and balances sits at the heart of the Council's strategic financial planning process. The Council has a policy of maintaining the level of General Fund balance at around 3% to 5% of its budgeted gross expenditure and has determined in the Medium-Term Financial Strategy to maintain this balance at £6m, taking account of the strategic, operational, and financial risks facing the Council.

The Council holds several Earmarked Revenue Reserves which have been established to meet known or predicted liabilities and to hold balances of grants and external funding which is committed to future year spend. The Council reviews these reserves to ensure the levels continue to be appropriate and if no longer required, are returned to the General Fund. As of 31 March 2021, the total balance on the General Fund Earmarked Reserves stood at £73.8m. This is an increase of £27.3m on the position as of March 2020. 2020/21 was an exceptional year due to Covid-19 and over £15m of the total reserves held is related to Covid funding, the majority of which will be released in 2021/22 and 2022/23. Earmarked Reserves to highlight include:

- **COVID-19 Response Reserve (£15.733m)** – Mainly consisting of Section 31 Grants to fund Covid related Business Rate Reliefs, Covid emergency funding, delivery of grant schemes and various community support funding streams. This reserve will be utilised in 2021/22 to deal with accounting timing differences related to the pandemic, and to fund the ongoing impact of Covid and recovery initiatives.
- **Business Rates Equalisation Reserve (£13.389m)** – This is income from Business Rates which is set aside to equalise the fluctuations in recognising Business Rate income due to timing differences, in relation to Business Rates appeals and for year-end surpluses/deficits. An additional £7.372m was added to the reserve this year. The contribution to the reserve this year has been assisted by the further delay to the reform of the Business Rate system.
- **In-Year Savings Reserve (£4.320m)** – This is in-year savings set-aside to support future year budget pressures. No transfer was made to this reserve in 2020/21.
- **Business Rate Pilot Reserve (£2.194m)** – In 2018/19, Suffolk was successful with its bid to pilot 100% Business Rates Retention Scheme. This income has been transferred to this reserve and is used to provide funding for agreed projects. Use of the reserve is made when the project spend is incurred, and £0.479m was drawn down in 2020/21, mainly for the Felixstowe south beach & Martello Café project.
- **Capital Reserve (£6.012m)** – This reserve provides a source of funding for capital investment projects. £2.543m was used from this reserve in 2020/21.
- **New Homes Bonus Reserve (£6.064m)** – This reserve established from New Homes Bonus (NHB) income is used to support community initiatives, which are detailed in the February 2021 budget report. The Council received £2.303m of NHB income in the year and £1.681m was used to fund projects.
- **Port Health (£5.597m)** – This reserve provides a source of finance to support the future investment and development of the authority's infrastructure at the Port of Felixstowe.
- **Transformation Reserve (£3.217m)** – This reserve has been established to support the delivery of the Council's Strategic Plan, with £1.683m used during the year to fund projects. £3.763m was added to the reserve to provide the financial support for the Strategic Plan going forward. This included the outturn position for the year of over £1m.

Movements on all Earmarked Reserves are set out in Note 10 to the Statement of Accounts.

5.6 Interests in Companies and Other Entities

In 2008/09 Waveney District Council entered an arrangement with Norse Commercial Services Limited (NCS) for the provision of a package of services including refuse, cleansing and maintenance. East Suffolk Council holds a 19.9% share of Waveney Norse Limited (Ltd). Payments made to Waveney Norse Ltd in respect of the services provided are included within the Cost of Services in the Comprehensive Income and Expenditure Statement of the Council's Statement of Accounts. Total payments to Waveney Norse Ltd were £8.183m in 2020/21 (£7.439m in 2019/20).

East Suffolk holds a 20% share of Suffolk Coastal Norse Limited (Ltd) held by Suffolk Coastal District Council since 1 April 2009. Suffolk Coastal Norse Ltd provides a package of services including refuse, cleansing and maintenance. Payments made to Suffolk Coastal Norse Ltd in respect of the services provided are included within the Cost of Services in the Comprehensive Income and Expenditure Statement of the Council's Statement of Accounts. Total payments to Suffolk Coastal Norse Ltd were £9.793m in 2020/21 (£8.936m in 2019/20).

East Suffolk Holdings Limited is wholly owned by the Council and was incorporated on 24 October 2019. East Suffolk Holdings is the sole shareholder of East Suffolk Construction Services Limited, East Suffolk Property Developments Limited, and East Suffolk Property Investments Limited, all of which were incorporated on 26 November 2019. All these companies were dormant in 2020/21 and are intended to commence trading in future years.

5.7 Pension Liabilities

The Council participates in the Local Government Pension Scheme, administered locally by Suffolk County Council - this is a funded defined benefit scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The Pensions Liability in the Balance Sheet reflects the underlying commitments that the Council has in the long term to pay retirement benefits. The impact of the net pension liability on overall reserves amounts to £84.267m in 2020/21 (£53.445m for 2019/20). Statutory arrangements for funding the deficit mean the financial position of the Council is not affected by this movement.

The latest triennial actuarial valuation of the assets and liabilities of the Suffolk County Pension Fund was completed on 31 March 2019. The Council has been advised that its share of the pension fund was 98% fully funded at this date. The employers pension contribution rate for 2020/21 is 34% and proposed at 33% and 32% for 2021/22 and 2022/23 respectively.

5.8 Provisions and Contingencies

National Non-Domestic Rates

Through the National Non-Domestic Rates (NNDR1) return, the Council has to estimate the business rates income expected to be received in the coming year based on a number of assumptions. The most significant assumption is in relation to the provision for appeals. The Council has reviewed the methodology for appeals in relation to the new check, challenge, appeal process, which has seen a significant reduction in appeals. As a result, the provision significantly decreased for both predecessor authorities in 2018/19. As a result of the Covid-19 pandemic, the national business rates

revaluation planned to take effect in April 2021 has been postponed, and the 2017 valuation list will apply for at least another year. Appeals will consequently continue to be potentially made against this list limiting the scope for further reductions to the provision. However, the Government has introduced legislation to restrict appeals arising from the pandemic itself, and the business rates outturn position for 2020/21 indicated in the NNDR3 return is now significantly better than that estimated in the 2021/22 NNDR1 return. The provision for Business Rates appeals is shown in the Collection Fund Note to the Financial Statements. The economic impact of the Covid-19 pandemic and the potential ability for debts to be recovered has also been reflected in increased provisions for doubtful debts in respect of business rates, council tax, housing benefit overpayments, and sundry debtors.

HRA Service Charge Provision

The Council identified that additional charges were being added to multiple rent accounts in previous years to cover the servicing costs associated with heating. These charges initially formed part of the service charges and then, in or around 2018, were re-defined as "de-pooled rental charges". These "de-pooled rental charges" have been charged in addition to the core rent, however, these additional charges relate to services which the Council, as landlord, should not be re-charging to tenants. The Gas Safety (Installation and Use) Regulations 1998 places a number of statutory duties on a landlord of domestic tenancies granted for a term of less than seven years. The main duties are to:

- Ensure the gas fittings and flues are maintained in a safe condition;
- Ensure an annual safety check is carried out on each gas appliances/flue; and
- Keep records of the gas safety checks.

Under Section 11 of the Landlord and Tenant Act 1985, a landlord of residential tenancies granted for a term of less than seven years has implied repair duties. This includes the statutory duties to keep in repair and proper working order the installations in the dwelling-house for the supply of gas and space heating and heating water. This extends to cover gas pipes and boilers. Therefore, the Council should not have been re-charging its tenants, outside the core rent, for costs associated with it complying with its statutory duties.

Based on the information above, the Council will need to reimburse tenants for the additional service charge costs included within their rent since 2010/11, and therefore a provision has been provided for this. A prior period provision adjustment of £3.357m has been made in the Statement of Accounts (See Note 33 in the Statement of Accounts) and a further £0.400m provision has been made in 2020/21.

6. Risks and Opportunities

The Council's approach to risk management is to embed risk management into the organisation so that it is the responsibility of all managers and teams. A detailed review of corporate risks is undertaken by Corporate Management Team to manage, monitor and consider risks including management of the risk process. All corporate risks, significant for the Council, are reported to Audit and Governance Committee. The high-level details as at 31 March 2021 are:

Corporate Risk	Current rating	Target rating	Projected Direction to meet target
Covid-19 (impact on Council) (impact on Communities)	Red	Amber	↑
	Red	Amber	↑
Flood risk	Red	Amber	→
Coastal erosion	Red	Amber	→
Loss of properties from coastal erosion and wider blight of communities	Red	Amber	→
Cyber-attacks including failure of ICT (cyber security/resilience)	Amber	Amber	↑
Medium Term Overview	Amber	Green	→
Assets to assist Council meet financial requirements	Green	Green	↑
Escalating cost of waste collection/ services	Amber	Green	→
Digital Transformational Services	Amber	Green	↑
Housing Development Programme	Amber	Green	↑
Safeguarding the vulnerable	Amber	Green	→
General Data Protection Regulation	Amber	Green	↑
Brexit	Amber	Green	→
East Suffolk Commercial Partnerships	Amber	Green	↑
St Peter's Court Tower Block, Lowestoft	Amber	Green	↑
Effective management of Key Contracts/ Partnerships	Amber	Green	→
Service Delivery Contracts / Partnerships (large/significant)	Amber	Green	→
Service Delivery Contracts / Partnerships ('other')	Green	Green	→
Flood /tidal surges (Lowestoft)	Amber	Green	→
Programme and Project Delivery	Green	Green	→
Impact of managed migration of Universal Credit	Green	Green	→
Ethical Standards (maintain and promote)	Green	Green	↑

Corporate Risk	Current rating	Target rating	Projected Direction to meet target
Capital Programme	Green	Green	↑
Climate Change	Amber	Green	→
Mental wellbeing/ill health (internally)	Amber	Green	n/a

Action plans are in place to continue to improve mitigation for cyber threats and risks.

Opportunities

As outlined in the following section, the impact of the Covid-19 pandemic represented an unprecedented challenge to the Council and the area. However, East Suffolk is well placed to take advantage of a range of opportunities and ensure sustainable economic recovery – ensuring value for money for residents and become more financially resilient.

East Suffolk is recognised by many as an economic powerhouse area, with many major sites located in the district such as Felixstowe Port, BT’s global Research and Development Head Quarters, offshore wind sector and nuclear energy (Sizewell Power Plant). Developments likely to bring significant economic and employment opportunities for the district include:

- The Port of Felixstowe, which is now the largest container port in the UK, will form part of Freeport East and further expansion (especially in supporting infrastructure) is planned; and
- Sizewell Power Plant major expansion – development of ‘Sizewell C’, a third Nuclear Power Station on the site.

Lowestoft, along with neighbouring Great Yarmouth Borough Council, is one of only six locations in England that have been designated as a Centre of Offshore Renewable Engineering (CORE) status by the Government. CORE status is awarded through recognising the existing port infrastructure, skills, supply chain and Local Government support to enable rapid growth within the offshore wind sector.

Tourism is an important part of the Council’s economy. Visitors are attracted by the character, culture, festivals, music, art, food, drink, clean beaches and spectacular coastline, with areas of the district designated as Areas of Outstanding Natural Beauty (AONB).

The Council will also be able to increase its ability to extend social housing, with the Housing Revenue Account now being able to operate in the whole East Suffolk district.

7. Covid-19 and Forward Look

7.1 Covid-19

During 2020/21 significant work was undertaken to ensure the Council continued to deliver essential services to residents, businesses and communities, and those most vulnerable received support. Some functions and services impacted by Covid-19 required resource reallocation. This included the implementation of systems and processes for administering the business grant payments by Corporate Fraud, Economic Development, Finance, Internal Audit and IT Teams, and also the Community Team supporting residents and the most vulnerable in the district. Council meetings were held remotely to continue ordinary council business and homeworking for staff was enabled, supported by packages for flexible working and mental health and wellbeing. The Economic Development programme is currently being refreshed to reflect the economic impact of Covid and the Council will be monitoring the impact of the transition to long term recovery. Below are some of the ways in which the Council has responded to the pandemic;

Helping our communities

- Worked with volunteers, businesses and local organisations to support the most vulnerable members of our communities during the pandemic. Supported over 500 residents who were clinically extremely vulnerable.
- Introduced Grandpad Loan Scheme - specially designed tablets for older people to use.
- As part of the Suffolk-wide Home But Not Alone scheme, dealt with 2,172 requests during the first lockdown, including 750 urgent food or medicine needs.
- Created an ESC hardship fund for community funding to new and existing groups of £130,000.
- Grants of between £50 and £1,000 were given to local groups.
- Suffolk Family Focus team supported families experiencing complex and long-standing difficulties, such as domestic violence, drug and alcohol dependency, and financial issues.
- ESC converted a property to house rough sleepers during the first lockdown. ESC also secured extra funding to help support rough sleepers.
- £389,482 received in 2020/21 was in addition to the £93,312 awarded in September 2020 as part of the Government's Next Steps Accommodation Programme to help rough sleepers during the pandemic. The funding helped deliver a scheme offering a "higher level" of support to those who need it before living independently.

Health & Safety

- Environmental Services teams responded to 100% of referrals from SCC's Contact & Trace Service and 100% of notifications (cases/clusters/outbreaks) from SCC's Public Health Specialist COVID-19 Co-ordination Centre Duty Team.
- Received and responded to over 1,100 Covid-19 enquiries including social distancing issues. Dealt with a 28% increase in noise complaints, mainly under restricted lockdown periods.

Digital

- Enabled 750 staff and councillors to work from home. Reduced travel by 84% due to working from home and better use of technology. Deployed tablets to staff in Housing and Building Control Teams.
- Boosted capacity resulting in continuous improvement of infrastructure, networks and business systems, including rollout of technology such as Zoom, Teams and SharePoint.
- Enabled council meetings to take place remotely, broadcast on our YouTube channel. Implemented new online services including a streamlined business grants process for administering and delivering covid-related funding.

Financial

During the year the Council was responsible for the administration of various grants and relief to business and individuals on behalf of Central Government. For some grant schemes the Council was acting as Agent, this means the Council was acting at a distribution point for grants and had no control over the amount allocated to recipients. The transactions for such schemes do not appear in the Comprehensive Income and Expenditure Statement (CIES). For other grant schemes the Council did have control over the distribution of funding. For these schemes the Council was acting as Principal and the related transactions for these schemes do appear in the CEIS. Following the closure of grant schemes where the Council has acted as Agent, any unused funding awarded is returned to Central Government following a reconciliation process. Similarly, if the Council has paid out more than it received the Council will be compensated by Government. The below table provides an overall summary of the schemes and the role of the Council in their administration.

Grant Scheme	Purpose of Grant Scheme	Council Acting as Agent or Principal	2020/21 Grant Awarded £	2020/21 Total Paid Out £
Test and Trace Support Main Scheme*	To support people on low incomes who are unable to work from home if they are told to self-isolate by the NHS Test and Trace system	Agent	(198,500)	116,500
Small Business Grants, Retail Hospitality & Leisure & Discretionary Grants*	To support eligible businesses due to the March 2020 national lockdown	Agent	(97,659,750)	62,475,000
Discretionary Grants*	To support eligible businesses due to the March 2020 national lockdown	Principal	(3,866,250)	3,866,250
Local Restrictions Support Grant (Closed)*	Support to eligible businesses required to close under Tier restrictions	Agent	(26,679,109)	18,499,177
Local Restrictions Support Grant (Open)*	Support to eligible businesses that were still open but severely impacted by Tier restrictions	Agent	(2,166,345)	1,538,612
Local Restrictions Christmas Support Package*	Christmas Support Package for Wet Led Pubs who were severely impacted by local restrictions in December 2020	Agent	(153,600)	78,000
Local Restrictions Support Grant (Sector)*	Support to eligible businesses that were required to close on a national basis since 23 March 2020	Agent	0	533
Closedown Business Lockdown*	One off payments for businesses required to close from 5 January 2021 due to the national lockdown	Agent	(18,009,000)	12,588,000
Additional Restrictions Grant*	To provide additional funding for direct business grants and wider business support	Principal	(7,205,195)	6,749,617
Test and Trace Support Discretionary Scheme	To support people on low incomes who are unable to work from home if they are told to self-isolate by the NHS Test and Trace system	Principal	(208,000)	60,000
Council Tax Hardship Fund Grant	To reduce the council tax liability of working age Local Council Tax Reduction Scheme (LCTRS) claimants	Principal	(1,916,615)	1,487,388
		Total	(158,062,364)	107,459,077

* Differences between the total funding awarded and the total paid out have/will be returned to Government or paid by Government following the end of the scheme.

During 2020/21 to date the Financial impact of Covid on the Council's costs and income has been monitored and reported regularly – internally to officers and members, to central Government via monthly returns and information sharing with other Suffolk Local Authorities. The financial impact of Covid-19 during 2020/21 was detailed in Section 5.2.

The Housing Revenue Account (HRA) is generally less exposed to the financial impacts of the pandemic than the General Fund, although rent income has been affected to a degree as previously mentioned in Section 5.3.

7.2 Forward Look

The financial impact of Covid-19 was taken into consideration for updating the MTFS and the 2021/22 and 2022/23 budgets approved by Full Council in February 2021 and 2022 respectively. The area of expected pressure for 2021/22 is the loss of income from sales, fees and charges, in particular car parking income and also leisure services. The Business Rate Retention and Fair Funding reforms have been delayed further until 2025/26 at the earliest. East Suffolk is in an advantageous position under the current Business Rates Retention system and deferral of the reforms will enable the Council to benefit from another year of the current regime. This is estimated to constitute an annual financial benefit of over £3 million to the Council. The Council finds itself with pressures and uncertainties of the medium term, and the underlying budget gap that needs to be addressed. It is important that the Council's policy towards its reserves and balances seeks to provide some contingency against these future pressures and recovery from the pandemic, whilst continuing valuable community programmes and initiatives - particularly those currently funded from NHB. The table below shows the MTFS project budget gap as at February 2023. However, it should be noted that the Council achieved an improved year end position for 2020/21, enabling the Council to sustain a robust reserve position going forward.

MTFS Projected Budget Gap	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
As at February 2023	0	0	3,511	6,008	6,405

A summary of the Earmarked Reserves position for the Council over the MTFS period to 2026/27 (February 2023) is set out below, along with the actual position as at 31 March 2022. As referred to previously, Covid-19 related funding held at 31 March 2021, has been earmarked to a separate reserve. This is shown separately and stood at over £15m at year end. The Covid Reserve consists of funding to;

- support the Council's own cost pressures and the Collection Fund deficit spread over the next three years,
- deliver grant schemes the Council administered as Principal, and
- provide support to communities.

General Fund Revenue Reserves	Actual Apr-22 £'000	MTFS Apr-23 £'000	MTFS Apr-24 £'000	MTFS Apr-25 £'000	MTFS Apr-26 £'000	MTFS Apr-27 £'000
General Fund	6,000	6,000	6,000	6,000	6,000	6,000
General Earmarked Reserves						
Earmarked Reserves (excluding Covid related)	56,000	41,240	36,417	33,973	32,574	31,589
Earmarked Reserves (Covid related only)	5,882	1,186	32	-	-	-
Total Earmarked	61,882	42,426	36,449	33,973	32,574	31,589

8. Capital Programme

The Covid-19 pandemic had limited impact on the delivery of the Council's Capital Programme in 2020/21. Project teams reviewed our commitments, rephased projects bringing some forward and delaying others to reflect circumstances across our communities.

The Capital Programme was compiled taking account of the following main principles, to:

- maintain an affordable four-year rolling capital programme;
- ensure capital resources are aligned with the Council's Strategic Plan;
- maximise available resources by actively seeking external funding and disposal of surplus assets; and
- not to anticipate receipts from disposals until they are realised.

In January 2021, a General Fund capital programme of £162.281m was approved for East Suffolk Council for the period 2021/22 to 2024/25. A further £0.500m was approved in March 2021 following the Council's successful bid of £24.9m from the Towns Fund, bringing the General Fund capital programme value to £162.781m. The key capital projects in 2021/22 are:

- **Public Convenience Programme (£1.050m)** - upgrade and refurbishment of district wide public conveniences.
- **Lowestoft Flood Risk Management, Tidal Gate (£17.359m)** - a vital project to future proof Lowestoft sea front and town centre. The project has also benefited from significant external grant funding.
- **Former Deben High School Felixstowe (£2.600m)** - development of sustainable housing in the old school premises.
- **Lowestoft Beach Hut Replacement (£1.500m)** - replacement of beach huts along with the demolition, reconstruction and enhancement of the adjoining café and amenity block.
- **New Beach Hut Sites, Felixstowe (£0.900m)** - proposed investment in additional beach hut sites.
- **Southwold Harbour Fender (£1.100m)** - Southwold Harbour Fender works following damage to the fender as set out in the Cabinet Report on 3 November 2020.

The HRA capital programme totals £60.417m over the period 2021/22 to 2024/25 and includes £40.210m allocated to the New Build Programme.

Statement of Responsibilities

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Chief Finance Officer.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

Councillor Owen Grey

Chairman of Audit & Governance Committee, East Suffolk Council

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code). In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent; and
- compiled with the local authority Code. The Chief Finance Officer has also:
 - kept proper accounting records which were up to date; and
 - taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate by the Chief Finance Officer

I certify that this Statement of Accounts has been prepared in accordance with proper accounting practices and presents a true and fair view of the financial position of the Council at 31 March 2021 and its income and expenditure for the year ending on that date.

Lorraine Rogers

(ACCA) Chief Finance Officer and S151 Officer, East Suffolk Council

Comprehensive Income & Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory regulations; this may be different from the accounting cost. The taxation position is shown in the Expenditure and Funding Analysis and the Movement in Reserves Statement. The Group includes the Council's share of the Suffolk Coastal Norse Ltd and Waveney Norse Ltd profits and tax expenses.

	Authority						Group	
	2020/21		Net Expenditure £'000	2019/20 (Re-stated*)		Net Expenditure £'000	2020/21 Net Expenditure £'000	2019/20 (Re-stated*) Net Expenditure £'000
	Gross Expenditure	Gross Income £'000		Gross Expenditure £'000	Gross Income £'000			
Cost of Services								
Communities	3,667	(5,413)	(1,746)	3,200	(1,146)	2,054	(1,746)	2,054
Customer Services	1,551	(8)	1,543	1,904	(3)	1,901	1,543	1,901
Economic Development and Regeneration	13,079	(12,293)	786	2,688	(1,274)	1,414	786	1,414
Environmental Services and Port Health	7,173	(6,444)	729	6,582	(6,099)	483	729	483
Financial Services, Corporate Performance and Risk Management	1,051	(783)	268	2,388	(827)	1,561	268	1,561
Housing Operations and Landlord Services	4,838	(4,819)	19	4,235	(4,161)	74	19	74
Housing Revenue Account	12,055	(20,712)	(8,657)	11,110	(20,237)	(9,127)	(8,657)	(9,127)
ICT Services	2,743	(5)	2,738	2,790	(8)	2,782	2,738	2,782
Internal Audit	518	(127)	391	529	(120)	409	391	409
Legal and Democratic Services	2,523	(549)	1,974	3,056	(663)	2,393	1,974	2,393
Operations	35,832	(12,593)	23,239	31,210	(11,507)	19,703	23,239	19,703
Planning and Coastal Management	9,941	(4,517)	5,424	8,934	(3,846)	5,088	5,424	5,088
Revenue and Benefits	49,063	(48,206)	857	50,668	(48,427)	2,241	857	2,241
Senior and Corporate Management	3,680	(664)	3,016	3,688	(579)	3,109	3,016	3,109
Total Cost of Services	147,714	(117,133)	30,581	132,982	(98,897)	34,085	30,581	34,085
Other Operating Expenditure (note 11)			7,866			6,086	7,866	6,086
Financing and Investment Income and Expenditure (note 12)			3,792			4,731	3,792	4,731
Taxation and Non-Specific Grant Income (note 13)			(58,764)			(52,971)	(58,764)	(52,971)
(Surplus) or Deficit on Provision of Services			(16,525)			(8,069)	(16,525)	(8,069)
Share of (Surplus)/Deficit on the Provision of services by Associate (note 31)			-			-	(179)	20
Tax expenses of Associate (note 31)			-			-	29	(10)
(Surplus)/Deficit			(16,525)			(8,069)	(16,675)	(8,059)
Surplus or deficit on revaluation of non-current assets (note 22)			(11,753)			(10,035)	(11,753)	(10,035)
Remeasurement of the net defined benefit liability / (asset) (note 22)			31,529			(27,686)	31,529	(27,686)
Other Comprehensive Income and Expenditure			19,776			(37,721)	19,776	(37,721)
Total Comprehensive Income and Expenditure			3,251			(45,790)	3,101	(45,780)

*See Note 33 for details of the restatement

Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves held by the Council and the Group (i.e. including Suffolk Coastal Norse Ltd and Waveney Norse Ltd), analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net (Increase) / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the council.

	General Fund Balance	Earmarked General Fund Reserves	Earmarked Housing Revenue Account	Earmarked Housing Revenue Reserves	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Council's share of Reserves of Associate	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1st April 2019 (Restated*)	(8,000)	(44,779)	(3,415)	(10,821)	(19,629)	(4,457)	(18,434)	(109,535)	(169,270)	(278,805)	(40)	(278,845)
Movement in reserves during 2019/20												
(Surplus) or deficit on provision of services*	(434)	-	(7,635)	-	-	-	-	(8,069)	-	(8,069)	-	(8,069)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	(37,721)	(37,721)	-	(37,721)
Total Comprehensive Income and Expenditure*	(434)	-	(7,635)	-	-	-	-	(8,069)	(37,721)	(45,790)	-	(45,790)
Adjustment between Group and Authority Accounts:												
- Purchase of Goods and Services from Associate (note 21)	-	-	-	-	-	-	-	-	-	-	10	10
- Share of Actuarial (Gains)/Losses (note 29)											(299)	(299)
Net (Increase) / Decrease before Transfers*	(434)	-	(7,635)	-	-	-	-	(8,069)	(37,721)	(45,790)	(289)	(45,780)
Adjustments between accounting basis and funding basis under regulations (note 9)	698	-	3,680	-	(1,173)	(1,826)	(5,476)	(4,097)	4,097	-	-	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves*	264	-	(3,955)	-	(1,173)	(1,826)	(5,476)	(12,166)	(33,624)	(45,790)	(289)	(45,780)
Transfer to / from Earmarked Reserves (note 10)*	1,737	(1,737)	3,581	(3,581)	-	-	-	-	-	-	-	-
(Increase) / Decrease in Year*	2,001	(1,737)	(374)	(3,581)	(1,173)	(1,826)	(5,476)	(12,166)	(33,624)	(45,790)	(289)	(46,079)
Balance at 31 March 2020 carry forward (Restated*)	(5,999)	(46,516)	(3,789)	(14,402)	(20,802)	(6,283)	(23,910)	(121,701)	(202,894)	(324,595)	(329)	(324,924)

*See Note 33 for details of the restatement

Movement in Reserves (Continued)

	General Fund Balance £'000	Earmarked General Fund Reserves £'000	Housing Revenue Account £'000	Earmarked Housing Revenue Account Reserves £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000	Council's share of Reserves of Associate £'000	Total Group Reserves £'000
Balance at 1st April 2020	(5,999)	(46,516)	(3,789)	(14,402)	(20,802)	(6,283)	(23,910)	(121,701)	(202,894)	(324,595)	(329)	(324,924)
Movement in reserves during 2020/21												
(Surplus) or deficit on provision of services	(9,014)	-	(7,511)	-	-	-	-	(16,525)	-	(16,525)	-	(16,525)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	19,776	19,776	-	19,776
Total Comprehensive Income and Expenditure	(9,014)	-	(7,511)	-	-	-	-	(16,525)	19,776	3,251	-	3,251
Adjustment between Group and Authority Accounts:												
31)											(150)	(150)
- Share of Actuarial (Gains)/Losses (note 29)	-	-	-	-	-	-	-	-	-	-	557	557
Net (Increase) / Decrease before Transfers	(9,014)	-	(7,511)	-	-	-	-	(16,525)	19,776	3,251	407	3,658
Adjustments between accounting basis and funding basis under regulations (note 9)												
	(18,116)	-	3,825	-	(1,642)	(136)	(5,675)	(21,744)	21,744	-	-	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves	(27,130)	-	(3,686)	-	(1,642)	(136)	(5,675)	(38,269)	41,520	3,251	407	3,658
Transfer to / from Earmarked Reserves (note 10)	27,129	(27,129)	2,900	(2,900)	-	-	-	-	-	-	-	-
(Increase) / Decrease in Year	(1)	(27,129)	(786)	(2,900)	(1,642)	(136)	(5,675)	(38,269)	41,520	3,251	407	3,658
Balance at 31 March 2021 carried forward	(6,000)	(73,645)	(4,575)	(17,302)	(22,444)	(6,419)	(29,585)	(159,970)	(161,374)	(321,344)	78	(321,266)

Balance Sheet

The Balance Sheet below shows the value of the assets and liabilities recognised by the Council and the Group at the Balance Sheet date, which is 31 March each year. The net assets (assets less liabilities) are matched by the Group's reserves, reported in two categories. Details of the Usable Reserves can be found at the bottom of this Balance Sheet and Unusable Reserves held by the Group are contained within Note 22 to the Council's Core Financial Statements.

	Note	Authority		Group	
		2020/21	2019/20 (Re-stated)	2020/21	2019/20 (Re-stated)
		£'000	£'000	£'000	£'000
*See Note 33 for details of the restatement					
Property, Plant and Equipment	14	376,400	362,349	376,400	362,349
Investment Property	16	5,000	2,900	5,000	2,900
Heritage Assets		588	588	588	588
Intangible Assets		133	149	133	149
Long Term Investments	17 + 32	34,031	18,676	34,031	18,676
Investment in Associate		-	-	(78)	329
Long Term Debtors	18	2,015	1,392	2,015	1,392
Long Term Assets		418,167	386,054	418,089	386,383
Short Term Investments	17	71,102	84,388	71,102	84,388
Current Assets held for sale		4	4	4	4
Inventories		112	106	112	106
Short Term Debtors	18	42,257	19,292	42,257	19,292
Cash and Cash Equivalents	Cash Flow	25,453	19,718	25,453	19,718
Current Assets		138,928	123,508	138,928	123,508
Short Term Borrowing	17	(11,286)	-	(11,286)	-
Short Term Creditors	19	(56,831)	(38,294)	(56,831)	(38,294)
Short Term Capital Grants Receipts	21	(66)	(151)	(66)	(151)
Current Liabilities		(68,183)	(38,445)	(68,183)	(38,445)
Long Term Creditors	19	(6,903)	(6,644)	(6,903)	(6,644)
Long Term Provisions	20	(6,425)	(5,960)	(6,425)	(5,960)
Long Term Borrowing	17	(65,967)	(77,413)	(65,967)	(77,413)
Long Term Capital Grants Receipts i	21	(4,004)	(3,606)	(4,004)	(3,606)
Other Long Term Liabilities - Pensio	29	(84,267)	(52,899)	(84,267)	(52,899)
Long Term Liabilities		(167,566)	(146,522)	(167,566)	(146,522)
Net Assets		321,346	324,595	321,268	324,924

Balance Sheet (Continued)

	Note	Authority		Group	
		2020/21	2019/20 (Re-stated)	2020/21	2019/20 (Re-stated)
<u>Capital Reserves</u>					
Capital Receipts Reserve		(6,419)	(6,283)	(6,419)	(6,283)
Capital Grants Unapplied		(29,585)	(23,910)	(29,585)	(23,910)
Major Repairs Reserve		(22,444)	(20,802)	(22,444)	(20,802)
Share of Reserves of Associate		-	-	78	(329)
<u>Revenue Reserves</u>					
General Fund					
- Fund Balance		(6,000)	(6,000)	(6,000)	(6,000)
- Earmarked Reserves		(73,645)	(46,515)	(73,645)	(46,515)
Housing Revenue Account					
- Fund Balance		(4,576)	(3,788)	(4,576)	(3,788)
- Earmarked Reserves		(17,303)	(14,403)	(17,303)	(14,403)
Usable reserves		(159,972)	(121,701)	(159,894)	(122,030)
Unusable reserves	22	(161,374)	(202,894)	(161,374)	(202,894)
Total Reserves		(321,346)	(324,595)	(321,268)	(324,924)

*See Note 33 for details of the restatement

Lorraine Rogers (ACCA)

Chief Finance Officer and Section 151 Officer 11th December 2023

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council and Group during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

	2020/21 £'000	2019/20 £'000
Net (surplus) or deficit on the provision of services	(16,926)	(8,482)
Adjust net surplus or deficit on the provision of services for non cash movements:		
- Depreciation and Amortisation of Non Current Assets	(8,622)	(8,791)
- Impairment and Downward valuations	(3,327)	(1,040)
Impairment for Bad Debts	(304)	(323)
- Change in Creditors	(17,942)	(2,663)
- Change in Debtors	902	(2,845)
- Change in Inventory	5	25
- Pension Liability	161	(5,192)
- Other non-cash items charged to Surplus / Deficit on Provision of Services	949	1,191
- Carrying value of Non-Current Assets disposed	(2,564)	(1,581)
- Movement in Investment Property Values	(1,106)	18
	(31,848)	(21,201)
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	10,328	16,898
Net cash flows from Operating Activities	(38,446)	(12,785)
Investing Activities:		
- Purchase of property, plant and equipment, investment property and intangible assets	20,331	11,679
- Purchase of short-term and long-term investments	208,100	223,200
- Other payments for investing activities	-	288
- Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,604)	(2,592)
- Proceeds from short-term and long-term investments	(201,100)	(210,700)
- Other receipts from investing activities	(7,214)	(12,955)
	18,513	8,920

Cash Flow (Continued)

	2020/21 £'000	2019/20 £'000
Financing Activities:		
- Other receipts from financing activities	(2)	(2)
- Cash payments for the reduction of the outstanding liabilities relating to finance leases	280	263
- Repayments of short- and long-term borrowing	160	10,161
- Other payments for financing activities	14,045	2,468
	<u>14,483</u>	<u>12,890</u>
Net increase or decrease in cash and cash equivalents	(5,450)	9,025
Cash and cash equivalents at the beginning of the reporting period	(19,718)	(28,743)
Cash and cash equivalents at the end of the reporting period	(25,168)	(19,718)
- Cash held by officers	1	1
- Short-term deposits	15,002	7,000
- Bank current account	10,450	12,717
Sub-Total - Cash and Cash Equivalents	25,453	19,718
Cash and cash equivalents at the end of the reporting period	25,453	19,718
The cashflows for operating activities include the following items:		
- Interest received	(2,581)	(938)
- Interest paid	2,965	3,060
- Dividends received	(589)	(267)

Notes to the Core Financial Statements

1. Accounting Policies

a) General Principles

The Statement of Accounts summarises the Council's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021. The Council is required to prepare an annual Statement of Accounts, by the Accounts and Audit Regulations 2015, which are required to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. Preparer's materiality has been set at £2.650m and only accounting policies and disclosures that exceed this materiality level have been provided, with the exception of politically sensitive areas of the Statement of Accounts, such as Members Allowance (Note 23) and Officers Remuneration (Note 26).

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the Council will continue in operational existence for a period to 31 March 2025.

As mentioned in the Narrative report (Section 7.2), the Covid-19 pandemic has had a negative financial impact on East Suffolk Council in 2020/21, and in particular the loss of income from sales, fees and charges. It is also likely to impact in future years as the economy recovers. The Medium-Term Financial Strategy shows that from 2021/22 there is an underlying budget gap in the medium term that needs to be addressed.

As at 31 March 2022, the Council had the following Earmarked Reserves available to largely enable it to absorb any shock to its income streams in the short to medium term:

- In Year Savings Reserve £3.572m
- Business Rates Equalisation Reserve £15.240m

However, a prolonged and sustained recession, combined with the need to close the already

forecast budget gap over the MTFS period could put pressure on other earmarked reserves and Council projects and services.

The Housing Revenue Account (HRA) is generally less exposed to the financial impacts of the pandemic than the General Fund, although rent income will be affected to a degree.

The Council has considered the impacts of the Covid-19 pandemic on its financial position, liquidity and performance during 2021/22 and beyond including scenarios of:

- Reductions in income
- Increased expenditure
- Cashflow and liquidity
- General fund balances and reserves

The Council has also considered known and expected government funding and determined that it has sufficient liquidity from its ability to access short-term investments and sufficient general fund balances and reserves to continue to deliver services. As a result, the Council is satisfied that it can prepare its accounts on a going concern basis.

Going Concern

Note 1 Accounting Policies (Continued)

The Council has also considered the impact as an event after the balance sheet date in Note 6 to the accounts.

b) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are

received rather than when payments are made.

- Interest payable on borrowings and receivable on investments is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract. Accrued interest is accounted for in the Balance Sheet as part of the carrying value of the financial instrument.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded on the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Where payments have been received in advance of obligations being performed, they have been recognised as a liability on the Balance Sheet.
- Works are charged as expenditure when they are completed before which they are carried as works in progress with inventories on the Balance Sheet.
- In calculating the accrual for major grant claims including Housing Benefit Subsidy, the sum receivable has been estimated using the latest information

available from the Housing Benefit system.

- Where the Council is acting as an agent for another party (e.g., in the collection of non-domestic rates (NDR) and council tax), income and expenditure are recognised only to the extent that commission is receivable by the Council for the agency services rendered or the Council incurs expenses directly on its own behalf in rendering the services.

c) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in seven days or less from the date of acquisition and that are readily convertible to known amounts of cash without penalty and with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management process. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors. Prior period adjustments may arise due to a change in accounting policies or to correct a material error.

Note 1 Accounting Policies (Continued)

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

d) Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the

- Revaluation Reserve against which the losses can be written off; and amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (known as a Minimum Revenue Provision (MRP)), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

e) Employee Benefits

Benefits payable during employment

Short-term employee benefits are those that fall due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which

employees render service to the Council. An accrual is only made where the cost of untaken holiday entitlements and other leave carried forward into the next financial year is material. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The material accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable due to a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. They are charged on an accruals basis to the appropriate service area or, where applicable to a corporate service area, at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Note 1 Accounting Policies (Continued)

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be

charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to

the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment benefits

Employees of the Council are members of the Local Government Pension Scheme, administered by Suffolk County Council, to provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Suffolk County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees,

based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.

- Liabilities are discounted to their value at current prices. The discount rate employed for the 2020/21 accounts is 2.00% which is derived by reference to market yields on high quality corporate bonds at the reporting date using a corporate bond yield curve constructed based on the constituents of the iBoxx AA corporate bond index. The currency and term of the high-quality corporate bonds used to set the discount rate is consistent with the currency and term of the liabilities.
- The assets of the Suffolk County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:
 - quoted securities - current bid price;
 - unquoted securities - professional estimate;
 - unitised securities - current bid price; and
 - property - market value.
- The change in the net pensions liability is analysed into the following components:
 - Service cost comprising:
 - current service cost - the increase in liabilities as a result of years of service earned this year - allocated in the

- Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Financial Services, Corporate Performance and Risk Management; and
- net interest on the net defined benefit liability, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the

Note 1 Accounting Policies (Continued)

period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the

period as a result of contribution and benefit payments.

- Re-measurements comprising:
- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
- actuarial gains and losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Suffolk County Council Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and

credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

f) Events After the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Statement of

Accounts is adjusted to reflect such events.

- those that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts

g) Financial Instruments

Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost.

Note 1 Accounting Policies (Continued)

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the

rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement. Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be

spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement

Financial assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost;
- fair value through profit or loss; and
- fair value through other comprehensive income.

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure

Note 1 Accounting Policies (Continued)

Statement is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis.

The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at Fair Value through Profit or Loss are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

h) Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, [Note 1 Accounting Policies \(Continued\)](#)

or future economic benefit or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which any conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income and Expenditure (non-ringfenced

revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement. Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet

to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area. CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with

the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

i) Interests in Companies and Other Entities

In May 2008, Waveney District Council signed an agreement with Norse Commercial Services Limited (NCS). A new company, Waveney Norse Limited was incorporated on 23 May 2008 and began trading on 1 July 2008. The Council transferred the responsibility for the delivery of the refuse, cleansing and maintenance services to Waveney Norse Limited. East Suffolk Council has a 19.9% share in the Company. Profits and losses are shared 50%/50% with NCS.

On 1 April 2009, Suffolk Coastal District Council entered into a service contract with Suffolk Coastal Services Limited (now Suffolk Coastal Norse Limited) for the provision of a range of services including waste management and grounds and buildings maintenance. East Suffolk Council has 20% of the shares of Suffolk Coastal Norse which is a subsidiary of the Norse Group of companies which is itself a wholly owned subsidiary of Norfolk County Council. Profits and losses are shared 50%/50% with Suffolk Coastal Norse.

Following a review of the Group Accounting requirements in the 2018/19 Code of Practice on Local Authority Accounting (the Code), the councils' accounting relationships with both Waveney Norse Limited and Suffolk Coastal Norse Limited companies were determined to be Associates. In the Council's own single-entity accounts, the interests in Waveney Norse Limited and Suffolk Coastal Norse Limited are recorded as a financial asset at cost, less any provision for losses.

The Group Accounting information for Waveney Norse Limited and Suffolk Coastal Norse Limited is based on their financial results at their accounting date of 1 April 2021. Further detailed information regarding the agreement is set out in the Notes to the Core [Note 1 Accounting Policies \(Continued\)](#)

Financial Statements (Interests in Companies and Other Entities).

East Suffolk Holdings Limited is wholly owned by the Council and was incorporated on 24 October 2019. East Suffolk Holdings is the sole shareholder of East Suffolk Construction Services Limited, East Suffolk Property Developments Limited, and East Suffolk Property Investments Limited, all of which were incorporated on 26 November 2019. All of these companies have been dormant since this date, and it is intended to commence trading in 2021/22.

j) Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an

asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out

of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

k) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee – Finance leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset.

Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment - applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Note 1 Accounting Policies (Continued)

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore

substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The Council as Lessor – Operating leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other

Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

l) Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Council's arrangement for accountability and financial performance.

m) Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as Public Work Loans Board borrowing at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data

is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or
- Note 1 Accounting Policies (Continued)**

- liabilities that the Council can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- Level 3 – unobservable inputs for the asset or liability.

n) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains

but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance), and expenditure below a de-minimis level of

£10,000, is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase (for example exchange for non-monetary asset) is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction - depreciated historical cost;
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH);
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective; or
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value - EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Where non-property assets have short useful

lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five

Note 1 Accounting Policies (Continued)

years. The effective date of revaluation of those assets revalued in 2020/21 is:

- 31 December 2020 for assets measured at current value;
- 31 December 2020 for assets measured at fair value and those assets at risk of material movements in their valuation during the year; and
- 31 March 2021 for assets measured at social housing discount.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a revaluation or impairment loss previously charged to a service. Where decreases in value are identified, the revaluation loss is accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no or insufficient balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in

the Comprehensive Income and Expenditure Statement for the amount not covered by any Revaluation Reserve balance for that asset.

The Revaluation Reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where

impairment losses are identified they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no or insufficient balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement for the amount not covered by any Revaluation Reserve balance for that asset.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community

assets) and assets that are not yet available for use (i.e. assets under construction). Depreciation is calculated on the following bases:

Note 1 Accounting Policies (Continued)

- dwellings and other buildings - straight-line allocation over the useful life of the property as estimated by the valuer;
- vehicles, plant, furniture and equipment - straight line allocation over the useful life of the asset, as advised by a suitably qualified officer; or
- infrastructure - straight-line allocation over 40 to 60 years.

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, and whose life is materially different to that of the main asset, the components are depreciated separately. This will generally apply where the cost of the potential component exceeds 25% of the total cost of the asset, and where the life of that component is less than 50% of the expected life of the main asset. Below those de minimis levels, it is unlikely that a failure to account separately for components would have a material impact on depreciation charges, using the Council's capital expenditure de minimis level of £10,000 as a guide for material impact.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account. Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. Irrespective of the timing of any decision an asset is surplus; the accounting treatment will apply from 1 April in that year. The asset is revalued immediately

before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and

valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals are payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only

be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement).

Note 1 Accounting Policies (Continued)

Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. Where the obligation is expected to be settled within 12 months of the Balance

Sheet date the provision is recognised as a Current Liability in the Balance Sheet. Other provisions are recognised as Long-Term Liabilities.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year - where it

becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

The Council makes specific provision in the Collection Fund for doubtful debts in relation to receipt of council tax and business rates, and in the Comprehensive Income and Expenditure Statement for doubtful debts in relation to other service debtors. These provisions are based on the age profile of the debts outstanding at the end of the financial year, reflecting historical collection patterns, and are included in the Balance Sheet as an adjustment to Debtors.

Contingent liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed

Note 1 Accounting Policies (Continued)

by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

p) Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance or Housing Revenue Account in the Movement in Reserves Statement. When expenditure to be financed from a reserve, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance or Housing Revenue Account in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure. Certain reserves are kept in relation to non-current assets, financial instruments, retirement and employee benefits and therefore do not represent usable resources for the Council - these Unusable Reserves are

explained elsewhere in the relevant accounting policies.

q) Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for council tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement. The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears,

impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

r) VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2. Accounting Standards that have been issued but not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code:

- IFRS 16 Leases will require local authorities that are lessees to recognise most leases on their balance sheets as right-of-use assets with corresponding lease liabilities (there is recognition for low-value and short-term leases). CIPFA/LASAAC have deferred implementation of IFRS16 for local government to 1 April 2022 in light of Covid-19 pressures.

- Definition of a Business: Amendments to IFRS 3 Business Combinations will clarify the definition of a business, with the aim of helping entities to determine whether a transaction should be accounted for as an asset acquisition or a business combination. This will take effect for asset acquisitions after 1st April 2021. This is likely to have minimal or no impact on East Suffolk Council.
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7, and Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, will provide certain reliefs in connection with interest rate benchmark reform and will be included within the 2021/22 CIPFA Code. The changes are not expected to have a material impact on the Council's single entity statements or group statements.

3. Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The Council has examined its leases and classified them as either operational or finance leases. In some cases, the lease transaction is not always conclusive, and the Council uses judgement in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards incidental to ownership. In reassessing the lease, the Council has estimated the implied interest rate within the lease to calculate interest and principal payments.
- Suffolk Coastal Norse Limited and Waveney Norse Limited are recognised as Associates in the Council's financial statements and Group Accounts have been prepared in 2020/21. The Council's arrangement for leisure services provision with Sentinel Leisure Trust which commenced in 2011/12 and which was terminated in 2020/21 has been assessed as not requiring Group Accounting, following a review against the guidance in the Code. East Suffolk Holdings Limited is wholly owned by the Council and was incorporated on 24 October 2019. East Suffolk Holdings is the sole shareholder of East Suffolk Construction Services Limited, East Suffolk Property Developments Limited, and East Suffolk Property Investments Limited, all of which were incorporated on 26 November 2019. All these companies were dormant in 2020/21 and are intended to commence trading in 2021/22. Consequently, these companies have been assessed as not requiring Group Accounting in 2020/21. The position will be reviewed annually and other areas potentially requiring Group Accounts will be kept under review.

Note 3 Critical judgements in applying accounting policies (Continued)

- The nature of the accounting treatment in respect of the use of the Council's assets by Waveney Norse Limited has not been considered an embedded lease under IFRIC 4 as the Council retains ultimate control over those assets.
- Any potential legal claims by or against the Council are not adjusted in the accounts but are disclosed as part of Contingent Liabilities or Assets as required under the CIPFA Code.
- As part of the National Non-Domestic Rates (NNDR1) return in January 2020, the Council had to estimate the business rates income expected to be received in 2020/21 based on several assumptions. The most significant assumption was in relation to the provision for appeals. There are two separate

provisions, one relating to the 2010 Valuation list and the other to the 2017 Valuation list. The 2010 provision was based on Government guidance and trend analysis in respect of appeals that had been lodged with the Valuation Office, backdated to 1 April 2010 where an appeal was lodged before 31 March 2015 or backdated to 1 April 2015 where the appeal was lodged after this date but before 31 March 2017. The relevant percentage used because of this was 4.04%.

- The 2017 Valuation list provision methodology has been amended with effect from the 2018/19 NNDR3 year-end return. With the new check, challenge, appeal process, there has been a significant reduction in appeals in respect of bills issued since 2017/18. As well as provision for actual challenges lodged based on the proposed reductions, a provision of 2.7% has been calculated for the two large hereditaments within the Council's valuation list and then for the remaining liabilities, this has been based on all remaining unchallenged assessments. Provision has been calculated by taking the rateable value of the unchallenged assessments, multiplying this by the business rates multiplier to get the income due, applying the 2.7% trend analysis referred to above and then finally taking 8.78% of the value as the provision based on the number of challenges lodged to date. This percentage has reduced from 25% in 2019/20 as once Covid Material Change in Circumstances (MCC) appeals were excluded the volume of appeals relating to the 2017 valuation list is less than originally expected. The government has stated that Covid MMC appeals will not be allowed and will compensate businesses through a business rate relief scheme instead.

4. Assumptions made about the future and other major sources of estimation uncertainty

The preparation of Statement of Accounts requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, plant & equipment	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets.</p> <p>Uncertainty regarding public finances and local government finance makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, potentially bringing into doubt the useful lives assigned to assets.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase by £615k for non-housing properties and £76k for council dwellings for every year that useful lives had to be reduced. Whilst this risk is inherent in the valuation process, any change to the useful lives of assets and the subsequent depreciation charge will not impact on the Council's usable reserve balances, as depreciation charges do not fall on the taxpayer and are removed in the Movement in Reserves Statement.</p>
Pension's liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p>	<p>Whilst the effects on the net pension's liability of changes in individual assumptions can be measured, they are complex and inter-related. Any change in estimates can have a material impact on the Council's Accounts. It is important to note, however, that the impact of pension costs is protected in the short to medium term under national pension arrangements.</p>
Arrears and Provisions for Doubtful Debts	<p>In the light of the economic impacts of the Covid-19 pandemic on business and household finances, the impairment allowances for doubtful debts have been reviewed. Provisions for doubtful debts have been increased in respect of council tax, business rates; housing benefit overpayments; and sundry debtors.</p>	<p>If collection rates were to deteriorate an increase in the amount of the impairment of the doubtful debts would be required. If necessary, such a sum could be met from reserves and balances in the short term. Monitoring of the Council's debt will be intensified in the light of the Covid-19 pandemic.</p>

Note 4 Assumptions made about the future and other major sources of estimation uncertainty (Continued)

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Housing benefit subsidy	<p>In preparing the accounts for the year the Council has submitted a grant claim to the Department for Work and Pensions in relation to Housing Benefit paid in the year to the value of £36.5 million. The grant claim is subject to detailed audit and the accounts have been prepared on the basis that all entries on the claim have been correctly stated.</p>	<p>If the auditor identifies errors or system weakness within the grant claim there is a risk the grant income shown within the accounts is overstated. If this were to be the case, any shortfall would reduce the General Fund balance.</p>
Business rates appeals	<p>Under the Business Rates Retention scheme, which came into operation in April 2013, the Council as Billing Authority collects all Non-Domestic Rates from local business and distributes these to Central Government (50%), Suffolk County Council (10%) and Suffolk Coastal District Council (40%).</p> <p>Changes have been made by the Government in several areas since the introduction of the system, such as the imposition of a time limit for backdating appeals and the capping of year-on-year increases in rates bills. In general, the Council assumes that there will be no further significant in-year changes and fundamental changes to the system in the medium term.</p> <p>The Council must make assumptions in the returns to Government required under the system. These include estimates of growth or contraction in the rates base; the value of outstanding appeals; the value of reliefs to be awarded; and the value of doubtful debts. Methodologies for the estimation of these variables have been continually refined since April 2013.</p>	<p>If there are in-year changes to the system and there are actual variances from the assumptions on key variables included in Government returns, these will be reflected in changes in the Collection Fund surpluses or deficits attributable to Central Government, Suffolk County Council and East Suffolk Council in future years based on their distribution proportions.</p>

Note 4 Assumptions made about the future and other major sources of estimation uncertainty (Continued)

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Fair value measurements	<p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for <i>similar</i> assets or liabilities in active markets or the discounted cash flow (DCF) model).</p> <p>Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk.</p> <p>However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, the Council's chief valuation officer and external valuer).</p> <p>Information about the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in notes 14 and 15 below.</p>	<p>The fair value for all surplus assets has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the authority's area.</p>
Covid-19 Pandemic	<p>Assumptions in the MTFS based on the current assessment of the Covid-19 pandemic and economic impact.</p>	<p>This could have potential further adverse or positive impact on the Councils income streams depending on how the economy recovers.</p>

5. Comprehensive Income & Expenditure Statement: Material items of income and expenditure

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

For 2020/21, there is one item to disclose:

Active Suffolk

The Council is the lead authority hosting Active Suffolk – The County Sports Partnership for Suffolk. As Active Suffolk is not a legal entity, all income and expenditure goes through the Statement of Accounts for the Council but is identifiable within its own department codes. Active Suffolk has its own independent Board made up of 12 individuals who shall direct the affairs of Active Suffolk (previously named Suffolk Sport) in accordance with its objectives and Rules. It will be responsible for maintaining the focus of Active Suffolk and driving the business forward. Active Suffolk is funded through grant funding provided by Sports England and contributions from each of the Suffolk Local Authorities. The Council does not make any decisions on how this funding is spent; it is the responsibility of the Active Suffolk Board. The Income and Expenditure in relation to Active Suffolk is as follows:

Active Suffolk	2020/21	2019/20
	£,000	£,000
Income:		
Educational Courses	(4)	(24)
Leisure Activity Fees	(4)	(34)
Contributions from Local Authorities	(100)	(125)
Contributions from NHS	(6)	(15)
Contributions from other entities	(813)	(843)
	(927)	(1,041)
Expenditure:		
Employee expenses	803	725
Transport costs	-	4
Supplies and services	84	152
Grants and subscriptions	116	56
	1,003	937
(Surplus) transferred to earmarked reserves	76	(104)

6. Events after the Balance Sheet date

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 28 June 2021. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. Where events taking place before this date did not relate to conditions at the Balance Sheet date but provided information that is relevant to an understanding of the Council's financial position, these events are disclosed as part of this note. There are four non-adjusted Post Balance Sheet Events to disclose as follows:

Covid-19 Impacts

Since the removal of all Covid restrictions in England on 19 July 2021, Covid has continued to make an impact. At the end of November another variant, Omicron, was discovered and has since then become the dominant variant in the UK. A booster vaccination programme was quickly established; however, impacts have still been felt with Covid cases rising rapidly again. Self-Isolation payments have continued with £658,000 paid out from April 2021 to the end of January 2022. The Council also received in January 2022, a further £6.939m in business grant funding to be paid out by the end of March 2022.

Suffolk Coastal Norse Limited and Waveney Norse Limited

In December 2021, the Council gave notice to Norse Commercial Services Limited that it intends to terminate the joint venture arrangements for provision of services through Suffolk Coastal Norse Limited and Waveney Norse Limited with effect from July 2023. The council intends to establish a local authority trading company for the provision of these services.

Freeport East

In December 2021 Freeport East was legally designated a Freeport under the Designation of Freeport Tax Sites (Freeport East) Regulations 2021. Freeport East includes Tax Sites at Felixstowe (East Suffolk Council), Harwich (Tendring District Council), and Gateway 14 (Mid Suffolk District Council). East Suffolk Council is the accountable body for Freeport East, which will entail the receipt and distribution of significant amounts of Government seed funding and retained rates income.

Energy Rebate

In February 2022 HM Treasury announced all households in Council Tax Bands A-D will receive £150 rebate as a one-off payment paid by Local Authorities from April 2022. The Council will receive grant funding in March 2022 to cover the payments. In addition, there is a discretionary fund to provide support to vulnerable people and individuals on low incomes that do not pay council tax or pay council tax for properties in Bands E-H. This will again be covered by grant funding received in March 2022.

7. Expenditure and Funding Analysis

This analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by Councils in comparison with those resources consumed or earned by the council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Net Expenditure in the Comprehensive Income & Expenditure Statement £'000	2020/21 (Note 9)				Net Expenditure Chargeable to GF & HRA Balances £'000	**See Note 33 for details of the restatement	Net Expenditure in the Comprehensive Income & Expenditure £'000	2019/20 (Restated**) (Note 9)				Net Expenditure Chargeable to GF & HRA Balances £'000
	Adjustments between the Funding & Accounting Basis							Adjustments between the Funding & Accounting Basis				
	Capital £'000	s £'000	Other £'000	Total Adj £'000				Capital £'000	Pensions £'000	Other £'000	Total Adj £'000	
(1,746)	-	(7)	(7)	(1,753)	Communities	2,054	-	174	174	2,228		
1,543	-	(9)	(9)	1,534	Customer Services	1,901	(1)	266	265	2,166		
786	(50)	(6)	(56)	730	Economic Development and Regeneration	1,414	(34)	185	151	1,565		
729	(76)	(27)	(103)	626	Environmental Services and Port Health	483	(26)	672	646	1,129		
268	(10)	1,540	1,530	1,798	Financial Services, Corporate Performance and Risk Management	1,561	(245)	3,294	3,049	4,610		
19	1,495	(11)	1,484	1,503	Housing Operations and Landlord Services	74	1,273	237	1,510	1,584		
(8,657)	1,582	(33)	1,549	(7,108)	Housing Revenue Account	(9,127)	2,973	882	3,855	(5,272)		
2,738	(256)	(9)	(265)	2,473	ICT Services	2,782	(301)	205	(96)	2,686		
391	-	(3)	(3)	388	Internal Audit	409	-	75	75	484		
1,974	(3)	(7)	(10)	1,964	Legal and Democratic Services	2,393	(3)	171	168	2,561		
23,239	(9,156)	(9)	(9,165)	14,074	Operations	19,703	(8,214)	218	(7,996)	11,707		
5,424	(4,089)	(25)	(4,114)	1,310	Planning and Coastal Management	5,088	(2,731)	665	(2,066)	3,022		
857	-	(17)	(17)	840	Revenue and Benefits	2,241	-	457	457	2,698		
3,016	-	(16)	(16)	3,000	Senior and Corporate Management	3,109	-	394	394	3,503		
30,581	(10,563)	1,361	-	(9,202)	21,379	Cost of Services	34,085	(7,309)	7,895	-	586	34,671
7,866	(963)	-	-	(963)	6,903	Other Operating Expenditure	6,086	727	-	-	727	6,813
3,792	5,366	(1,200)	281	4,447	8,239	Financing and Investment Income and Expenditure	4,731	3,797	(13,089)	(1,708)	(11,000)	(6,269)
(58,764)	11,703	-	(20,276)	(8,573)	(67,337)	Taxation and Non-Specific Grant Income	(52,971)	12,278	-	1,787	14,065	(38,906)
(16,525)	5,543	161	(19,995)	(14,291)	(30,816)	(Surplus) or Deficit on Provision of Services	(8,069)	9,493	(5,194)	79	4,378	(3,691)
					(70,706)	Opening General Fund and HRA Balance						(67,015)
					(30,816)	Less/Plus Surplus of (Deficit) on General Fund and HRA Balance in Year						(3,691)
					(101,522)	Closing General Fund and HRA Balance at 31 March*						(70,706)

* For a split of this balance between the General Fund and the HRA - see Movement in Reserves Statement

Note 7 Expenditure and Funding Analysis (Continued)

The following paragraphs explain the adjustments made to the Comprehensive Income and Expenditure Statement to arrive at the Expenditure and Funding Analysis Note:

Adjustments for capital purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for Other operating expenditure and adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets. For financing and investment income and expenditure, the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices. Within taxation and non-specific grant income and expenditure capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net change for the pension's adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income. For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs. For Financing and investment income and expenditure the net interest on the defined benefit liability is charged to the CIES.

Other Differences

This includes other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute. For Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts. The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

8. Expenditure and Income analysed by nature

The Councils Expenditure and Income is analysed by type in the table below:

	2020/21 £'000	2019/20 (Restated) £'000
Expenditure		
Employee benefits expenses	32,564	33,218
Other service expenses	103,199	89,935
Dereciation, amortisation, impairment	13,055	9,813
Interest payments	4,178	5,022
Net (gains)/losses on financial assets at fair value through profit and loss	(281)	1,164
Impairment Losses including Reversals of Impairment Losses or Impairment Gains	304	323
Precepts and levies	6,633	6,302
Payments to Government in respect of the Housing Capital Receipts Pool	288	430
Business rates tariff payment and levy	27,640	27,250
Gain or loss on the disposal of assets	945	(646)
Total expenditure	188,525	172,811
Income		
Fees, Charges and other service income	(117,498)	(98,898)
Interest and investment income	(1,151)	(1,760)
Income from council tax, non-domestic rates, district rate income	(48,076)	(60,093)
Government grants and contributions	(38,327)	(20,129)
Total income	(205,052)	(180,880)
Surplus or deficit on the provision of services	(16,527)	(8,069)

9. Adjustments between accounting basis and funding basis under regulation

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against:

General Fund Balance

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. However, the balance is not available to be applied to funding HRA services.

Housing Revenue Account Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied Account

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Note 9 Adjustments between accounting basis and funding basis under regulation (Continued)

2020/21	Usable Reserves						Movement in Unusable Reserves
	General Fund Balance £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	
Adjustments Involving the Capital Adjustment Account:							
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>							
- Charges for depreciation and impairment of non current assets	(5,111)	-	(3,423)	-	-	(8,534)	8,534
- Revaluation losses on Property, Plant and Equipment	(4,911)	1,584	-	-	-	(3,327)	3,327
- Movements in the market value of Investment Properties	(1,106)	-	-	-	-	(1,106)	1,106
- Amortisation of intangible assets	(71)	-	(17)	-	-	(88)	88
Finance Lease capital payments	-	-	-	-	-	-	-
Expenditure capitalised under Approvals:							
- Capital grants and contributions that have been applied to capital financing	376	446	-	-	-	822	(822)
- Revenue expenditure funded from capital under statute	(3,785)	-	-	-	-	(3,785)	3,785
- Revenue expenditure funded from community infrastructure levies	(607)	-	-	-	-	(607)	607
- Revenue expenditure funded from section 106 receipts	(274)	-	-	-	-	(274)	274
- Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,481)	(1,083)	-	-	-	(2,564)	2,564
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>							
- Statutory provision for the financing of capital investment	820	-	-	-	-	820	(820)
- Capital expenditure charged against the General Fund and HRA balances	4,760	1,159	-	-	-	5,919	(5,919)
Adjustment involving the Capital Grants Unapplied Account:							
- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement	13,284	207	-	-	(13,491)	-	-
- Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	7,816	7,816	(7,816)

Note 9 Adjustments between accounting basis and funding basis under regulation (Continued)

2020/21	Usable Reserves						Movement in Unusable Reserves £'000
	General Fund Balance £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	
Adjustments involving the Capital Receipts Reserve:							
- Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	58	1,545	-	(1,603)	-	-	-
- Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	-	1,180	-	1,180	(1,180)
- Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts	(287)	-	-	287	-	-	-
Adjustments involving the Major Repairs Reserve							
Use of the Major Repairs Reserve to fund new capital expenditure	-	-	1,798	-	-	1,798	(1,798)
Adjustments involving the Financial Instruments Adjustment Account:							
- Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	21	-	-	-	-	21	(21)
Adjustments involving the Pooled Investments Adjustment Account:							
- Amount by which Financial Instruments held under Fair Value through Profit and Loss are subject to MHCLG statutory over-ride Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	281	-	-	-	-	281	(281)
Adjustments involving the Pensions Reserve:							
- Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(7,616)	(1,423)	-	-	-	(9,039)	9,039
- Employer's pensions contributions and direct payments to pensioners payable in the year	7,810	1,390	-	-	-	9,200	(9,200)
Adjustments involving the Collection Fund Adjustment Account:							
- Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements.	(20,277)	-	-	-	-	(20,277)	20,277
Total Adjustments	(18,116)	3,825	(1,642)	(136)	(5,675)	(21,744)	21,744

Note 9 Adjustments between accounting basis and funding basis under regulation (Continued)

2019/20	Usable Reserves						Movement in Unusable Reserves £'000
	General Fund Balance £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	
Adjustments Involving the Capital Adjustment Account:							
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>							
- Charges for depreciation and impairment of non current assets	(5,300)	-	(3,308)	-	-	(8,608)	8,608
- Revaluation losses on Property, Plant and Equipment	(4,013)	2,973	-	-	-	(1,040)	1,040
- Movements in the market value of Investment Properties	18	-	-	-	-	18	(18)
- Amortisation of intangible assets	(160)	-	(23)	-	-	(183)	183
Expenditure capitalised under Approvals:							
- Capital grants and contributions that have been applied to capital financing	663	-	-	-	-	663	(663)
- Revenue expenditure funded from capital under statute	(2,419)	-	-	-	-	(2,419)	2,419
- Revenue expenditure funded from community infrastructure levies	(504)	-	-	-	-	(504)	504
- Revenue expenditure funded from section 106 receipts	(218)	-	-	-	-	(218)	218
- Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(81)	(1,500)	-	-	-	(1,581)	1,581
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>							
- Statutory provision for the financing of capital investment	815	-	-	-	-	815	(815)
- Capital expenditure charged against the General Fund and HRA balances	2,761	612	-	-	-	3,373	(3,373)
Adjustment involving the Capital Grants Unapplied Account:							
- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement	13,636	308	-	-	(13,944)	-	-
- Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	8,468	8,468	(8,468)

Note 9 Adjustments between accounting basis and funding basis under regulation (Continued)

2019/20	Usable Reserves						
	General Fund Balance £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Movement in Unusable Reserves £'000
Adjustments involving the Capital Receipts Reserve:							
- Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	135	2,177	-	(2,312)	-	-	-
- Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	-	52	-	52	(52)
- Contribution from the Capital Receipts Reserve towards administrative costs of non current asset disposals	(4)	-	-	4	-	-	-
- Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts	(430)	-	-	430	-	-	-
Adjustments involving the Major Repairs Reserve							
Use of the Major Repairs Reserve to fund new capital expenditure	-	-	2,158	-	-	2,158	(2,158)
Adjustments involving the Financial Instruments Adjustment Account:							
- Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	21	-	-	-	-	21	(21)
Adjustments involving the Pooled Investments Adjustment Account:							
- Amount by which Financial Instruments held under Fair Value through Profit and Loss are subject to MHCLG statutory over-ride Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(1,164)	-	-	-	-	(1,164)	1,164
Adjustments involving the Pensions Reserve:							
- Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(10,771)	(1,772)	-	-	-	(12,543)	12,543
- Employer's pensions contributions and direct payments to pensioners payable in the year	6,469	882	-	-	-	7,351	(7,351)
Adjustments involving the Collection Fund Adjustment Account:							
- Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	1,244	-	-	-	-	1,244	(1,244)
Total Adjustments	698	3,680	(1,173)	(1,826)	(5,476)	(4,097)	4,097

10. Transfers to/ from Earmarked Reserves

	Balance 31 March 2019 (Restated*) £'000	Transfers Out 2019/20 (Restated*) £'000	Transfers In 2019/20 £'000	Balance 31 March 2020 (Restated*) £'000	Transfers Out 2020/21 £'000	Transfers In 2020/21 £'000	Balance 31 March 2021 £'000	Purpose of the Earmarked Reserve
General Fund:								
Actuarial Contributions	637	-	863	1,500	(1,500)	-	-	Financing pension strain budget pressures.
Additional Disabled Facilities Grant(DFG) funding (Non-Air Quality	8	-	21	29	(17)	-	12	External funding supporting additional Disabled Facilities Grant works above standard DFG.
Better Broadband	97	(23)	12	86	(2)	-	84	Funding for Air Quality Management Areas by DEFRA.
Brexit	36	(24)	-	12	(5)	500	507	External funding received to support Broadband delivery.
Budget Carry Forwards	35	(35)	55	55	(61)	150	144	External funding received to finance Brexit cost pressures.
Building Control	212	(211)	202	203	(114)	109	198	Unspent revenue budgets carried forward to fund approved requests.
Business Incentive	519	(4)	-	515	-	-	515	Statutory fund to smooth Building Control expenditure and income over a rolling annual period.
Business Rates Equalisation	97	(95)	-	2	-	-	2	External Funding to support economic development.
Business Rates Pilot	7,880	(4,651)	2,652	5,881	(14)	7,522	13,389	Business rates income set aside to equalise business rate income fluctuations and accounting timing differences.
Capital Reserve	3,011	(499)	161	2,673	(479)	-	2,194	Business rate retention pilot scheme income (2018/19) set aside to fund agreed projects.
Climate Change (includes Suffolk Energy Link)	3,761	(1,743)	5,932	7,950	(2,543)	605	6,012	Source of finance for capital investment plans.
Coastal Management - Revenue Works	58	(20)	40	78	(1)	3	80	Additional source of finance for initiatives to reduce climate change.
Coastal Protection - Capital Works	222	(56)	-	166	-	144	310	Funding of coastal defence revenue expenditure.
Communities	176	-	-	176	-	-	176	Funding of coastal defence capital expenditure.
Community Health	899	(771)	54	182	(52)	3,025	3,155	External Funding for community initiatives.
Community Housing Fund	35	(35)	-	-	-	-	-	Delivery of Community Health projects.
Contractual Liability	2,191	(57)	-	2,134	(53)	-	2,081	Enabling local community groups to deliver affordable housing units.
County Sports Partnership	-	-	-	-	-	500	500	Supporting any third party contractual issues.
COVID-19 Response	761	(19)	123	865	(152)	76	789	Delivery of the County Sports Partnership.
Customer Services	-	-	99	99	(2,368)	18,002	15,733	Government funding received in response to the COVID-19 pandemic.
Deployment of Flood Barrier	156	-	-	156	-	90	246	Funding project support and implementation costs.
District Elections	88	-	-	88	-	-	88	Meeting Lowestoft flood barrier deployment costs.
	403	(323)	-	80	-	60	140	Supporting costs of future elections.

*See Note 33 for details of the restatement

Note 10 Transfers to/ from Earmarked Reserves (Continued)

	Balance 31 March 2019 (Restated*) £'000	Transfers Out 2019/20 (Restated*) £'000	Transfers In 2019/20 £'000	Balance 31 March 2020 (Restated*) £'000	Transfers Out 2020/21 £'000	Transfers In 2020/21 £'000	Balance 31 March 2021 £'000	Purpose of the Earmarked Reserve
Domestic Violence Support Funding	53	-	93	146	(83)	-	63	Funding domestic violence support schemes.
East Suffolk Partnership	123	(123)	-	-	-	-	-	Funding to support East Suffolk Partnership projects and initiatives.
Economic Development	99	(16)	572	655	(55)	521	1,121	Funding to support Economic Development projects.
Economic Regeneration	153	(56)	172	269	(148)	60	181	Post 2013 flooding Lowestoft Seafront recovery activity.
Empty Properties & Houses in Disrepair	190	(57)	-	133	-	2	135	Assisting bringing empty properties back into use.
Enterprise Zone	684	(669)	625	640	(474)	381	547	Enterprise Zone retained business rates income pending distribution.
Environmental Protection	-	-	-	-	-	151	151	Sizewell funding for Environmental Protection staffing.
Felixstowe Forwards	33	(7)	7	33	(3)	1	31	External funding received to fund projects in Felixstowe.
Flood Prevention	12	(6)	-	6	-	-	6	Funding for flood prevention assistance.
Great Places	13	(13)	-	-	-	-	-	Funding new ways of working, building capacity, research, consultations and developing partnerships within Lowestoft.
Green Homes Funding	-	-	-	-	-	18	18	External funding received to facilitate greener home initiatives.
Growth Programme	184	(44)	-	140	(72)	-	68	External funding received to fund work on Suffolk Design Concepts.
Gypsy & Traveller	-	(2)	27	25	-	29	54	Fund for macerator at Kessingland site and external funding to find a new suitable site.
Heritage Action Zone North	-	-	30	30	(2)	1	29	Funding received to deliver the North Heritage Action Zone project.
Homelessness Prevention	313	(191)	316	438	(151)	284	571	Homelessness prevention revenue grants received in advance to be matched with expenditure in subsequent years.
Homes & Communities Agency (HCA) - Area Action Plan (AAP) Land Contamination Grant	162	-	-	162	-	-	162	To fund site investigative works covering the Area Action Plan in Lowestoft. Externally funded with conditions attached.
Homes & Communities Agency (HCA) Development Grant	75	-	-	75	-	-	75	Funding received for the Adastral Park development.
Housing and Planning Delivery	182	(182)	-	-	-	-	-	To provide a source of finance to fund service improvements in these service areas.
Housing Benefit (HB) Subsidy	352	(52)	-	300	-	-	300	Meeting budget pressures due to fluctuations with HB subsidy and implementation/changes due to Government legislation.
Housing Condition Survey & Improvements	97	(6)	-	91	(46)	-	45	To meet the cost of the periodic survey of Private Sector Housing within the district.

Note 10 Transfers to/ from Earmarked Reserves (Continued)

	Balance 31 March 2019 (Restated*) £'000	Transfers Out 2019/20 (Restated*) £'000	Transfers In 2019/20 £'000	Balance 31 March 2020 (Restated*) £'000	Transfers Out 2020/21 £'000	Transfers In 2020/21 £'000	Balance 31 March 2021 £'000	Purpose of the Earmarked Reserve
Individual Electoral Registration	266	-	112	378	-	140	518	To meet the additional cost for administration of Individual Electoral Registration.
Indoor Leisure	120	(120)	50	50	-	-	50	Providing a source of finance to support the closure cost of Deben Leisure Centre during refurbishment.
Insurance	166	-	-	166	-	5	171	To provide a source of finance for any uninsured losses.
In-Year Contingency	400	(400)	-	-	-	-	-	To provide in-year contingency provision.
In-Year Savings	5,606	(686)	-	4,920	(600)	-	4,320	In-Year savings set aside to support future year budget gaps.
Key Capital Programme	200	(18)	-	182	-	-	182	To provide a source of finance to support the revenue costs associated with the delivery of key capital projects.
Land Charges	372	(222)	-	150	-	-	150	To support the General Fund from losses in future Land Charges income.
Landguard	-	-	16	16	(6)	8	18	Funding for the Landguard Governance review.
Local Development Framework	477	(472)	-	5	-	-	5	To meet the costs arising from the periodic preparation and adoption of the Local Development Framework.
Lowestoft Rising	90	(24)	35	101	(44)	1	58	Funding received to deliver earmarked work under the Lowestoft Rising project.
Modular Ramps - DFG	-	-	-	-	-	-	-	- DFG funding for the removal of temporary ramps when no long required.
New Homes Bonus	4,594	(1,560)	2,408	5,442	(1,681)	2,303	6,064	Supporting community initiatives across East Suffolk.
Next Step Accommodation Programme	-	-	-	-	-	36	36	External funding to help Rough Sleepers get off the streets and into accommodation.
Planning	-	(65)	465	400	-	-	400	To provide a source of finance for planning appeals, local plans and planning challenges.
Planning & Building Control	51	(51)	-	-	-	-	-	To provide a source of finance for professional training and development needs of the service.
Planning Legal	-	-	200	200	-	200	400	To provide for legal costs in respect of planning appeals.
Planning Policy	255	(255)	-	-	-	-	-	To support development work and audit of the Local Plan.
Port Health	4,623	(101)	659	5,181	(789)	1,205	5,597	Supporting the future investment and development of the Authority's infrastructure at the Port of Felixstowe.
Private Sector Housing	41	-	13	54	-	18	72	Grants repaid to be set aside for empty property/home improvement initiatives.
Private Sector Housing Renovation Grants	872	(62)	-	810	(67)	-	743	Grants repaid set aside to fund future renovation works.
Rent Guarantee Scheme	15	-	-	15	-	-	15	To provide a source of finance for landlord claims.
Revenue & Benefits Administration	191	-	52	243	-	-	243	To provide a source of finance for budget pressures on the administration of Revenues & Benefits.

Note 10 Transfers to/ from Earmarked Reserves (Continued)

	Balance 31 March 2019 (Restated*) £'000	Transfers Out 2019/20 (Restated*) £'000	Transfers In 2019/20 £'000	Balance 31 March 2020 (Restated*) £'000	Transfers Out 2020/21 £'000	Transfers In 2020/21 £'000	Balance 31 March 2021 £'000	Purpose of the Earmarked Reserve
S106 Interest	-	-	30	30	-	-	30	Contingency related to Affordable Housing S106 should conditions not be met.
Short Life Assets	588	(784)	596	400	(144)	618	874	To fund the purchase of short life assets. Any capital funding will be repaid from revenue budgets.
Southwold Beach Huts	175	-	-	175	-	-	175	Receipt of monies from letting of new beach hut sites in Southwold in 2014/15 approved to be used within Southwold.
Stepping Homes	68	(53)	47	62	(47)	1	16	External funding received to support hospital patients to return home (Stepping Home project).
Strategic Plan Delivery	234	-	16	250	-	-	250	Facilitating the delivery of the Council's Strategic Plan, including any emerging priorities.
Transformation	1,322	(185)	-	1,137	(1,683)	3,763	3,217	To provide funding for efficiency (invest to save) initiatives and to support the delivery of the Strategic Plan.
Warmer Homes Healthy People	36	(17)	46	65	(26)	80	119	To provide a source of finance to fund grants towards heating of homes.
Youth Leisure	10	-	-	10	-	-	10	Project funding received to support Active Leisure for young people.
Total General Fund	44,779	(15,065)	16,801	46,515	(13,482)	40,612	73,645	
Housing Revenue Account:	-							
Hardship Reserve	500	-	-	500	-	-	500	Providing financial help to tenants who find themselves in financial hardship.
Debt Repayment Reserve (Restated*)	8,500	(413)	1,000	9,087	(400)	1,500	10,187	Set aside funds to meet future liabilities for repaying the Self-Financing debt.
Impairment/Revaluation Reserve	255	-	-	255	-	-	255	Providing for potential impairment and revaluation losses to HRA assets due to changes in Accounts and Audit Regulations.
Municipal Mutual Insurance Limited (MMI) Reserve	66	(6)	-	60	-	-	60	To provide for potential liabilities relating to Municipal Mutual Insurance Limited (MMI).
Acquisition & Development Reserve	1,500	-	3,000	4,500	-	1,800	6,300	Funding for the Housing development programme.
Total Housing Revenue Account	10,821	(419)	4,000	14,402	(400)	3,300	17,302	
Total	55,600	(15,484)	20,801	60,917	(13,882)	43,912	90,947	

*See Note 33 for details of the restatement

11. CIES - Other operating expenditure

	2020/21	2019/20
	£'000	£'000
Parish Council precepts	6,381	6,067
Payments to the Government Housing Capital Receipts Pool	288	430
Gains/losses on the disposal of non current assets	945	(646)
Levies	252	235
Total	7,866	6,086

12. CIES - Financing and investment income

	2020/21	2019/20
	£'000	£'000
Interest payable and similar charges	2,864	3,016
Net interest on the net defined benefit liability	1,200	1,886
Interest receivable and similar income	(569)	(1,071)
Net (gains)/losses on financial assets at fair value through profit and loss	(281)	1,164
Impairment Losses including Reversals of Impairment Losses or Impairment Gains	304	323
Income and expenditure in relation to investment properties and changes in their fair value	856	(180)
Other Investment Income	(582)	(407)
Total	3,792	4,731

13. CIES - Taxation and non-specific grants

	2020/21 £'000	2019/20 £'000
Council tax income	(21,307)	(20,562)
Non domestic rates	(37,819)	(37,022)
Tariff payment to Suffolk County Council	22,193	21,837
Share of (surplus)/deficit on collection fund	12,800	(625)
Share of pooling benefit with other Suffolk Councils	(1,750)	(1,722)
Levy payment to Suffolk Business Rates Pool	5,447	5,413
Share of Pilot Pooling Benefit with other Suffolk Councils	-	(161)
Non-ring fenced government grants	(26,625)	(7,851)
Capital grant and contributions	(11,703)	(12,278)
Total	(58,764)	(52,971)

14. Property, Plant & Equipment

Movements in 2020/21:

	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction		Total PPE £'000
							Construction £'000	Land £'000	
Cost or Valuation									
At 1 April 2020	215,452	91,650	16,547	54,687	1,748	6,474	13,213	2,851	402,622
Additions	2,571	1,217	1,028	166	31	1	10,897	122	16,033
Donated Assets	-	112	-	-	-	-	17	575	704
Revaluation increases/(decreases) recognised in the Revaluation Reserve	3,639	3,914	-	-	-	142	-	-	7,695
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	615	(5,223)	-	-	-	(48)	-	-	(4,656)
Derecognition - Disposals	(1,064)	(306)	(142)	-	(971)	-	(49)	-	(2,532)
Derecognition - Other	-	(84)	(1,131)	-	-	-	-	-	(1,215)
Other movements in Cost or Valuation	1,347	8,425	-	3,089	866	(23)	(13,797)	93	-
At 31 March 2021	222,560	99,705	16,302	57,942	1,674	6,546	10,281	3,641	418,651
Accumulated Depreciation and Impairment									
At 1 April 2020	-	2,238	11,292	26,707	-	20	16	-	40,273
Depreciation charge	3,266	2,668	1,245	1,320	-	35	-	-	8,534
Depreciation written out to the Revaluation Reserve	(2,288)	(1,744)	-	-	-	(26)	-	-	(4,058)
Depreciation written out to the Surplus/Deficit on the Provision of	(973)	(347)	-	-	-	(8)	-	-	(1,328)
Derecognition - Disposals	(5)	(22)	(142)	-	-	-	-	-	(169)
Derecognition - Other	-	(4)	(995)	-	-	-	-	-	(999)
Other movements in Depreciation and Impairment	-	-	-	9	-	-	(11)	-	(2)
At 31 March 2021	-	2,789	11,400	28,036	-	21	5	-	42,251
Net Book Value									
At 31 March 2021	222,560	96,916	4,902	29,906	1,674	6,525	10,276	3,641	376,400
At 31 March 2020	215,452	89,412	5,255	27,980	1,748	6,454	13,197	2,851	362,349

Note 14 Property, Plant & Equipment (Continued)

Comparative Movements in 2019/20									
	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction		Total PPE £'000
							Construction £'000	Land £'000	
Cost or Valuation									
At 1 April 2019	203,758	93,012	16,366	54,488	1,783	1,526	13,013	3,689	387,635
Additions	2,438	637	950	239	(35)	55	7,313	-	11,597
Revaluation increases/(decreases) recognised in the Revaluation Reserve	3,813	(1,233)	-	-	-	3,705	-	-	6,285
Revaluation increases/(decreases) recognised in the Surplus/Deficit on	1,718	(3,500)	-	-	-	(941)	-	-	(2,723)
Derecognition - Disposals	(1,512)	(24)	(241)	-	-	-	-	-	(1,777)
Derecognition - Other	(1)	-	(528)	-	-	(15)	1	-	(543)
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	2,144	-	-	2,144
Other movements in Cost or Valuation	5,238	2,758	-	(40)	-	-	(7,114)	(838)	4
At 31 March 2020	215,452	91,650	16,547	54,687	1,748	6,474	13,213	2,851	402,622
Accumulated Depreciation and Impairment									
At 1 April 2019	-	1,964	10,828	24,988	-	18	57	-	37,855
Depreciation charge	3,133	2,521	1,212	1,718	-	25	-	-	8,609
Depreciation written out to the Revaluation Reserve	(1,903)	(1,833)	-	-	-	(14)	-	-	(3,750)
Depreciation written out to the Surplus/Deficit on the Provision of	(1,253)	(421)	-	-	-	(9)	-	-	(1,683)
Derecognition - Disposals	(12)	-	(241)	-	-	-	-	-	(253)
Derecognition - Other	-	-	(506)	-	-	-	-	-	(506)
Other movements in Depreciation and Impairment	35	7	(1)	1	-	-	(41)	-	1
At 31 March 2020	-	2,238	11,292	26,707	-	20	16	-	40,273
Net Book Value									
At 31 March 2020	215,452	89,412	5,255	27,980	1,748	6,454	13,197	2,851	362,349
At 1 April 2019	203,758	91,048	5,538	29,500	1,783	1,508	12,956	3,689	349,780

Note 14 Property, Plant & Equipment (Continued)

Depreciation

Depreciation is charged on a straight-line basis over the estimated useful life of each depreciating asset. The estimated useful life of each category of asset is as follows:

Estimated Life (Years)	Estimated Life (Years)
Council dwellings	35 to 60
Other land and buildings	30 to 60
HRA garages	10 to 25
Vehicles, plant and equipment	5 to 20
Infrastructure assets	40 to 60
Community assets	60
Other depreciating assets	40 to 60

Fair Value Measurement of Surplus Asset

Fair Value Hierarchy - All the Councils' surplus assets have been assessed as having level 2 inputs as at 31 March 2021. Valuation Techniques used to determine Level 2 Fair Values for Surplus Assets are Significant Observable Inputs (Level 2). The fair value for all surplus assets has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the Council area. The fair value of surplus assets as at 31 March 2021 was £6.546 million (value as at 31 March 2020 was £6.474 million).

Capital commitments

At 31 March 2021, the Council had contractual commitments of £21.6 million relating to the Lowestoft Flood Risk Management Project.

Effects of changes in estimates

There were no material changes to accounting estimates for property, plant and equipment in 2020/21.

Revaluations

The following statement shows the progress of the Council's programme of revaluation of property, plant and equipment. The Council carries out a rolling programme that ensures that all property, plant and equipment required to be measured at current value is revalued at least every five years. All valuations, with the exception of Council dwellings were carried out by the Council's in-house valuers. NPS Property Services Ltd carried out the beacon valuations of Council Dwellings. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The basis for valuation of non-current assets is set out in the Statement of Accounting

Note 14 Property, Plant & Equipment (Continued)

Policies. There were no significant assumptions made by the valuer in the year. The effective date of revaluation of those assets revalued during 2020/21 was:

- 31 December 2020 for assets measured at current value, fair value and those assets at risk of material movements in their valuation during the year; and
- 31 March 2021 for assets measured at social housing discount.

	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction		Total PPE £'000
							Construction £'000	Land £'000	
Carried at historical cost			16,302	57,942	1,674	-	10,281	3,641	89,840
Value at current value as at:									
31 March 2021	222,560	43,131	-	-	-	6,522	-	-	272,213
31 March 2020		15,605	-	-	-	13	-	-	15,618
31 March 2019		11,735	-	-	-	-	-	-	11,735
31 March 2018		18,367	-	-	-	-	-	-	18,367
31 March 2017		10,867	-	-	-	11	-	-	10,878
Total Cost or Valuation	222,560	99,705	16,302	57,942	1,674	6,546	10,281	3,641	418,651

15. Assets held for sale

	Current Assets	
	2020/21 £'000	2019/20 £'000
Balance outstanding at start of year	4	2,148
Assets declassified as held for sale:		
- Property, Plant and Equipment	-	(2,144)
Balance outstanding at year-end	4	4

16. Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	2020/21	2019/20
	£'000	£'000
Rental income from investment properties	364	282
Direct operating expenses arising from investment properties	(114)	(120)
Net gain/(loss)	250	162

There are no restrictions on the Council's ability to realise the value inherent in its investment properties or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance, or enhancement. The following table summarises the movement in the fair value of investment properties over the year:

	2020/21	2019/20
	£'000	£'000
Balance at 1 April	2,900	2,882
Additions:		
- Purchases	3,206	-
Net gains/losses from fair value adjustments	(1,106)	18
Balance at 31 March	5,000	2,900

Fair Value Measurement of Investment Properties

Fair Value Hierarchy - all the Council's investment properties have been assessed as having level 2 inputs as at 31 December 2020. Valuation Techniques used to determine Level 2 Fair Values for Surplus Assets are Significant Observable Inputs (Level 2). The fair value for all surplus assets has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the authority's area.

17. Financial Instruments

Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes, benefits and government grants, do not give rise to financial instruments.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following two classifications:

- Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flow) comprising:
 - cash in hand;
 - bank current and deposit accounts with Lloyds, Barclays and Santander banks;
 - fixed term deposits with banks and building societies;
 - loans to other local authorities;
 - lease receivables; and
 - trade receivables for goods and services provided.

- Fair value through profit and loss (all other financial assets) comprising pooled property fund and diversified income fund managed by CCLA fund managers.

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

All of the Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board;
- short-term loans from other local authorities;
- overdraft with Lloyds bank;
- lease payables; and
- trade payables for goods and services received.

Note 17 Financial Instruments (Continued)

Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

Financial Liabilities	Long-term	Short-term	Long-term	Short-term
	2020/21	2020/21	2019/20	2019/20
	£'000	£'000	£'000	£'000
Loans at amortised cost:				
Principle sum borrowed	65,967	11,286	77,413	-
Total Borrowing	65,967	11,286	77,413	-
Liabilities at amortised cost:				
Creditors	15	4,468	7	7,118
Finance Leases	5,779	300	6,079	280
Financial Liabilities in Creditors	5,794	4,768	6,086	7,398
Non Financial Liabilities	92,048	51,844	59,666	31,047
Total Financial Liabilities	163,809	67,898	143,165	38,445

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

Financial Assets	Long-term	Short-term	Long-term	Short-term
	2020/21	2020/21	2019/20	2019/20
	£'000	£'000	£'000	£'000
At amortised cost:				
Principle	-	71,000	-	84,000
Accrued Interest	-	102	-	388
At fair value through profit and loss:				
Principle	34,031	-	18,676	-
Total Investments	34,031	71,102	18,676	84,388
At amortised cost:				
Principle	-	25,453	-	19,718
Total Cash & Cash Equivalents	-	25,453	-	19,718
At amortised cost:				
Debtors	222	6,280	236	6,036
Lease Receivables	4	-	4	-
Loss Allowance	-	(858)	-	(744)
Financial Assets in Debtors	226	5,422	240	5,292
Non Financial Assets	1,789	38,037	1,152	14,110
Total Assets	36,046	140,014	20,068	123,508

Note 17 Financial Instruments (Continued)

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The table below shows those instruments that have been offset on the balance sheet.

	31-Mar-21 (Liabilities)	Net Position on Balance	31-Mar-20 (Liabilities)	Net Position on
	Gross Assets (Liabilities) £'000	assets set off £'000	Gross Assets (Liabilities) £'000	assets set off £'000
Bank accounts in credit	20,221	20,221	18,675	-
Bank overdrafts		(9,771)	-	(5,958)
Total Financial Assets (Liabilities)		10,450		12,717

Note 17 Financial Instruments (Continued)

Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	2020/21			2019/20		
	Amortised cost £'000	Fair Value through Profit and Loss £'000	Total £'000	Amortised cost £'000	Fair Value through Profit and Loss £'000	Total £'000
Interest expense	2,864	-	2,864	3,016	-	3,016
Losses from change in fair value	-	(281)	(281)	-	1,164	1,164
Impairment losses	304	-	304	323	-	323
Interest payable and similar charges	3,168	(281)	2,887	3,339	1,164	4,503
Interest income	(569)	-	(569)	(1,071)	-	(1,071)
Interest and investment income	(569)	-	(569)	(1,071)	-	(1,071)
Net gain / (loss) for the year	2,599	(281)	2,318	2,268	1,164	3,432

Fair Values

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including pooled property funds, the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2021, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of finance lease assets and liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument.

Note 17 Financial Instruments (Continued)

- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1: fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2: fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3: fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

	31-Mar-21		31-Mar-20	
	Carrying Amount £000s	Fair Value £000s	Carrying Amount £000s	Fair Value £000s
PWLB Loans (Level 2)	77,253	91,370	77,413	91,738

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date.

Recurring Fair Value Measurement	Input level in Fair Value Hierarchy	Valuation technique used to measure Fair Value	31-Mar-21 Fair Value £000s	31-Mar-20 Fair Value £000s
Fair Value through Profit & Loss CCLA Property Fund	1	Unadjusted quotes prices in active markets for identical shares	9,203	9,270
CCLA Diversified Income Fund	1	Unadjusted quotes prices in active markets for identical shares	4,774	4,404
Ninety One Diversified Income Fund	1	Unadjusted quotes prices in active markets for identical shares	4,976	-

Note 17 Financial Instruments (Continued)

Risks

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2017.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Ministry for Housing, Communities and Local Government Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The main risks covered are:

- Credit Risk: The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- Liquidity Risk: The possibility that the Council might not have the cash available to make contracted payments on time.
- Market Risk: The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Treasury Investments

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit of £25m of the total portfolio is placed on the amount of money that can be invested with a single counterparty (other than the UK government). For unsecured investments in banks, building societies and companies, a smaller limit of £20m applies. The Council also sets limits on investments in certain sectors. No more than £20m in total can be invested for a period longer than one year.

Note 17 Financial Instruments (Continued)

The table summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

Credit Rating	31-Mar-21		31-Mar-20	
	Long Term £000s	Short Term £000s	Long Term £000s	Short Term £000s
Local Authorities - AAA	15,074	71,102	18,676	84,000
AAA				
AA+				
AA				
AA-				
A+				
A				
A-				
BBB+				
Unrated Pooled Funds	18,957			
Total Investments	34,031	71,102	18,676	84,000

Credit Risk: Trade and Lease Receivables and Contract Assets

The Council's credit risk on lease receivables is mitigated by its legal ownership of the assets leased, which can be repossessed if the debtor defaults on the lease contract. The following analysis summarises the Council's trade receivables, by due date. Only those receivables meeting the definition of a financial asset are included.

	2020/21 £,000	2019/20 £,000
Less than three months	3,924	4,827
Three to six months	203	340
Six months to one year	264	39
More than one year	732	433
	5,123	5,639

Note 17 Financial Instruments (Continued)

Loss allowances on trade receivables have been calculated by reference to the Council's historic experience of default. Receivables are determined to have suffered a significant increase in credit risk where they are 90 or more days past due and they are determined to be credit-impaired where they are 365 or more days past due. Receivables are collectively assessed for credit risk in the following groupings:

	Range of allowances set aside	Gross Receivables £'000	Loss Allowance £'000
Trade Receivables 31-Mar-21	4%-100%	3,578	(774)
Trade Receivables 31-Mar-20	4%-100%	2,877	(653)

Receivables are written off to the Surplus or Deficit on the Provision of Services when they are three years past due and all recovery action has been taken.

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than 50% of the Council's borrowing matures in any one financial year. The maturity analysis of financial instruments is as follows:

Note 17 Financial Instruments (Continued)

		2020/21	2019/20
		£'000	£'000
Analysis by Lender:			
	Public Works Loan Board	77,253	77,413
Analysis by Maturity:			
	Repayable within:		
	Less than 1 year (short term)	11,286	-
	1 to 2 years	-	11,286
	2 to 5 years	2,000	2,000
	5 to 10 years	10,007	10,007
	over 10 years	53,960	54,120
		77,253	77,413
Fair Value of PWLB Loans at the year-end		91,370	91,643

Maturity of Fixed Rate Debt:	Upper Limit	Lower Limit	Actual 31-Mar-21	Actual 31-Mar-20
	%	%	%	%
Under 12 months (see note below)	50%	0%	2%	0%
12 months and within 24 months	50%	0%	0%	2%
24 months and within 5 years	75%	0%	3%	3%
5 years and within 10 years	75%	0%	15%	15%
10 years and within 20 years	75%	0%	64%	49%
20 years and above	100%	0%	16%	31%

Market Risks: Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

Note 17 Financial Instruments (Continued)

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities will fall
- investments at variable rates – the interest income will rise
- investments at fixed rates – the fair value of the assets will fall.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits on its net exposures to fixed and variable interest rates. At 31 March 2021, £6.63m of net principal borrowed (i.e. borrowing net of investments) was exposed to fixed rates. If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	31-Mar-21	31-Mar-20
	£'000	£'000
Increase in interest payable on variable rate borrowings	103	52
Increase in interest receivable on variable rate investments	(6)	(5)
Increase in government grant receivable for financing costs	(86)	(91)
Impact on Surplus or Deficit on the Provision of Services	11	(44)
Share of overall impact debited to the HRA	5	(21)

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Market Risks: Price Risk

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to property investments of £9.20m. A 5% fall in commercial property prices at 31st March 2021 would result in a £0.460m charge to Other Comprehensive Income and Expenditure / the Surplus or Deficit on the Provision of Services which is then transferred to the Pooled Investment Funds Adjustment Account. The Council's investment in a diversified income fund is subject to the risk of falling rental and commercial property prices. This risk is limited by the Council's maximum exposure to property investments of £9.75m. A 5% fall in commercial property prices at 31st March 2021 would result in a £0.488m charge to Other Comprehensive Income and Expenditure / the Surplus or Deficit on the Provision of Services which is then transferred to the Pooled Investment Funds Adjustment Account.

18. Debtors

Short term Debtors:

	2020/21	2019/20
	£'000	£'000
Central Government bodies	18,885	3,160
Other Local Authorities	6,577	3,113
NHS bodies	132	423
Public corporations and trading funds	-	-
Council Taxpayers	2,407	2,286
Other entities and individuals	17,398	16,369
Prepayments	3,932	359
Total	49,331	25,710
less Bad Debt Impairment Provisions:		
Council Taxpayers	(1,208)	(1,121)
Other service debtors	(5,866)	(5,297)
Total	42,257	19,292

The large variance in Central Government bodies debtors is due to an Non-Domestic Rate (NDR) debtor for prior overpayments due from DCLG for £15.175 million. Debtors for local taxation - The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

	2020/21	2019/20
	£'000	£'000
Less than 12 months	1,639	1,540
More than one year	2,897	2,467
	4,536	4,007

Long term Debtors:

	2020/21	2019/20
	£'000	£'000
Other Local Authorities	196	214
Finance Leases	4	4
Prepayments	-	230
Other entities and individuals	1,815	944
	2,015	1,392

19. Creditors

Short term Creditors:

	2020/21	2019/20
	£'000	£'000
Central Government bodies	34,222	5,740
Other Local Authorities	8,443	14,831
NHS bodies		3
Other entities and individuals	8,580	8,272
Receipts in Advance	5,586	9,448
Total	56,831	38,294

Long term Creditors:

	2020/21	2019/20
	£'000	£'000
Creditors	659	7
Finance Leases	5,779	6,079
Receipts in Advance	465	558
	6,903	6,644

20. Provisions

	Other £'000	HRA Service Charge £'000 (Re-stated)	Business Rates Appeals £'000	Total £'000
<u>Long Term Provisions</u>				
Balance at 1 April 2019	5	2,944	5,029	7,978
Movement in Provision in 2019/20	(16)	413	(795)	(398)
Amounts used in 20219/20	-	-	(755)	(755)
Unused amounts reversed in 2019/20	16	-	(881)	(865)
Balance at 31 March 2020	<u>5</u>	<u>3,357</u>	<u>2,598</u>	<u>5,960</u>
Balance at 1 April 2020	5	3,357	2,598	5,960
Movement in Provision in 2020/21	(5)	400	702	1,097
Amounts used in 2020/21	-	-	(539)	(539)
Unused amounts reversed in 2020/21	-	-	(93)	(93)
Balance at 31 March 2021	<u>-</u>	<u>3,757</u>	<u>2,668</u>	<u>6,425</u>

HRA Service Charge Provision (* See Note 33 for details of the restatement)

The Council identified that additional charges were being added to multiple rent accounts in previous years to cover the servicing costs associated with heating. These charges initially formed part of the service charges and then, in or around 2018, were re-defined as "de-pooled rental charges". These "de-pooled rental charges" have been charged in addition to the core rent, however, these additional charges relate to services which the Council, as landlord, should not be re-charging to tenants.

The Gas Safety (Installation and Use) Regulations 1998 places a number of statutory duties on a landlord of domestic tenancies granted for a term of less than seven years. The main duties are to:

- Ensure the gas fittings are flues are maintained in a safe condition;
- Ensure an annual safety check is carried out on each gas appliances/flue; and
- Keep records of the gas safety checks.

Under Section 11 of the Landlord and Tenant Act 1985, a landlord of residential tenancies granted for a term of less than seven years has implied repair duties. This includes the statutory duties to keep in repair and proper working order the installations in the dwelling-house for the supply of gas and space heating and heating water. This extends to cover gas pipes and boilers. Therefore, the Council should not have been re-charging its tenants, outside the core rent, for costs associated with it complying with its statutory duties.

Based on the information above, the Council will need to reimburse tenants for the additional service charge costs included within their rent since 2010/11, and therefore a provision has been provided for this.

National Non-Domestic Rates

As part of the National Non-Domestic Rates (NNDR1) return in January 2020, the Council had to estimate the business rates income expected to be received in 2020/21 based on several assumptions. The most significant assumption was in relation to the provision for appeals. There are two separate provisions, one relating to the 2010 Valuation list and the other to the 2017 Valuation list. The 2010 provision was based on Government guidance and trend analysis in respect of appeals that had been lodged with the Valuation Office, backdated to 1 April 2010 where an appeal was lodged before 31 March 2015 or backdated to 1 April 2015 where the appeal was lodged after this date but before 31 March 2017. The relevant percentage used because of this was 4.04%.

The 2017 Valuation list provision methodology has been amended with effect from the 2018/19 NNDR3 year-end return. With the new check, challenge, appeal process, there has been a significant reduction in appeals in respect of bills issued since 2017/18. As well as provision for actual challenges lodged based on the proposed reductions, a provision of 2.7% has been calculated for the two large hereditaments within the Council's valuation list and then for the remaining liabilities, this has been based on all remaining unchallenged assessments. Provision has been calculated by taking the rateable value of the unchallenged assessments, multiplying this by the business rates multiplier to get the income due, applying the 2.7% trend analysis referred to above and then finally taking 8.78% of the value as the provision based on the number of challenges lodged to date. This percentage has reduced from 25% in 2019/20 as once Covid Material Change in Circumstances (MCC) appeals were excluded the volume of appeals relating to the 2017 valuation list is less than originally expected. The government has stated that Covid MMC appeals will not be allowed and will compensate businesses through a business rate relief scheme instead.

21. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

	2020/21 £'000	2019/20 £'000
Credited to Taxation and Non Specific Grant Income		
<u>Non-ringfenced grants:</u>		
Revenue Support Grant	(328)	(322)
New Homes Bonus	(2,303)	(2,408)
Business Rates Reliefs	(17,144)	(4,686)
Covid19 Government Grant Schemes	(6,399)	-
Other Non-ringfenced grants	(451)	(435)
<u>Capital grants and contributions:</u>		
Coastal Management/ Protection	(4,890)	(7,741)
HRA Developments	(579)	(308)
Community Infrastructure Levy	(5,519)	(3,971)
s106 contributions	(382)	(248)
Covid19 Government Grant Schemes	(74)	-
Leisure Development	(258)	-
Other capital grants and contributions	(1)	(10)
Total	(38,328)	(20,129)
Credited to Services		
Housing Benefits Subsidy	(42,222)	(45,158)
Benefits Administration Grant	(883)	(870)
Disabled Facilities Grants	(2,725)	(2,255)
Discretionary Housing Payments Grant	(441)	(429)
Homelessness Grants	(1,212)	(783)
Covid19 Government Grant Schemes	(13,736)	-
European Union Exit Grants	(1,124)	(356)
Regeneration of Coastal Communities	(1,605)	-
Other Grants	342	(1,169)
Total	(63,605)	(51,020)

The Council has received several grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned if certain conditions on their use are not met. The balances at the year-end are as follows:

	2020/21 £'000	2019/20 £'000
Capital Grants Receipts in Advance (Short-Term)		
s106 Contributions	66	151
Total	66	151
Capital Grants Receipts in Advance (Long-Term)		
Other grants	25	26
s106 Contributions	3,979	3,580
Total	4,004	3,606

22. Unusable Reserves

	2020/21	2019/20
	£'000	£'000
Revaluation Reserve	(71,570)	(61,351)
Capital Adjustment Account	(189,555)	(189,951)
Financial Instruments Adjustment Account	682	703
Pooled Investment Funds Adjustment Account	1,028	1,309
Deferred Capital Receipts Reserve	(4)	(4)
Pensions Reserve	84,267	52,899
Collection Fund Adjustment Account	13,778	(6,499)
Total Unusable Reserves	(161,374)	(202,894)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Note 22 Unusable Reserves (Continued)

	2020/21	2019/20
	£'000	£'000
Balance at 1 April	(61,351)	(52,620)
Upward revaluation of assets	(14,729)	(12,945)
Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services	2,976	2,910
Surplus or deficit on revaluation of non-current assets posted to the Surplus or Deficit on the Provision of Services	(11,753)	(10,035)
Difference between fair value depreciation and historical cost depreciation	1,344	1,225
Accumulated gains on assets sold or scrapped	190	79
Amount written off to the Capital Adjustment Account	1,534	1,304
Balance at 31 March	(71,570)	(61,351)

Pooled Investment Funds Adjustment Account

With the adoption of accounting standard IFRS 9 Financial Instruments, the 'Available for Sale Financial Instruments Reserve' category is no longer available and has been replaced with the 'Pooled Investment Funds Adjustment Account'. The new standard requires that where the relevant criteria are met for fair value gains and losses on a pooled investment fund, the charge must be applied to an account established, charged and used solely for the purpose of recognising fair value gains and losses, this being the 'Pooled Investment Funds Adjustment Account'.

	2020/21	2019/20
	£'000	£'000
Balance at 1 April	1,309	145
Transfer in from Financial Instruments Available for Sale Reserve	-	-
Financial Instruments held under Fair Value through Profit and Loss subject to MHCLG statutory over-ride	(281)	1,164
Balance at 31 March	1,028	1,309

Note 22 Unusable Reserves (Continued)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction, or additions of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction, and subsequent costs. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2020/21 £'000	2019/20 £'000
Balance at 1 April	(189,951)	(187,653)
<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</u>		
- Charges for depreciation and impairment of non current assets	8,534	8,608
- Revaluation losses on Property, Plant and Equipment	3,327	1,040
- Amortisation of intangible assets	88	183
- Revenue expenditure funded from capital under statute	3,785	2,419
- Revenue expenditure funded from section 106 receipts	274	218
- Revenue expenditure funded from community infrastructure levies	607	504
- Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	2,564	1,581
<u>Adjusting amounts written out of the Revaluation Reserve:</u>		
- Difference between fair value depreciation and historical cost depreciation in Revaluation Reserve	(1,344)	(1,225)
- Amounts written out on disposal of assets	(190)	(79)
Net written out amount of the cost of non current assets consumed in the year	17,645	13,249
<u>Capital financing applied in the year:</u>		
- Use of Capital Receipts Reserve to finance new capital expenditure	(1,180)	(52)
- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(734)	-
- Application of grants to capital financing from the Capital Grants Unapplied Account	(7,816)	(8,468)
- Application of grants to capital financing from Receipts in Advance	(88)	(663)
- Statutory provision for the financing of capital investment charged against the General Fund and and HRA balances	(820)	(815)
- Use of Major Repairs Reserve to finance new capital expenditure	(1,798)	(2,158)
- Capital expenditure charged against the General Fund and HRA balances	(5,919)	(3,373)
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	1,106	(18)
Balance at 31 March	(189,555)	(189,951)

Note 22 Unusable Reserves (Continued)

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

	2020/21	2019/20
	£'000	£'000
Balance at 1 April	703	724
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(21)	(21)
Balance at 31 March	682	703

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2020/21	2019/20
	£'000	£'000
Balance at 1 April	52,899	75,393
Remeasurements of the net defined benefit liability / (asset)	31,529	(27,686)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	9,039	12,543
Employer's pensions contributions and direct payments to pensioners payable in the year	(9,200)	(7,351)
Balance at 31 March	84,267	52,899

Note

22 Unusable Reserves (Continued)

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax-payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2020/21	2019/20
	£'000	£'000
Balance at 1 April	(6,499)	(5,255)
Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements.	20,277	(1,244)
Balance at 31 March	13,778	(6,499)

23. Members Allowances

The Council was governed by 55 councillors, covering 29 wards. The Council paid the following amounts to elected Members during the year.

	2020/21	2019/20
	£'000	£'000
Basic, Attendance and Special Responsibility Allowances	621	595
Subsistence and Expenses	2	38
Total	623	633

24. External Audit costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors.

	2020/21	2019/20
	£'000	£'000
Fees payable to the Ernst and Young LLP with regard to external audit services carried out by the appointed auditor for the year	70	60
Additional fees payable to the Ernst and Young LLP with regard to external audit services carried out by the appointed auditor for the previous year	24	64
Fees payable to the Ernst and Young LLP for the certification of grant claims and returns for the year	41	41
Additional fees payable to the Ernst and Young LLP for the certification of grant claims and returns for the previous year	(9)	26
Total	125	190

25. Related Parties

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government

Central Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many transactions that the Council has with other parties (e.g. council tax bills, business rates and housing benefits). Grants received from Government departments and grants receipts outstanding at 31 March 2020 are shown in Note 20.

Note 25 Related Parties (Continued)

Suffolk County Council

Transactions include income and expenditure, precept payments and Business Rates pooling (Collection Fund statement), pension payments (Note 28), and funding of partnership arrangements. Income relating to Waste Recycling Credits totalled £1.845m (2019/20 £1.702m) with a year-end debtor of £0.206m (2019/20 £0.220m).

Members and Chief Officers

Members and Chief Officers of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2020/21 is shown in note 23. The Council made payments in 2020/21 totalling £0.715m (2019/20 £0.438m) with a year-end creditor of £0.000m (2019/20 £0.119m) to other organisations in which Members had an interest. The Council also received income from other organisations totalling £0.038m (2020/21 £0.046m) with a year-end debtor of £0.000m (2019/20 £0.003m) in which members had an interest. Any contracts were entered into in full compliance with the Council's standing orders, and any grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to awarding of the contract or grant.

Levies Paid to other Authorities

Rivers and Drainage Authorities £0.252m (2019/20 £0.235m) as shown in note 11.

Waveney Norse Ltd

As part of the contract with Waveney Norse Ltd, two Council employees, Andrew Jarvis (Strategic Director) and Kerry Blair (Head of Operations), are named as Directors of Waveney Norse Ltd due to their representation of the Council's interests through the Partnership Board.

Suffolk Coastal Norse Ltd

As part of the contract with Suffolk Coastal Norse Ltd, one Council employee, Andrew Jarvis (Strategic Director), along with a Cabinet Member, Stephen Burroughes, (Cabinet Member with responsibilities for Operational Partnerships) are named as Directors of Suffolk Coastal Norse Ltd due to their representation of the Council's interests through the Partnership Board.

East Suffolk Holdings Limited

East Suffolk Holdings Limited is wholly owned by the Council and was incorporated on 24 October 2019. Three Council employees, Stephen Baker (Chief Executive), Andrew Jarvis (Strategic Director) and Nicholas Khan (Strategic Director) are named as Directors of East Suffolk Holdings Limited.

Note 25 Related Parties (Continued)

East Suffolk Construction Services Limited / East Suffolk Property Developments Limited / East Suffolk Property Investments Limited

East Suffolk Holdings Limited is the sole shareholder of East Suffolk Construction Services Limited, East Suffolk Property Developments Limited, and East Suffolk Property Investments Limited, all of which were incorporated on 26 November 2019. Two Council employees, Andrew Jarvis (Strategic Director) and Nicholas Khan (Strategic Director) are named as Directors of all three of these companies.

26. Officer's remuneration and exit packages

The remuneration paid to senior employees is set out in the table below. No bonuses were paid in 2020/21. The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

		Salary, Fees and Allowances	Benefits in Kind (e.g. Car Allowances)	Total Excluding Pension Contributions	Employer's Pension Contribution	Total including Pension Contributions
		£	£	£	£	£
Chief Executive	2020/21	153,615	963	154,578	52,229	206,807
	2019/20	149,503	3,906	153,409	34,087	187,496
Strategic Director	2020/21	105,022		105,022	35,707	140,729
	2019/20	102,211	-	102,211	23,304	125,515
Strategic Director	2020/21	105,022		105,022	35,707	140,729
	2019/20	102,211	-	102,211	23,304	125,515
Chief Finance Officer & S151 Officer *	2020/21	79,129		79,129	16,820	95,949
	2019/20	78,044	-	78,044	17,794	95,838
Interim Chief Finance Officer & S151 Officer	2020/21	26,431		26,431	8,987	35,418
	2019/20	-	-	-	-	-
Head of Communities	2020/21	75,080		75,080	25,527	100,607
	2019/20	70,364	-	70,364	16,043	86,407
Head of Customer Services, Communications & Marketing	2020/21	71,090		71,090	23,636	94,726
	2019/20	36,161	-	36,161	8,239	44,400
Head of Economic Development & Regeneration	2020/21	75,080		75,080	25,527	100,607
	2019/20	70,364	-	70,364	16,043	86,407
Head of Environmental Services & Port Health	2020/21	88,503		88,503	30,091	118,594
	2019/20	82,535	-	82,535	18,818	101,353
Head of Housing **	2020/21	73,151		73,151	23,943	97,094
	2019/20	80,867	-	80,867	18,438	99,305
Head of ICT ***	2020/21	68,856		68,856	20,272	89,128
	2019/20	71,002	-	71,002	15,691	86,693
Head of Internal Audit	2020/21	75,080		75,080	25,527	100,607
	2019/20	70,364	-	70,364	16,043	86,407
Head of Legal & Democratic Services	2020/21	88,773		88,773	30,091	118,864
	2019/20	76,277	-	76,277	17,391	93,668
Head of Operations	2020/21	75,080		75,080	25,527	100,607
	2019/20	70,364	-	70,364	16,043	86,407
Head of Planning & Coastal Management	2020/21	88,503		88,503	30,091	118,594
	2019/20	82,535	-	82,535	18,818	101,353

Note 26 Officers Remuneration (Continued)

* postholder - Ill Health Retirement 31st October 2020

** postholder - left Councils employment January 2021

*** postholder - DIS January 2021

The table below shows employees remuneration by band over £50,000 in £5k increments. The numbers include officers who were made redundant voluntarily during the 2020/21 financial year, and whose remuneration may not have normally been included within the limits of the above table, but who had received a redundancy payment which increased their earnings to over the minimum of £50k. An additional column in the Table above shows leavers. In addition, other transactions are disclosed in Note 25, Related Parties.

Remuneration band	2020/21		2019/20	
	Number of employees		Number of employees	
	Total	Left in Year	Total	Left in Year
£50,000 - £54,999	11	-	9	-
£55,000 - £59,999	3	-	1	-
£60,000 - £64,999	1	-	4	-
£65,000 - £69,999	4	-	1	-
£70,000 - £74,999	3	-	5	-
£75,000 - £79,999	5	-	2	-
£80,000 - £84,999	1	-	3	-
£85,000 - £89,999	3	-	-	-
£90,000 - £94,999	-	-	-	-
£95,000 - £99,999	-	-	1	-
£100,000 - £104,999	-	-	1	-
£105,000 - £109,999	2	-	-	-
£110,000 - £114,999	-	-	-	-
£115,000 - £119,999	-	-	-	-
£120,000 - £124,999	-	-	-	-
£125,000 - £129,999	-	-	-	-
£130,000 - £134,999	-	-	-	-
£135,000 - £139,999	-	-	-	-
£140,000 - £144,999	-	-	-	-
£145,000 - £149,999	-	-	-	-
£150,000 - £154,999	1	-	1	-
	34	-	28	-

Note 26 Officers Remuneration (Continued)

Exit Packages

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit Package cost band (including special payments)	Number of Compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
£								£
0 to 20,000	2	4	-	2	2	6	36,352	25,185
20,001 to 40,000	-	-	1	-	1	-	21,715	-
40,001 to 60,000	-	1	-	-	-	1	-	50,099
60,001 to 80,000	-	-	-	-	-	-	-	-
80,001 to 100,000	-	-	-	-	-	-	-	-
Total	2	5	1	2	3	7	58,067	75,284

The total cost in the above table covers exit packages (also known as termination benefits) that have been agreed, accrued for and charged to the Council's Comprehensive Income and Expenditure Statement for the disclosed financial year. The figures exclude payments made for ill-health retirements, of which there were costs of £1,818,086 as they are not discretionary and do not therefore meet the definition of termination benefits under the CIPFA Code of Practice.

27. Capital expenditure and capital financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

	2020/21	2019/20
	£'000	£'000
Opening Capital Financing Requirement	114,737	115,553
<i>Capital investment</i>		
Property, Plant and Equipment*	16,737	11,597
Investment Properties*	3,206	-
Intangible Assets	72	-
Heritage Assets	-	12
Payment in advance	4,147	-
Revenue Expenditure Funded from Capital under Statute	4,666	3,141
Property, Plant and Equipment written out to Revenue	(14)	-
Total Capital Investment	28,814	14,750
<i>Sources of finance</i>		
Capital receipts	1,180	52
Government grants and other contributions	8,638	9,131
Sums set aside from revenue:		
Direct revenue contributions	5,919	3,373
Minimum Revenue Provision	820	815
Release of Payment in Advance	935	37
Major Repairs Reserve	1,798	2,158
Closing Capital Financing Requirement	124,261	114,737
<i>Explanation of movements in year</i>		
Increase in underlying need to borrowing (unsupported by government financial	9,524	(816)
Increase/(decrease) in Capital Financing Requirement	9,524	(816)

*These figures match to the Additions lines in Note 14 detailing movements on the non-current assets.

28. Leases

Disclosures as Lessee

Finance Leases

No assets under finance leases were acquired by the Council in the year. Assets acquired under finance leases prior to 1st April 2020 are carried as property, plant and equipment in the Balance Sheet at the net amount of £11.000m. The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council, and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	2020/21		2019/20	
	£'000		£'000	
Finance lease liabilities (net present value of minimum lease payments):				
- current		300		280
- non current		5,779		6,079
Finance costs payable in future years		3,419		3,869
Minimum lease payments		9,498		10,228
The minimum lease payments will be payable over the following periods:				
	Minimum Lease Payments		Finance Lease Liabilities	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Not later than one year	731	731	300	280
Later than one year and not later than five years	2,922	2,922	1,429	1,335
Later than five years	5,845	6,575	4,350	4,744
	9,498	10,228	6,079	6,359

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into. There were no material contingent rents payable by the Council under finance leases for 2020/21. In relation to one of the Council's finance leases, the Lessor had to secure financing to be able to fulfil the capital project it was undertaking for the Council. It was agreed between the Lessor and Santander, that as part of the Council's monthly lease payment, the Council would make direct payment to Santander to cover the cost of the Lessor's monthly repayment of the financing.

Note 28 Leases (Continued)

Operating Leases

The Council has the following material operating leases as a lessee:

	Other Land and Buildings	
	2020/21	2019/20
	£'000	£'000
Not later than one year	94	97
Later than one year and not later than five years	225	149
Later than five years	321	328
	640	574

Disclosures as Lessor

Finance Leases

The Council has no material finance leases as a lessor.

Operating Leases

The Council leases out property under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services, etc.; or
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under leases in future years are:

	2020/21	2019/20
	£'000	£'000
Not later than one year	1,618	1,446
Later than one year and not later than five years	4,993	5,077
Later than five years	28,819	29,551
	35,430	36,074

The minimum lease payments receivable does not include rents that are contingent on events taking place after the lease was entered into.

There were no material contingent rents receivable by the Council under operating leases for 2020/21. All assets provided under operating lease assets by the Council are shown within the movements included within Property, Plant and Equipment (Note 14).

29. Pensions

Pension costs are accounted for in accordance with the accounting standard IAS19. The objectives of IAS19 are to ensure that the financial statements reflect at fair value the assets and liabilities arising from an employer's retirement benefit obligations and any related funding and that the operating costs of providing retirement benefits to employees are recognised in the accounting period in which the benefits are earned, and that the financial statements contain adequate disclosure of the cost of providing retirement benefits. IAS19 costs are not, however, chargeable to council tax, it is only the actual payments that impact on the accounts and are shown in the Movement in Reserves Statement.

The Pensions Liability in the Balance Sheet reflects the underlying commitments that the Council has in the long term to pay retirement benefits. The impact of the net pension liability on overall reserves amounts to £84.267m in 2020/21. However statutory arrangements for funding the deficit mean the financial position of the Council is not affected.

The latest triennial actuarial valuation of the assets and liabilities of the Suffolk County Pension Fund was completed on 31 March 2019. The Council has been advised that its share of the pension fund was 98% fully funded at this date. The proposed

employers pension contribution rate for 2021/22 and 2022/23 is 33% and 32%.

Participation in the pension scheme

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered locally by Suffolk County Council - this is a funded defined benefit scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The Suffolk Pension Fund scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of Suffolk County Council. Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the committee and consist of the

Head of Finance (S151 Officer) of Suffolk County Council and Investment Fund managers. The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Transactions relating to post-employment benefits

Retirement benefits are reported in the Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against Council Tax is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

Note 29 Pensions (Continued)

	Local Government Pension Scheme	
	2020/21	2019/20
	£'000	£'000
Comprehensive Income and Expenditure Statement		
<i>Cost of Services:</i>		
- Current service cost	7,831	9,541
- Past Service cost	8	1,116
<i>Financing and investment income and expenditure:</i>		
- Net interest expense	1,200	1,886
Total Post-employment Benefit Charged to the Surplus or Deficit on the Provision of Services	9,039	12,543
<i>Other Post-employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
Remeasurement of the net defined benefit liability comprising:		
- Return on plan assets (excluding the amount included in the net interest expense)	(39,722)	20,013
- Actuarial gains and losses arising on changes in demographic assumptions	4,111	(6,222)
- Actuarial gains and losses arising on changes in financial assumptions	70,232	(22,765)
- Other	(3,119)	(18,685)
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	31,502	(27,659)
<i>Movement in Reserves Statement:</i>		
- Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(9,039)	(12,543)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
- Employers' contributions payable to scheme	9,173	7,378

Note 29 Pensions (Continued)

Pension's assets and liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows:

	Local Government Pension Scheme	
	2020/21 £'000	2019/20 £'000
Present value of the defined benefit obligation	(351,891)	(274,225)
Fair value of plan assets	267,624	221,326
Net liability arising from defined benefit obligation	(84,267)	(52,899)

Note 29 Pensions (Continued)

	Local Government Pension Scheme	
	2020/21	2019/20
	£'000	£'000
Reconciliation of the movements in the fair value of the scheme (plan) assets:		
Opening fair value of scheme assets	221,326	236,247
Interest Income	5,104	5,659
Effect of Settlements		
Remeasurement gain / (loss):		
- The return on plan assets, excluding the amount included in net interest expense	39,722	(20,013)
- Other		
Contributions from employer	9,173	7,378
Contributions by employees into the scheme	1,436	1,376
Benefits paid	(9,137)	(9,321)
Closing fair value of scheme assets	267,624	221,326
Reconciliation of present value of the scheme liabilities (defined benefit obligation):		
	Local Government Pension Scheme	
	2020/21	2019/20
	£'000	£'000
Opening balance 1 April	274,225	311,640
Current service cost	7,831	9,541
Interest cost	6,304	7,545
Contributions from scheme participants	1,436	1,376
Remeasurement (gains) and losses:		
- Actuarial gains / losses arising from changes in demographic assumptions	4,111	(6,222)
- Actuarial gains / losses arising from changes in financial assumptions	70,232	(22,765)
- Other	(3,119)	(18,685)
Past service costs	8	1,116
Benefits paid	(9,137)	(9,321)
Closing balance at 31 March	351,891	274,225

Note 29 Pensions (Continued)

Local Government Pension Scheme assets comprised: (Active Markets unless otherwise stated)	Fair Value of Scheme Assets	
	2020/21	2019/20
	£'000	£'000
Equity instruments:		
- Consumer	6,484	5,583
- Manufacturing	3,711	2,374
- Energy and Utilities	870	1,056
- Financial Institutions	3,536	2,577
- Health and Care	1,710	1,706
- Information Technology	1,443	908
- Other	3,590	1,857
	21,344	16,061
Debt Securities:		
- Corporate (Investment Grade)	58,603	49,568
Private Equity (Non-active Market 2020/21 - 7,992 (2019/20 - 7,766))	10,699	9,605
Real Estate:		
- UK Property	20,891	21,416
Investment Funds & Unit Trusts:		
- Equities	114,202	73,970
- Bonds	10,407	17,926
- Hedge Funds	14,459	13,183
- Infrastructure (Non-active Market)	6,991	12,010
- Other (Non-active Market)	6,086	3,848
	152,145	120,937
Derivatives:		
- Foreign exchange	(23)	92
Cash and cash equivalents	3,965	3,647
Total Assets (Non-active Market 2020/21 - 21,069 (2019/20 - 23,624))	267,624	221,326

Note 29 Pensions (Continued)

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, based on the roll forward from the 2019 formal valuation.

The significant assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2020/21	2019/20
Mortality assumptions:		
Longevity at 65 for current pensioners:		
- Men	22.1	21.9
- Women	24.5	24.1
Longevity at 65 for future pensioners:		
- Men	23.2	22.7
- Women	26.4	25.6
Rate of inflation	2.85%	1.90%
Rate of increase in salaries	3.55%	2.60%
Rate of increase in pensions	2.85%	1.90%
Rate for discounting scheme liabilities	2.00%	2.30%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Note 29 Pensions (Continued)

Sensitivity Analysis

The sensitivities regarding the principal assumption used to measure the scheme liabilities are set out below:

Change in assumptions at 31 March 2021	Approx. increase in Employers Liability	Approx. amount £'000
0.5% decrease in Real Discount Rate	10%	34,462
0.5% increase in the Salary Increase Rate	1%	3,233
0.5% increase in the Pension Increase Rate	9%	30,506

A one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at a constant rate as far as possible. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over 20 years. Funding levels are monitored on an annual basis. The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31st March 2015. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants. The Council anticipates paying £7.405m in contributions to the scheme in 2021/22.

30. Contingent Assets & Liabilities

As at 31 March 2021, the Council had no material contingencies.

31. Interests in companies and other entities

Local Authorities must consider all their interests in entities and prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. Before group accounts can be produced the following actions need to be carried out:

- Determine whether the Council has any form of interest in an entity.
- Assess the nature of the relationship between the Council and the entity.
- Determine the grounds of materiality whether group accounts should be prepared.

Having considered the accounting requirements and the Council's involvement with all companies and organisations, Group Accounts have been prepared. These incorporate only the results of Waveney Norse Limited, an Associate of which the Council owns a 19.9% share, and Suffolk Coastal Norse Limited, an Associate of which the Council owns a 20% share.

Waveney Norse Limited and Suffolk Coastal Norse Limited

In 2008/09, Waveney District Council entered into an arrangement with Norse Commercial Services Limited (NCS) for the provision of a package of services including Refuse, Cleansing and Maintenance. A new company, Waveney Norse Ltd, was formed to deliver this service. Suffolk Coastal District Council had held a 20% share of Suffolk Coastal Norse Limited (Ltd) since 1st April 2009. Suffolk Coastal Norse Ltd provides a package of services including Refuse, Cleansing and Maintenance.

Group Accounts have been prepared as East Suffolk Council has the 'power' to participate in operating decisions and because transactions between both these companies and East Suffolk Council are material. The Group Accounts incorporate East Suffolk Council's share of the net assets and surpluses of Waveney Norse Ltd and Suffolk Coastal Norse Ltd as Associates, using the Equity method.

The Group Accounts are included in this document as additional columns to East Suffolk Council's Primary Statements, showing the extent of the Council's 19.9% interest in Waveney Norse Ltd and 20% interest in Suffolk Coastal Norse Ltd.

In addition to the Group Accounts, the following information has been disclosed to aid an understanding of the nature of the group relationship and the impact of the arrangements East Suffolk Council's Statement of Accounts.

Note 31 Interests in Companies & other entities (Continued)

- a) The registered names of the Companies are Waveney Norse Limited and Suffolk Coastal Norse Limited;
- b) Nature of the business - the principal activities of Waveney Norse Ltd and Suffolk Coastal Norse Limited are refuse, cleansing and maintenance services;
- c) The immediate parent undertaking is Norse Commercial Services Limited;
- d) The ultimate parent undertaking is Norse Group Limited;
- e) The ultimate controlling party is Norfolk County Council, by virtue of them owning 100% of the ordinary share of Norse Group Limited;
- f) East Suffolk Council holds fully paid Ordinary Share capital of £2, in Waveney Norse Ltd with no special rights or constraints. It has a 19.9% share and also receives a 50-50 profit / loss share at year-end;
- g) East Suffolk Council holds fully paid Ordinary Share capital of £2, in Suffolk Coastal Norse Ltd with no special rights or constraints. It has a 20% share and also receives a 50-50 profit / loss share at year-end;
- h) Both companies' contributions to their pension schemes are treated as if they are contributions to a defined contribution scheme. Set contributions are paid over the life of the Agreement, with any increase or decrease in funding being met by the Council.
- i) Payments made to Waveney Norse Limited in respect of refuse, cleansing and maintenance services are included within the Cost of Services in the Comprehensive Income and Expenditure Statement. Total payments to Waveney Norse Ltd were £8.183m in 2020/21 and included in the Accounting Statements as follows:

	2020/21	2019/20
	£'000	£'000
Housing Operations and Landlord Services	685	669
Legal and Democratic Services	9	9
Operations	7,448	6,762
Planning and Coastal Management	40	38
	8,183	7,477

- j) Details of Waveney Norse Limited's draft annual financial results to 31 March 2021 are set out below;

Note 31 Interests in Companies & other entities (Continued)

	2020/21 Waveney Norse £000	2020/21 Council Investment (19.9%) £000	2019/20 Waveney Norse £000	2019/20 Council Investment (19.9%) £000
Current Assets				
Stock	28	6	127	25
Debtors	3,195	636	3,141	625
Cash at Bank	657	131	-	-
Gross Assets	3,879	772	3,268	650
Creditors falling due within one year	(1,367)	(272)	(962)	(191)
Net Assets / Shareholder's Funds	2,512	500	2,306	459
Turnover	10,134	2,017	10,424	2,074
Profit on ordinary activity before taxation	302	60	158	31
Tax on profit on ordinary activity	(61)	(12)	(25)	(5)
Profit for the Financial Period	241	48	133	26
<u>Tax components included in the above figures are as follows:</u>				
Debtors				
- Deferred Tax asset	35	7	24	5
Creditors falling due within one year				
- Corporation Tax	(69)	(14)	27	5
Tax on profit on ordinary activity				
- Current Tax	(61)	(12)	(26)	(5)
	(61)	(12)	(26)	(5)

Note 31 Interests in Companies & other entities (Continued)

- k) Payments made to Suffolk Coastal Norse Limited in respect of refuse, cleansing and maintenance services are included within the Cost of Services in the Comprehensive Income and Expenditure Statement. Total payments to Suffolk Coastal Norse Ltd were £9.793m in 2020/21 and included in the Accounting Statements as follows:

	2020/21	2019/20
	£'000	£'000
Planning & Coastal Management	13	13
Legal & Democratic Services	2	2
Housing Operations & Landlord services	1	1
Operations	9,777	8,972
	9,793	8,988

- l) Details of Suffolk Coastal Norse Limited's draft annual financial results to 31 March 2020 are set out below:

Note 31 Interests in Companies & other entities (Continued)

	2020/21	2020/21	2019/20	2019/20
	Suffolk	Council	Suffolk	Council
	Coastal	Investment	Coastal	Investment
	Norse Ltd	(20%)	Norse Ltd	(20%)
	£'000	£'000	£'000	£'000
Current Assets				
Stock	58	12	138	28
Debtors	4,806	961	4,946	989
Cash at Bank	186	37	133	27
	5,050	1,010	5,217	1,044
Creditors falling due within one year	(1,616)	(323)	(1,207)	(241)
Defined Benefit Pension Scheme Liability	(7,906)	(1,582)	(4,664)	(934)
Net Assets / Shareholder's funds	(2,931)	(587)	(654)	(131)
Share of Actuarial Gains/(Losses)	(2,786)	(557)	1,494	299
Turnover	14,156	2,831	14,247	2,849
Loss on ordinary activity before taxation	595	119	(257)	(51)
Tax on profit on ordinary activity	(86)	(17)	75	15
Loss for the Financial Period	510	102	(182)	(36)
<u>Tax components included in the above figures are as follows:</u>				
Debtors				
- Deferred Tax asset	1,541	308	903	181
Creditors falling due within one year				
- Corporation Tax	98	20	56	11
Tax on profit on ordinary activity				
- Current Tax	13	3	55	11
- Deferred Tax	(98)	(20)	(130)	(26)
	(86)	(17)	(75)	(15)

Note 31 Interests in Companies & other entities (Continued)

Sentinel Leisure Trust

With effect from 1 April 2011, Waveney District Council transferred the management and operation of its leisure operations to the newly formed Sentinel Leisure Trust. Seven volunteers were initially appointed as Trustees and Directors of the new Trust and were joined by two Council representatives on the Board. The Council has a 15-year partnership management agreement with Sentinel. The facilities and equipment remain the property of the Council throughout the Partnership, with the Trust operating under a lease. The Council gave Sentinel 12 months' notice in October 2019, and the contract terminated in October 2020.

32. Long term investments

As at 31 March 2021, East Suffolk Council had long term investment balances of £34.031m of which £15.074 was held with other local authorities and £18.917m was held in a mix of Property Funds and Diversified Income Funds and £40k in Anglia Revenues Partnership (ARP). The Council has invested in these funds for the long term and therefore expect any downturn in fund values due to Covid19 will be mitigated over time.

	2020/21	2019/20
	£'000	£'000
Other Local Authorities	15,074	5,000
Other Entities	18,957	13,676
	34,031	18,676

During 2020/201 the Council has received dividends on the investments and the principal invested in the Property Fund has depreciated in value, by £66k and the diversified income fund had appreciated by £347k resulting in a net adjustment of £281k. This was charged to Financing and Investment Income and Expenditure within the Comprehensive Income and Expenditure Statement and added to the long-term investment balance resulting in the balance decreasing to £9.166m for the Property Fund and £9.751m for the Diversified Income Fund.

33. Prior period adjustments

The Council identified that additional charges were being added to multiple rent accounts in previous years to cover the servicing costs associated with heating. These charges initially formed part of the service charges and then, in or around 2018, were re-defined as "de-pooled rental charges". These "de-pooled rental charges" have been charged in addition to the core rent, however, these additional charges relate to services which the Council, as landlord, should not be re-charging to tenants. See Note 20 for further details regarding the Service Charge Provision.

The Council will need to reimburse tenants for the additional service charge costs included within their rent since 2010/11, and therefore a prior year adjustment in the form of a provision needs to be provided for this. As East Suffolk Council was formed in 2019/20, no third balance sheet will be presented as this was the first year of accounts for the Council. However, the balances brought forward as at 1st April 2019 have been adjusted to reflect the provision from 2010/11 to 2018/19, and then a prior year adjustment for 2019/20 has been included. A full audit of all rent accounts has been completed, and estimates the provision needed by year as follows:

Year £'000	Provision for Service Charge £'000
Prior to 2019/20	2,944
2019/ 20	413
Total	3,357

The impact of this provision on each primary statement and accompanying notes is shown below:

Prior Period Adjustments

Housing Revenue Account Service Charge Provision

The effects of the restatement are as follows:

Summary:

	Re-statement		
	2019/20 01-Apr-19	2019/20 31-Mar-20	2019/20 31-Mar-20
Increase in Balance Sheet Long Term Liabilities - Long Term Provisions	2,944	413	3,357
Decrease in Balance Sheet Usable Reserves - Housing Revenue Account	(1,445)	-	(1,445)
Decrease in Balance Sheet Usable Reserves - Housing Revenue Account Earmarked Reserves	(1,500)	(413)	(1,913)

Movement In Reserves Statement

	Housing Revenue Account			Earmarked HRA Reserves			Usable Reserves		
	2019/2020	Restate- ment	2019/2020 (Restated)	2019/2020	Restate- ment	2019/2020 (Restated)	2019/2020	Restate- ment	2019/2020 (Restated)
Balance at 1st April 2019	(4,860)	1,445	(3,415)	(12,321)	1,500	(10,821)	(112,480)	2,945	(109,535)
Movement in reserves during 2019/20									
(Surplus) or deficit on provision of services	(8,048)	413	(7,635)	-	-	-	(8,482)	413	(8,069)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-
Total Comprehensive Income and Expenditure	(8,048)	413	(7,635)	-	-	-	(8,482)	413	(8,069)
Adjustment between Group and Authority Accounts: - Purchase of Goods and Services from Associate (note 31)	-	-	-	-	-	-	-	-	-
Net (Increase) / Decrease before Transfers	(8,048)	413	(7,635)	-	-	-	(8,482)	413	(8,069)
Adjustments between accounting basis and funding basis under regulations (note 9)	3,680	-	3,680	-	-	-	(4,097)	-	(4,097)
Net (Increase) / Decrease before Transfers to Earmarked Reserves	(4,368)	413	(3,955)	-	-	-	(12,579)	413	(12,166)
Transfer to / from Earmarked Reserves (note 10)	3,994	(413)	3,581	(3,994)	413	(3,581)	-	-	-
(Increase) / Decrease in Year	(374)	-	(374)	(3,994)	413	(3,581)	(12,579)	413	(12,166)
Balance at 31 March 2020 carry forward	(5,234)	1,445	(3,789)	(16,315)	1,913	(14,402)	(125,059)	3,358	(121,701)

Balance Sheet

	2019/2020	Restate-ment	2019/2020
	£'000	£'000	(Restated) £'000
Long Term Provisions	(2,603)	(3,357)	(5,960)
Long Term Liabilities	(143,165)	(3,357)	(146,522)
Net Assets	327,952	(3,357)	324,595
Housing Revenue Account			
- Fund Balance	(5,233)	1,445	(3,788)
- Earmarked Reserves	(16,315)	1,912	(14,403)
Usable reserves	(125,058)	3,357	(121,701)
Total Reserves	(125,058)	(199,537)	(324,595)

Comprehensive Income and Expenditure Statement	Gross Income			Net Expenditure		
		Restate- ment	2019/2020 (Restated)		Restate- ment	2019/2020 (Restated)
	2019/2020			2019/2020		
Cost of Services						
Housing Revenue Account	(20,650)	413	(20,237)	(9,540)	413	(9,127)
Total Cost of Services	62,008	130	62,138	33,672	413	34,085
(Surplus) or Deficit on Provision of Services				(8,482)	413	(8,069)
Total Comprehensive Income and Expenditure				(46,203)	413	(45,790)

Provisions	HRA Service Charge			Total provisions		
		Restate- ment	2019/2020 (Re-stated)		Restate- ment	2019/2020 (Re-stated)
	2019/2020			2019/2020		
<u>Long Term Provisions</u>	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2019	-	2,944	2,944	5,035	2,944	7,979
100% Pilot Provision Movement	-	-	-	-	-	-
Movement in Provision in 2019/20	-	413	413	15	(413)	(398)
Amounts used in 20219/20	-	-	-	-	-	-
Unused amounts reversed in 2019/20	-	-	-	-	-	-
Balance at 31 March 2020	-	3,357	3,357	2,603	3,357	5,960

Earmarked Reserves	Balance 31 March 2019			Transfers Out 2019/20			Balance 31 March 2020		
		Restate- ment	2019/2020 (Restated)		Restate- ment	2019/2020 (Restated)		Restate- ment	2019/2020 (Restated)
	2019/2020			2019/2020			2019/2020		
Housing Revenue Account:	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Debt Repayment Reserve	10,000	(1,500)	8,500	-	(413)	(413)	11,000	(1,913)	9,087
Total Housing Revenue Account	12,321	(1,500)	10,821	(6)	(413)	(419)	16,315	(1,913)	14,402
Total	57,100	(1,500)	55,600	(15,071)	(413)	(15,484)	62,830	(1,913)	60,917

Expenditure and Funding Analysed by Nature			
	2019/2020	Income Restate- ment	2019/2020 (Restated)
Fees, charges and other service income	(99,311)	413	(98,898)
Total Income	(181,293)	413	(180,880)
(Surplus) or Deficit on Provision of Services	(8,482)	413	(8,069)

Housing Revenue Account	Net Expenditure		
	2019/2020	Restate-ment	2019/2020
	£'000	£'000	(Restated) £'000
Income			
- Charges for services and facilities	(1,218)	413	(805)
Total income	(20,650)	413	(20,237)
Net expenditure or (income) of HRA services as included in the whole authority CIES	(9,701)	413	(9,288)
HRA services	(9,613)	413	(9,200)
(Surplus) or deficit for the year on HRA services	(8,048)	413	(7,635)
HRA balance brought forward	(4,859)	1,444	(3,415)
(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	(8,048)	413	(7,635)
Net (increase) or decrease before transfers to or from reserves	(4,368)	413	(3,955)
Transfers (from) or to HRA Earmarked Reserves (Note 10 to the Core Statements)	3,994	(413)	3,581
Balance on the HRA at the end of the year	(5,233)	1,444	(3,789)

Housing Revenue Account Income & Expenditure Statement

The Housing Revenue Account (HRA) Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

	HRA Note	2020/21	2019/20 (Re-
		£'000	£'000
Income			
Gross rental income:			
- Dwelling rents		(19,284)	(18,839)
- Non-dwelling rents		(183)	(184)
Charges for services and facilities		(842)	(805)
Lease holders charges for services and facilities		(14)	(9)
Contributions towards expenditure		(48)	(73)
Reimbursement of costs		(341)	(327)
Total income		(20,712)	(20,237)

*For details of the restatement please see Note 33

Housing Revenue Account Income & Expenditure Statement (Continued)

	HRA Note	2020/21	2019/20 (Re-
Expenditure			
Repairs, maintenance and management:			
- Repairs and maintenance		4,966	4,735
- Supervision and management		3,059	3,934
- Special Services		1,990	1,929
- Redundancy and associated pension costs		15	9
Rents, rates and other charges		146	124
Movement in the allowance for bad debts		189	(161)
Depreciation of HRA non-current assets:			
- Dwellings	8	3,266	3,133
- Other assets	8	174	198
Revaluation & impairment of HRA non-current assets		(1,583)	(2,973)
Debt management costs	4	22	21
Total expenditure		12,244	10,949
Net expenditure or (income) of HRA services as included in the whole authority CIES		(8,468)	(9,288)
- HRA share of Corporate and Democratic Core		98	88
Net expenditure or (income) of HRA services		(8,370)	(9,200)
HRA share of the operating income and expenditure included in the whole authority CIES:			
- (Gain) or loss on sale of HRA non-current assets		(467)	(679)
- Interest payable and similar charges	4	2,179	2,258
- Pension Cost Contribution		-	477
- HRA interest and similar income	4	(201)	(183)
- HRA Impairment Losses including Reversals of Impairment Losses or Impairmer	4	-	-
- HRA Capital Grants & Contributions		(653)	(308)
(Surplus) or deficit for the year on HRA services		(7,512)	(7,635)

*For details of the restatement please see Note 33

Movement on the Housing Revenue Account Statement

The overall objectives for the Movement on the HRA Statement and the general principles for its construction are the same as those generally for the Movement in Reserves Statement, into which it is consolidated. The statement takes the outturn on the HRA Income and Expenditure Statement and reconciles it to the surplus or deficit for the year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

	2020/21	2019/20 (Re-stated)
	£'000	£'000
Movement on the HRA Statement		
HRA balance brought forward	(3,788)	(3,415)
(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	(7,512)	(7,635)
Adjustments between accounting basis and funding basis under statute (Note 9 to the Core Statements)	3,824	3,681
Net (increase) or decrease before transfers to or from reserves	(3,688)	(3,954)
Transfers (from) or to HRA Earmarked Reserves (Note 10 to the Core Statements)	2,900	3,581
(Increase) or decrease in year on the HRA	(788)	(373)
Balance on the HRA at the end of the year	(4,576)	(3,788)

*For details of the restatement please see Note 33

Notes to the Housing Revenue Account

1. Dwelling Rents and Charges for Services and Facilities

The account shows the rent and charges for services and facilities due in the year after allowing for voids and other losses in collection. 2020/21 is a 52-week rent year. Charges for Services and Facilities relate to heating, warden and other communal services provided to residents in sheltered accommodation.

	2020/21	2019/20
Average dwelling rent per week (£)	83.26	81.43
Arrears at 31 March (£'000)	1,162	973
Arrears at 31 March as % of the gross income collectable	5.8%	4.9%
Provision for bad debts at 31 March (£'000)	850	661

2. Major Repairs Reserve (MRR)

	2020/21	2019/20
	£'000	£'000
The movement on the Major Repairs Reserve (MRR) for the financial year is analysed below:		
MRR opening balance	20,802	19,629
Amounts transferred to/(from) the MRR during the year	3,440	3,331
Debits to the MRR during the year in respect of HRA capital expenditure	(1,798)	(2,158)
MRR closing balance	22,444	20,802

Under Self-Financing accumulated depreciation is transferred into the MRR where it is ring-fenced to be used to repay the principal elements of HRA debt as well as to finance new capital expenditure. Movements and balances on the MRR are also detailed in the Movement in Reserves Statement and Note 10 to the Core Statements.

3. Capital Receipts – Disposal of Council Dwellings

	2020/21	2019/20
Capital receipts from sales of council houses (Right to Buys) can be summarised as follows:		
- Number of disposals under Right to Buy	11	28
- Value of disposals under Right to Buy (£'000)	750	2,090
Value of capital receipts from the disposal of other HRA land, houses and property	930	256

4. Capital Related Charges

	2020/21	2019/20
	£'000	£'000
Depreciation charge	3,440	3,331
Debt management expenses	22	21
Interest payable	2,169	2,247
Premium charges for early repayment of debt	10	10
Transfer to Capital Financing Account via MRR	1,799	2,158
Interest income on notional cash balances	(201)	(183)

5. Housing Stock

	2020/21	2019/20
The stock of dwellings has changed as follows:		
Opening stock of dwellings	4,460	4,446
Add: new build/purchases/additions	13	44
Less: sales	(14)	(30)
Closing stock of dwellings	4,459	4,460
Analysis of closing stock numbers:		
Houses	2,013	2,014
Bungalows	1,188	1,210
Flats	1,258	1,236
	4,459	4,460

6. Capital Expenditure

	2020/21	2019/20
	£'000	£'000
Dwellings	1,789	2,179
Dwelling acquisitions	1,360	176
Other Land and Buildings	191	47
Assets Under Construction	811	725
Capital Prepayment	-	3
	4,151	3,130
Financed by:		
Usable capital receipts	986	53
Revenue contributions	1,159	612
Grants and contributions	207	307
Major Repairs Reserve	1,799	2,158
	4,151	3,130

7. Non-Current Assets

The Balance Sheet value of land, dwellings and other property within the HRA as at 1 April 2020 in the financial year and the closing Balance Sheet value as at 31 March 2021 is included within Note 14 to the Core Statements. The Balance Sheet values of HRA non-current assets are disclosed below:

	2020/21	2019/20
	£'000	£'000
Council dwellings	222,560	215,452
Other land and buildings	1,715	1,911
Vehicles, plant, furniture and equipment	205	289
Assets under construction	1,904	1,779
Land Awaiting Development	3,097	1,835
Assets held for sale	4	4
Total Balance Sheet value of HRA non-current assets (PPE)	229,485	221,270
Intangibles	13	30
Total Balance Sheet value of HRA non-current assets	229,498	221,300
Dwellings - Vacant Possession Value	585,685	566,979

Vacant possession value and Balance Sheet value of council dwellings within the HRA show the economic cost to Government of providing council housing at less than market rents.

8. Depreciation

The depreciation charge for the year, for all of the HRA's non-current assets are disclosed as follows:

	2020/21	2019/20
	£'000	£'000
Council dwellings	3,267	3,133
Other land and buildings	73	73
Vehicles, plant, furniture and equipment	74	102
Total charge for depreciation within the HRA (PPE)	3,414	3,308
Intangibles	17	23
Total charge for depreciation within the HRA	3,431	3,331

9. Revaluation and Impairment Charges

The 2020/21 financial results include £1.584m credit for Revaluation Gains or Losses against HRA Assets charged to the Comprehensive Income and Expenditure Statement.

Collection Fund Income & Expenditure Statement

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and local businesses and the distribution to local authorities and Central Government of council tax and non-domestic rates.

	Notes	2020/21		2019/20	
		Business rates £'000	Council tax £'000	Business rates £'000	Council tax £'000
Income					
Income from council tax	1		(157,992)	-	(153,525)
Transfer from General Fund - council tax benefits	1		(7)	-	(4)
Transfer from General Fund - S13A discretionary reliefs			(1,522)		(19)
Transitional relief				-	-
Income from business rates	2	(66,276)		(96,470)	-
Transitional protection payments		(679)		(2,089)	-
		(66,955)	(159,521)	(98,559)	(153,548)
Expenditure					
Precepts, demands and shares:					
- Central Government		45,255		43,584	-
- Suffolk County Council		9,051	118,088	8,717	112,099
- Police and Crime Commissioner for Suffolk			19,577	-	18,458
- East Suffolk Council		37,825	21,434	36,897	20,496
Transitional protection payments		4,855		6,396	-
Charges to Collection Fund					
- Write offs of uncollectable amounts		655	402	231	262
- Increase / (decrease) in bad debt provision		681	962	502	1,737
- Increase / (decrease) in provision for appeals		174		208	-
- Cost of collection allowance		460		462	-
Apportionment of previous years surplus / (deficit)					
- Central Government		1,846		(396)	-
- Suffolk County Council		1,430	2,940	104	-
- Police and Crime Commissioner for Suffolk			484	-	-
- East Suffolk Council		5,720	537	416	
		107,952	164,424	97,121	153,052
(Surplus) / deficit for year	3	40,997	4,903	(1,438)	(496)
Balance brought forward - (surplus) / deficit		(6,866)	(3,405)	(5,428)	(2,909)
Balance carry forward - (surplus) / deficit		34,131	1,498	(6,866)	(3,405)

Notes to the Collection Fund

1. Income from council tax

Council tax is set to meet the demands of Suffolk County Council, The Police and Crime Commissioner for Suffolk, East Suffolk Council and Parish/Town Councils. The tax is set by dividing these demands by the tax base, which is the number of chargeable dwellings in each valuation band expressed as an equivalent number of Band D dwellings.

In 2020/21 central government created a Hardship Fund to provide council tax relief to vulnerable people and households to help those affected most by coronavirus. This relief was granted under S13A discretionary reliefs as shown in the table above and East Suffolk was given a Hardship Grant to compensate for the relief granted.

	2020/21	2019/20
	£	£
The average Band D Council Tax set was:	1,810.23	1,741.13
The Council estimated its Tax Base for 2020/21 as follows:	Chargeable dwellings	Band D Equivalents
Valuation Band		
A	23,514	15,676
B	27,282	21,219
C	20,741	18,436
D	16,687	16,687
E	10,488	12,819
F	4,987	7,204
G	2,718	4,530
H	192	383
	106,608	96,954
Less: local council tax reduction scheme		(8,595)
Provision for bad and doubtful debts (1.0%)		(886)
Add: Ministry of Defence properties		192
Additional Properties		224
Tax Base 2020/21 (Band D equivalents)		87,889

2. Business Rates

The Council collects business rates (non-domestic rates) in the district. The amount collected less an allowance for the cost of collection is shared between Central Government (50%), East Suffolk Council (40%) and Suffolk County Council (10%). As a member of the Suffolk Business Rates Pool, from the Council's share, a tariff payment is made to Suffolk County Council to distribute excess business rates income above the Council's baseline funding need set by Central Government. These transactions are shown in the Comprehensive Income and Expenditure Statement under Taxation and Non-Specific Grants. The valuation list was revised in April 2005 and April 2010, and the latest revaluation of all business properties was completed on 1 April 2017.

In response to the coronavirus pandemic, in the Budget on 11 March 2020 the government announced that it would increase the Business Rates Retail Discount to 100% and extend it to include the leisure and hospitality sectors. In addition, on 18 March 2020, in response to the coronavirus, the government announced that many childcare providers would pay no business rates in 2020 to 2021. Billing authorities would be compensated by S31 grant. This has resulted in significant reduction in the Business Rates income collected. The additional S31 grant due to East Suffolk is shown in note 21 under Business Rate Reliefs.

	2020/21	2019/20
The rateable value at 31 March was	£232.9m	£232.2m
The multiplier was	51.2p	50.4p

3. Collection Fund Balances

The Collection Fund in year (surplus) / deficit comprises the following:		
	2020/21	2019/20
(Surplus) / Deficit relating to:	£'000	£'000
<u>Council Tax</u>		
Suffolk County Council	3,640	(344)
Police and Crime Commissioner for Suffolk	600	(84)
East Suffolk Council	663	(68)
Total Council Tax	4,903	(496)
<u>Business Rates</u>		
Central Government	17,846	(1,856)
Suffolk County Council	4,630	84
East Suffolk Council	18,521	334
Total Business Rates	40,997	(1,438)

Independent Auditors Report to the Members of East Suffolk Council

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST SUFFOLK COUNCIL

Opinion

We have audited the financial statements of East Suffolk Council 'the Council' and its subsidiaries (the 'Group') for the year ended 31 March 2021 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- East Suffolk Council and Group Comprehensive Income and Expenditure Statement,
- East Suffolk Council and Group Movement in Reserves Statement,
- East Suffolk Council and Group Balance Sheet,
- East Suffolk Council and Group Cash Flow Statement,
- the related notes 1 to 33,
- Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, and the related notes 1 to 9,
- Collection Fund and the related notes 1 to 3.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

In our opinion the financial statements:

- give a true and fair view of the financial position of East Suffolk Council and the Group as at 31 March 2021 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Council and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Council's ability to continue as a going concern for a period to 31 March 2025.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to East Suffolk Council and the Group's ability to continue as a going concern.

Other information

The other information comprises the information included in the Statement of Accounts set out on pages 1 to 131, other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the Statement of Accounts.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of East Suffolk Council and the Group
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

In respect of the following, we have matters to report by exception:

- Report on the Council and the Group's proper arrangements for securing economy, efficiency, and effectiveness in the use of resources.

We report to you, if we are not satisfied that the Council and the Group has put in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources for the year ended 31 March 2021.

On the basis of our work, having regard to the Code of Audit Practice 2020 and the guidance issued by the Comptroller and Auditor General in April 2021, we have identified the following significant weakness in the Council's arrangements for the year ended 31 March 2021.

Significant weakness in arrangements

During 2019/20, the Council identified a possible breach of regulations the conversion of rental charges on its social housing from social to affordable rent. The Council obtained legal advice which it received in February 2020, and which recommended the Council self-referred to the Social Housing Regulator. No action was taken by the Council to progress the matter between March 2020 and November 2021 and neither internal, nor external audit were made aware of the issue until December 2021. This weakness left the Council exposed to financial losses as a result of overcharging of rent and service charges the need to repay such sums and compensate tenants for the overcharging, along with the costs associated with investigating the issue and quantifying the sums due for repayment, as well as reputational damage.

In forming our assessment, we have considered and reviewed:

- The legal advice obtained by the Council in February 2020 regarding the continued conversion of properties from social to affordable rents;
- The February 2022 report from external consultants on their review of the Council's approach to rent setting against the Regulator of Social Housing Rent Standard which was commissioned by the Council;
- Further legal advice obtained by the Council in March 2022 to provide a second opinion in relation to the regulatory compliance issues and also in relation to whether or not some of the charges that have been levied have been properly charged, whether as rent or service charges;
- The output from forensic review of rent charges commissioned by the Council from external consultants to ensure that any overpayments were returned to affected tenants;
- The Council's calculation of the estimated provision required in relation to overcharged service charges included in the 2020/21 accounts based on the external consultants' forensic review; and
- The June 2023 report from the Governance Review of Housing Services which was commissioned by the Council.

Following the identification of the issue in December 2021, the Council has taken action to remedy the situation and has included provision of £3.8 million in its 2020/21 financial statements in relation to the repayments it has calculated as being due to housing tenants in relation to overcharging of services charges, which it has a legal obligation to repay. It has also restated the comparator figures in the accounts to reflect a provision of £3.6 million as at 31 March 2020 in relation to this issue. In addition, the Council has concluded that it has a constructive obligation to repay overcharged rent as a result of incorrect conversion and will reflect a provision of £8.8667 million in its 2022/23 financial statements in relation to this issue.

We recommend the Council:

- Implement the recommendations from the external review of the governance arrangements in the housing department as a priority.
- Put arrangements in place to ensure that any suspected non-compliance of regulations from any department are reported to internal and external audit as soon as they are identified.
- Address any suspected non-compliance with regulations in a timely manner by reporting any such concerns to a suitable Committee of the Council, ensuring action plans to address any non-compliance are progressed in a timely manner.

This issue is evidence of weaknesses in proper arrangements for:

- how the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency;
- how the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements.

Responsibility of the Chief Financial Officer

As explained more fully in the Statement of the Chief Financial Officer Responsibilities set out on page 26, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the Group and Council financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing East Suffolk Council and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the East Suffolk Council and the Group either intends to cease operations, or has no realistic alternative but to do so.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the East Suffolk Council and the Group and determined that the most significant are:

- Local Government Act 1972,
- Local Government and Housing Act 1989 (England and Wales),
- Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992),
- Local Government Act 2003,

- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018,2020 and 2021,
- Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (SI 2010/948),
- The Local Government Finance Act 2012,
- The Local Audit and Accountability Act 2014, and
- The Accounts and Audit Regulations 2015.

In addition, East Suffolk Council and the Group have to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, general power of competence, procurement and health & safety.

We understood how East Suffolk Council and the Group is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management/head of internal audit/those charged with governance/the monitoring officer and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the East Suffolk Council and the Group's committee minutes, through enquiry of employees to confirm East Suffolk Council and the Group policies, and through the inspection of other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We obtained and read the legal advice obtained by the Council related to the incorrect conversion of rents and incorrect inclusion of service charges along with the work of specialists engaged by the Council to assess the resultant level of overcharging. We read the Governance Review of Housing Services commissioned by the Council issued in June 2023.

We assessed the susceptibility of the East Suffolk Council and the Group's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified inappropriate capitalisation of revenue expenditure, incorrect classification of expenditure as revenue expenditure financed from capital under statute (refcus) and management override of controls to be our fraud risks.

To address our fraud risk of inappropriate capitalisation of revenue expenditure, we tested East Suffolk Council and the Group's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.

To address our fraud risk of incorrect classification of expenditure as refcus, we tested refcus expenditure to ensure the expenditure meets the broad principle of allowable expenditure or is incurred under direction from the Secretary of State.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.-We also assessed whether the judgements made in making accounting estimates are indicative of a potential bias and evaluated the business rationale of any identified significant transactions that were unusual or outside the normal course of business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in April 2021, as to whether East Suffolk Council had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether East Suffolk Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, East Suffolk Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the accounts of East Suffolk Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of East Suffolk Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the East Suffolk Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Debbie Hanson (Key Audit Partner)

Ernst & Young LLP (Local Auditor)

Luton

Date

Glossary of Financial Terms

Accounting Period

The period covered by the Accounts, normally 12 months commencing on 1st April for local authorities.

Accounting Policies

The rules and practices adopted by the Council that determine how the transactions and events are reflected in the accounts.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Business Rates (Non-Domestic Rates)

The system of local taxation on business properties also called Non-Domestic Rates (NDR).

Capital Adjustment Account

The Account absorbs the difference arising from the different rates at which non-current assets are accounted for as being consumed and at which resources are set aside to finance their acquisition.

Capital Charge

A charge to service accounts to reflect the cost of non-current assets used in the provision of services, usually comprising depreciation charges, impairment and any associated write down of capital grant financing.

Capital Expenditure

Expenditure on the acquisition of a non-current asset such as land and buildings, or expenditure that adds to and not merely maintains the value of an existing non-current asset.

Capital Receipts

Capital money received from the sale of land, dwellings, or other assets, which is available to finance other items of capital expenditure, or to repay debt on assets originally financed from loan.

Capital Receipts Reserve

This reserve holds the receipts generated from the disposal of non-current assets, which are restricted to being applied to finance new capital investment or reduce indebtedness.

CIPFA (Chartered Institute of Public Finance and Accounting)

CIPFA is the professional institute for accountants working in the public services. CIPFA publishes the Code, which defines proper accounting practice for local authorities.

Collection Fund

This Fund records the collection of the council tax and Non-Domestic Rates and its distribution.

Contingent Liabilities

Potential liabilities which are either dependent on a future event, or which cannot be reliably estimated.

Contingent Assets

Potential assets which are either dependent on a future event, or which cannot be reliably estimated.

Corporate and Democratic Core

This comprises all activities which local authorities engage in specifically because they are elected, multi-purpose organisations. The cost of these activities are over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. It includes costs relating to the corporate management and democratic representation.

Council Tax

The system of local taxation on dwellings that replaced the community charge with effect from 1 April 1993.

Council Tax Base

The amount calculated for each billing authority from which the grant entitlement of its share is derived. The number of properties in each band is

multiplied by the relevant band proportion to calculate the number of Band D equivalent properties in the area. The calculation allows for exemptions, discounts, appeals, local council tax reduction scheme and a provision for non-collection.

Council Tax Benefit

A system of financial assistance towards council tax costs which takes account of the applicants' financial needs and incomes.

Creditors

An amount of money owed by the District Council at 31 March for goods or services supplied but not yet paid for.

Debt

Amounts borrowed to finance capital expenditure that are still to be repaid.

Debtors

An amount of money owed to the Council at 31 March. Long-term debtors include loans against mortgaged property and loans to other local authorities.

Deferred Capital Receipts

Capital receipts outstanding on Council houses sold on deferred terms and secured by a mortgage of the property.

Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use or obsolescence through technological or other changes.

Direct Revenue Financing

A charge to revenue accounts for the direct financing of non-current assets and other capital expenditure.

Earmarked Reserves

Revenue reserves within the General Fund and the Housing Revenue Account set aside to finance specific future services.

General Fund

The main revenue fund of the District Council, to which the costs of the services are charged, (excluding the Housing Revenue Account (HRA) - see below).

Government Grants

Payments by Central Government towards the cost of local authority services. These are either for particular purposes or services (specific grants) or in aid of local services generally (general grants).

Heritage Assets

Heritage Assets are a distinct class of asset which is reported separately from property, plant & equipment. These assets would previously have been classified as community assets prior to 1st April 2011. The CIPFA Code defines a tangible heritage asset as: *a tangible asset with historical, artistic, scientific, technological, geophysical, or environmental qualities that is held and maintained principally for its contribution to knowledge and culture*. An intangible heritage asset is *'an intangible asset with cultural, environmental or historical significance'*.

Housing Advances

Loans by an authority to individuals towards the cost of acquiring or improving their homes.

Housing Benefit

A system of financial assistance towards housing costs which takes account of the applicants' financial needs and incomes. Assistance takes the form of rent rebates, council tax rebates and rent allowances.

Housing Revenue Account (HRA)

The statutory account to which are charged the revenue costs of providing, maintaining, and managing Council owned dwellings. These are financed by rents charged to tenants and subsidies received from the government. (See later paragraph on self-financing HRA).

Impairment

A material reduction in the value of a non-current asset during the accounting period. This can be caused by a consumption of economic

benefits (such as physical damage through fire or flood) or a fall in price of a specific asset. A general reduction in asset values is accounted for as an impairment through Valuation Loss.

Infrastructure Assets

Non-current assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highway and coast protection work.

International Financial Reporting Standards

The Code of Practice on Local Authority Accounting was, for the first time in 2010/11, based on International Financial Reporting Standards (IFRS). However, these standards are primarily drafted for the commercial sector and are not wholly designed to address the accounting issues relevant to local government in the UK. The Code therefore prescribes a hierarchy of alternative standards on which the accounting treatment and disclosures should be based for all transactions.

Leasing or Leases

A method of acquiring capital expenditure where a rental charge is paid for an asset for a specified period. All leases are categorised as either finance leases or operating leases. A finance lease transfers substantially all the risks and rewards of ownership to the lessee. An operating lease, in contrast, is like a rental agreement in nature, and all operating lease rentals are treated as revenue.

Levies

Payments made to Internal Drainage Boards.

Minimum Revenue Provision

A prudent sum required by law to be set aside from revenue for the repayment of loan debt.

Net Book Value

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation and impairment.

Non-Current Assets

Assets that yield benefits to the local authority and the services it provides for a period of more than one year.

Net Realisable Value

The amount at which an asset could be sold after the deduction of any direct selling costs.

Operational assets

Non-current assets are held and occupied, used, or consumed by the Council in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

Out-turn

Actual income and expenditure for the financial year.

Post Balance Sheet Events

Those events, both favourable and unfavourable, which occur between the Balance Sheet date and the date on which the Statement of Accounts are authorised for issue by the Section 151 Officer.

Precept

The net expenditure of a non-billing authority (e.g. County Council, Police Authority or Parish Council) which the billing authority must include when setting its Council Tax and then pay over to the precepting authority in agreed instalments.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used during more than one period. (See separate paragraph on Heritage Assets).

Provisions

A liability that is of uncertain timing or amount which is to be settled by transfer of economic benefits.

Public Works Loan Board

A Government agency which provides longer-term loans to local authorities at interest rates slightly higher than those at which the Government itself

can borrow. Local authorities can borrow a proportion of their requirements to finance capital expenditure from this source.

Rateable Value

A value assessed by the Valuation Office Agency for all properties subject to national non-domestic rates.

Reserves

Reserves are, reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Revaluation Reserve

An "unusable reserve" recording accumulated gains arising from the revaluation of non-current assets until they are consumed by the authority or realised in a sale.

Revenue Expenditure

This is expenditure mainly on recurring items and consists principally of salaries and wages, capital charges and general running expenses.

Revenue Expenditure Funded from Capital under Statute (REFCuS)

Expenditure that is classified as capital for funding purposes which does not result in the expenditure being carried on the Balance Sheet as a non-current asset. Examples include improvement grants and capital grants to third parties.

Revenue Support Grant

A general grant paid by Central Government to local authorities in aid of revenues generally and not for specific services. It is paid to the General Fund.

Section 151 Officer

The officer with specific legal responsibility for the financial matters of a local authority.

Self-Financing for the HRA

The self-financing HRA commenced on 1 April 2012 and is based on authorities "buying" themselves out of a negative housing subsidy position. This involves the Council no longer paying into housing subsidy and in return the Council's debt is adjusted upwards to an appropriate level. It is a once and for all settlement between central and local Government, after which all responsibility for maintaining social housing will rest with the Council.

The Code

The Code incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting Standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'presents a true and fair view' of the financial position of the Council. The Code has statutory status via the provision of the Local Government Act 2003.

Trading Accounts

Trading accounts exist where the service manager is required to operate in a commercial environment and balance their budget by generating income from other parts of the authority or other organisations.

Usable Capital Receipts

Capital receipts that remain available to meet the cost of future capital expenditure.

UK GAAP

The accounting treatments that companies in the UK would generally be expected to apply in the preparation of their financial statements.

Valuation Loss

Impairment of an asset due to a general fall in prices, supported by a valuer's certificate. Valuation losses are charged initially to any balance in the Revaluation Reserve, and subsequently to the Comprehensive Income and Expenditure Account. Impairment charges do not, however, fall on the

taxpayer, and the impact is reversed in the Movement in Reserves Statement.

Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.



AUDIT & GOVERNANCE COMMITTEE

Monday, 11 December 2023

Subject	Capital Strategy 2024/25 to 2027/28
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money
Report Author(s)	Julian Sturman Specialist Accountant – Capital & Treasury Management julian.sturman@eastsoffolk.gov.uk
Head of Service	Lorraine Rogers Chief Finance Officer and Section 151 Officer lorraine.rogers@eastsoffolk.gov.uk
Director	Chris Bally Chief Executive chris.bally@eastsoffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

The Capital Strategy (**Appendix A**) gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in East Suffolk, along with an overview of how associated risk is managed and the implications for future financial sustainability

Options:

To comply with the CIPFA Prudential code the report is required to be produced and presented to members, and consequently, no other options have been considered.

Recommendation/s:

That having reviewed and commented upon the Capital Strategy 2024/25 to 2027/28, the committee recommends it to Full Council for approval.

Corporate Impact Assessment

Governance:

The report complies with the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code to provide information and scrutiny on the Council's Capital Strategy.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Council Strategic Plan

Environmental:

No impacts.

Equalities and Diversity:

No impacts.

Financial:

Management of the Council's capital budget plans and the impact on the council's cash flows transactions.

Human Resources:

No impacts.

ICT:

No impacts.

Legal:

No impacts.

Risk:

Non-compliance with CIPFA's Prudential Code

External Consultees:	None
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being, and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education, and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
Production of the Capital Strategy is a requirement under the CIPFA Prudential Code demonstrating the Council's governance of its capital plans.			

Background and Justification for Recommendation

1 Background facts	
1.1	The Capital Strategy (Appendix A) gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in East Suffolk, along with an overview of how associated risk is managed and the implications for future financial sustainability.
2 Current position	
2.1	Section 2 of the Strategy outlines the draft Capital Programme 2024/25 to 2027/28 and the way in which it is to be financed. The overall planned expenditure is £410.22m (General Fund £328.28m and HRA £81.94m) over 2023/24 to 2027/28. The 2024/25 planned capital expenditure is £105.66m (General Fund £76.59m and HRA £29.07m).
2.2	Section 3 of the Strategy refers to the Asset Management Strategy, this highlights the treatment of asset disposals and the continuation of the prudent policy of not anticipating capital receipts before they are received.
2.3	Section 4 covers Treasury Management, including both borrowing and investments. Treasury Management is a well-established Council activity that operates within a tightly controlled framework.
2.4	Section 5 presents the Council's approach to Service Investments.
2.5	Section 6 explores the Council's other financial liabilities, both in terms of existing commitments (e.g., the Pension Fund deficit) and guarantees.
2.6	Section 7 explores the in-built revenue implications within the Capital Programme, its financing costs and evaluates its overall "prudence, affordability and sustainability".
2.7	Section 8 explains how the Strategy is underpinned by a systematic approach to obtaining and maintaining the necessary knowledge and skills required, to operate effectively, whilst (simultaneously) adequately protecting the Council's financial risk exposure and wider interests.
2.8	The Strategy concludes in Section 9 which includes an explicit statement by the Chief Finance Officer in accordance with the Prudential Code, providing assurance to Members that the Capital Strategy as a whole is affordable, and that risk has been identified and is being adequately managed.
3 How to address current situation	
3.1	The Capital Strategy is a critical component in the delivery of many ambitions included within the Strategic Plan. It is not only essential to achieving one of the three overarching strategic priorities of the Plan ("Financial Sustainability") but is also vital in the delivery of a vast range of service development and delivery initiatives.
4 Reason/s for recommendation	
4.1	To enable the Audit & Governance Committee to review the Capital Strategy, including obtaining a recommendation for approval to Full Council.

Appendices

Appendices:

Appendix A	Capital Strategy 2024/25 to 2027/28
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Background reference papers:

None

East Suffolk Council

Capital Strategy 2024/25 – 2027/28

1) Introduction

1.1 This Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in East Suffolk, along with an overview of how associated risk is managed and the implications for future financial sustainability. It has purposely been written in an accessible style to enhance understanding of what can be very technical areas.

2) Capital Expenditure and Financing

2.1 Expenditure

2.1.1 Capital expenditure occurs when the Council spends money on assets such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example individual assets costing below £10,000 are not capitalised and are charged to revenue in year.

2.1.2 Further details on the Council's capitalisation policy can be found in the 2022/23 Draft Statement of Accounts on page 40, note n:

- [ESC-Statement-of-Accounts-2022-23.pdf \(eastsuffolk.gov.uk\)](https://www.eastsuffolk.gov.uk/Document/Statement-of-Accounts-2022-23)

2.1.3 In 2024/25, East Suffolk Council is planning total capital expenditure of £105.66m (and a total of £350.22m from 2024/25 to 2027/28) as summarised in Table 1 below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget
	£000's	£000's	£000's	£000's	£000's
General Fund Services	45,984	76,594	84,927	115,997	4,776
Council Housing (HRA)	14,019	29,068	17,669	12,013	9,173
TOTAL	60,003	105,662	102,596	128,010	13,949

2.1.4 The capital programme which has been revised through the Councils autumn budget setting process will be reviewed at the December meeting of the Scrutiny Committee. The General Fund and HRA summaries are shown below.

SUMMARY - GENERAL FUND PROGRAMME	2023/24	2024/25	2025/26	2026/27	2027/28	2023/24 to 2027/28
	£000	£000	£000	£000	£000	£000
	Revised Budget	Revised Budget	Revised Budget	Revised Budget	New Budget	Revised Total
Corporate Service (formely ICT - Digital & Programme Management)	796	887	250	250	500	2,683
Corporate Service (formely Operations)	18,691	18,991	27,810	26,771	1,930	94,193
Economic Development & Regeneration	5,651	21,777	18,498	909	0	46,835
Environmental Services & Port Health	485	50	0	0	0	535
Financial Services & Value for Money (Formerly Financial Services)	400	315	0	0	0	715
Financial Services & Value for Money (Formerly General Fund Housing)	2,594	2,207	2,194	2,182	2,171	11,348
Planning & Coastal Management	17,367	32,367	36,175	85,885	175	171,969
Total Capital Expenditure	45,984	76,594	84,927	115,997	4,776	328,278
Financed By:-						
Internal resources - reserves	7,208	2,637	1,250	1,250	1,500	13,845
Internal resources - borrowing	15,756	23,059	36,799	26,635	1,105	103,354
Grants	23,020	50,898	46,878	88,112	2,171	211,079
Total Financing	45,984	76,594	84,927	115,997	4,776	328,278

SUMMARY - HRA PROGRAMME	2023/24	2024/25	2025/26	2026/27	2027/28	2023/24 to 2027/28
	£000	£000	£000	£000	£000	£000
	Revised Budget	Revised Budget	Revised Budget	Revised Budget	New Budget	Revised Total
Asset Investment	4,203	7,890	10,190	5,490	4,990	32,763
Acquisition & Development	9,816	21,178	7,479	6,523	4,183	49,179
Total Capital Expenditure	14,019	29,068	17,669	12,013	9,173	81,942
Financed By:-						
Internal resources - reserves/DRF	12,903	25,512	15,709	10,109	8,973	73,206
Grants	1,116	3,556	1,960	1,904	200	8,736
Total Financing	14,019	29,068	17,669	12,013	9,173	81,942

2.1.5 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that the Council's housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately.

2.1.6 Capital investments include loans and shares made for service purposes and property to be held primarily for financial return in line with the definition in the CIPFA Treasury Management Code.

2.2 Governance

2.2.1 The evaluation, prioritisation, and acceptance of capital schemes onto the Capital Programme is carried out in accordance with strict criteria that ensures that new schemes reflect Council priorities and can be delivered within available resources (e.g., due priority is given to schemes yielding savings and/or generating income as well as meeting a Council priority). Proposals are shaped by senior managers in consultation with councillors and considered at the Head of Service budget meetings (in October/November each year) which also includes the Strategic Director responsible for the service area, the Chief Finance Officer (CFO) and relevant members of the finance team. The Head of Housing budget meeting also considers the HRA capital programme.

2.2.2 The draft Capital Programme is then subjected to formal Scrutiny prior to setting the budget followed by Full Council approval.

2.3 Financing

2.3.1 All capital expenditure must be financed, either from external sources (Government grants and other contributions), the Council's own resources (revenue, reserves, and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is presented in Table 2 below.

Table 2: Capital Financing

	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget
	£000's	£000's	£000's	£000's	£000's
External sources (Grants/Contributions)	20,111	28,149	16,959	11,359	10,473
Revenue resources	15,756	23,059	36,799	26,635	1,105
Borrowing	24,136	54,454	48,838	90,016	2,371
TOTAL	60,003	105,662	102,596	128,010	13,949

2.3.2 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as "Minimum Revenue Provision" (MRP).

Table 3: Replacement of prior years' Debt Finance

	2023/24 Actual	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget
	£000's	£000's	£000's	£000's	£000's
Minimum Revenue Provision (MRP)	1,722	2,011	2,405	2,962	2,386

2.3.3 The Council's annual MRP statement can be found at Annex A below.

2.3.4 The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP. The CFR is expected to increase by £156.93m between 2023/24 and 2027/28 which is due to capital projects being financed through borrowing. Based on the above figures for expenditure and financing, the Council's estimated CFR is presented in Table 4 below.

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement (CFR)

	2023/24 Actual	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget
	£000's	£000's	£000's	£000's	£000's
General Fund services CFR	88,593	132,632	178,567	260,331	255,526
Council housing (HRA) CFR	59,440	59,440	59,440	49,440	49,440
TOTAL CFR	148,033	192,072	228,007	309,771	304,966

3) Asset Management

3.1 Asset Management Strategy

3.1.1 The Council recognises the importance of ensuring that capital assets continue to be of long-term use especially against a rapidly changing operational and technological backdrop. Enhancing the management of the Council's existing asset base and looking beyond the traditional medium-term financial planning horizon is a major priority. An updated Asset Management Strategy (AMS) was approved in July 2019, broken down into four key components:

- Administrative Improvements.
- Compliance and Sustainability.
- A strategic approach to assets; and
- Reducing expenditure and increasing income.

The AMS takes a longer-term view comprising:

- 'Good' information about existing assets.
- The optimal asset base for the efficient delivery of Council objectives.
- The gap between existing assets and optimal assets.
- Strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets; and
- Plans for individual assets.

3.2 Asset Disposals

3.2.1 When a capital asset is no longer needed, it may be sold so that the proceeds - known as capital receipts - can be spent on new assets or to repay debt. Repayments of loans and investments also generate capital receipts. Table 5 below summarises the overall budget projections for capital receipts and loan repayments.

Table 5: Capital Receipts

	2023/24 Actual	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget
	£000's	£000's	£000's	£000's	£000's
General Fund Asset sales	-5,599	0	0	0	0
HRA Asset Sales	-1,860	-7,055	-1,543	-616	-675
TOTAL	-7,459	-7,055	-1,543	-616	-675
General Fund Loans repaid	160	1,200	160	160	160
HRA Loans repaid	0	960	0	10,000	0
TOTAL	160	2,160	160	10,160	160

3.2.2 The Council operates a deliberately prudent policy of not assuming future capital receipts within its General Fund capital income projections.

4) Treasury Management

4.1 Introduction

- 4.1.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 4.1.2 Due to decisions taken in the past, the Council currently (28th November 2023) has borrowing of £65.49m at an average interest rate of 4.44% and £123.89m in treasury investments at an average consolidated rate of 4.88%.

4.2 Borrowing

- 4.2.1 The Council's main objective when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between short-term loans (currently available at around 5.69%) and long-term fixed rate loans where the future cost is likely to be higher than the current 5.49%.
- 4.2.2 Projected levels of the Council's total outstanding debt (which comprises borrowing, leases and transferred debt) are shown below in Table 6, compared with the Capital Financing Requirement (Table 4 above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget
	£000's	£000's	£000's	£000's	£000's
Debt (incl. leases)	95,809	147,714	195,997	194,853	197,064
Capital Financing Requirement	148,033	192,072	228,007	309,771	304,966

- 4.2.3 Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from Table 6, the Council expects to comply with this in the medium term.

Liability Benchmark

- 4.2.4 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the minimum amount of borrowing required to keep investments at minimum liquidity level. This assumes that cash and investment balances are kept to a minimum level of £10 million at each year-end. The Liability Benchmark shows that based on the current capital plans there is no requirement to borrow in 2023/24, however based on the current budgets the Council will need to borrow in 2024/25 to 2027/28 due to the reduction in financial resources available.

Table 7: Borrowing and the Liability Benchmark

	2023/24	2024/25	2025/26	2026/27	2027/28
	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m
Loans CFR	148.03	192.07	228.00	309.77	304.66
Less: Balance sheet resources	-176.80	-176.80	-176.80	-181.70	-181.70
Net loans requirement	-28.77	15.27	51.20	128.07	122.96
Plus: Liquidity allowance	10.00	10.00	10.00	10.00	10.00
Liability benchmark	-18.77	25.27	61.20	138.07	132.96

Affordable Borrowing Limit

- 4.2.6 The Council is legally obliged to set an affordable borrowing limit (also termed the “Authorised Limit” for external debt) each year. In line with statutory guidance, a lower “Operational Boundary” is also sets as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised Limit and Operational Boundary for External Debt

	2023/24 limit	2024/25 limit	2025/26 limit	2026/27 limit	2027/28 limit
	£000's	£000's	£000's	£000's	£000's
Authorised limit – borrowing	168,380	168,380	168,380	168,380	168,380
Authorised limit – leases	6,620	6,620	6,620	6,620	6,620
Authorised limit – total external debt	175,000	175,000	175,000	175,000	175,000
Operational boundary – borrowing	166,380	166,380	166,380	166,380	166,380
Operational boundary – leases	6,620	6,620	6,620	6,620	6,620
Operational boundary – total external debt	173,000	173,000	173,000	173,000	173,000

- 4.2.7 Further details on borrowing are contained in the [Treasury Management Strategy](#)

4.3 Investments

- 4.3.1 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

(Treasury Management) Investment Strategy

- 4.3.2 The Council’s [Investment Strategy](#) is to prioritise security and liquidity over yield; focussing on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with other local authorities or selected high-quality banks, to minimise the risk of loss.

4.3.3 Table 9 below summarises the Council’s current and forecast treasury investments.

Table 9: Treasury Management Investments

	2023/24 current	2024/25 forecast	2025/26 forecast	2026/27 forecast	2027/28 forecast
	£000’s	£000’s	£000’s	£000’s	£000’s
Near-term investments	115,000	100,000	100,000	100,000	100,000
Longer-term investments	20,000	20,000	20,000	20,000	20,000
TOTAL	135,000	120,000	120,000	120,000	120,000

4.4 Risk Management

4.4.1 The effective management and control of risk are prime objectives of the Authority’s treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

4.5 Governance

4.5.1 Treasury management decisions are made daily and are therefore delegated to the CFO, who must act in line with the Treasury Management Strategy approved by the Council. Annual outturn reports on treasury management are also approved by the Council (following recommendation from Audit and Governance Committee), whereas mid-year updates are reported exclusively to the Audit and Governance Committee.

5) Investments for Service Purposes

5.1 As published in the Councils Draft Statement of Accounts 2022/23 at 31st March 2023, the Council held net investments as follows:

- Suffolk Coastal Norse Limited - the Council has held a 20% equity share since April 2009. The Council’s share of Net Assets / (Liabilities) at 31st March 2023 was £2,169,000; and
- Waveney Norse Limited – the Council has held a 19.9% equity share since April 2008. The Council’s share of Net Assets / (Liabilities) at 31st March 2023 was £600,000.

Governance

5.1.1 Decisions on service investments are made by the Council’s Cabinet and require the support of a full business case.

5.1.2 The Council exercised its right not to renew the contract with Norse for the provision of operational services, with the contract ceasing on the 30th June 2023.

5.1.3 East Suffolk Services, a Local Authority Trading Company (LATCo) operate as an ‘arms-length’ commercial business, separate to the Council, following the conclusion of the Norse contract. The Council has made a loan provision of £1.8m to East Suffolk Services and holds 100 shares at £1 each.

6) Other Liabilities

6.1.1 Outstanding Commitments

6.1.2 The Councils draft 2022/23 Statement of Accounts does include any outstanding commitments.

6.2 Guarantees

6.2.1 The Council became “self-financing” in respect of its retained housing stock (in the former Waveney district) from April 2012. The self-financing regime applied to all authorities and replaced the former housing subsidy system whereby the Council made annual subsidy payments to the Government funded from its HRA. Its introduction entailed a one-off redistribution of ‘debt’ between local authorities, and locally this resulted in the Council taking on PWLB loans, which it is required to service (instead of making housing subsidy payments).

6.2.2 A 30-year Business Plan for the Council’s HRA was previously developed, which generated sufficient rental income each year to run an efficient and effective housing management service, whilst at the same time servicing the outstanding debt (which is scheduled for repayment in full by March 2042 i.e., within the 30-year period). However, if the HRA is unable to repay the outstanding debt at any point in the future, the Council (through its General Fund) is liable to repay any remaining balance. The remaining balance on HRA debt as at 31st March 2023 was £60.40 million. The HRA business plan is currently being re-refreshed to provide the most update position.

6.3 Governance

6.3.1 Decisions on incurring new discretionary liabilities are taken by Directors and Heads of Service in consultation with the CFO. For example, in accordance with the Financial Procedure Rules (Part 3 of the Constitution, Paragraph 2.1.25), credit arrangements – such as leasing agreements – cannot be entered into without the prior approval of the CFO.

7) Revenue Implications

7.1 Financing Cost

7.1.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, Business Rates, and general Government grants.

Table 10: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream (General Fund)

	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget
	£000's	£000's	£000's	£000's	£000's
Financing Costs (£m)	1,923	2,212	2,606	3,163	2,587
Proportion of Net Revenue Stream	5.10%	11.06%	10.09%	12.42%	11.24%

Table 11: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream (HRA)

	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget
	£000's	£000's	£000's	£000's	£000's
Financing Costs (£m)	4,281	6,001	4,016	3,560	3,300
Proportion of Net Revenue Stream	14.78%	23.07%	14.57%	13.00%	12.30%

7.1.2 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for many (occasionally up to 50) years into the future.

7.2 “Prudence, Affordability and Sustainability”

7.2.1 The CFO is satisfied that the proposed Capital Programme (Section 2) is prudent, affordable, and sustainable based on the following:

Prudence

- Prudential indicators 10 and 11 presented above (Paragraph 8.1.1) are within expected and controllable parameters. Thus:
 - *Prudential Indicator 10 (General Fund) - Proportion of Financing Costs to Net Revenue Stream* – the growth in financing costs reflects the Council’s ambitions for capital investment in its strategic priorities over the medium-term.
 - *Prudential Indicator 11 (HRA) - Proportion of Financing Costs to Net Revenue Stream* – the indicator profile mirrors the HRA 30-Year Business Plan, which is a fully-costed strategy that will see all outstanding debt repaid by 2042/43.
- *Underlying Prudent Assumptions* – a prudent set of assumptions have been used in formulating the Capital Programme. This is illustrated in the approach to capital receipts whereby the proceeds are not assumed within projections until the associated sale is completed and the money received by the Council; and
- *Repairs and Maintenance* – the approach to asset maintenance is professionally guided with assets maintained in a condition commensurate with usage and expected life, addressing those items that could affect ongoing and future maintenance, in the most appropriate and cost-effective manner.

Affordability

- The estimated general fund ‘revenue consequences’ of the Capital Programme (£11.49 million over five years) have been included in the draft 2023/24 Budget and Medium-Term Financial Strategy (MTFS), extending to 2027/28; and
- The MTFS is underpinned by a Reserves Strategy, which includes contingency funds in the event that projections are not as expected (further supported by CFO report to Council under Section 25 of the Local Government Act 2003 on the robustness of estimates and the adequacy of financial reserves and balances).

Sustainability

- Capital schemes that are expected to deliver long-term revenue savings and regenerate the area are given due priority. For example, the Lowestoft Tidal Barrier (unlocking brownfield development sites and providing a boost to future income from Business Rates and Council Tax), the Towns Fund Project which will look to regenerate Lowestoft Town Centre and seek to attract external interest and investment in the Town.
- As explained in Section 3.1 above, the Asset Management Strategy represents an enhancement to the Council approach to asset planning through (especially) taking a longer-term view. This includes providing for future operational need, balancing the requirement to achieve optimal performance, whilst taking account of technological change and managing the risk of obsolescence.

8) Knowledge and Skills

8.1 Officers

8.1.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Most notably:

- *Finance* - the Chief Finance Officer (CFO) is a qualified (CIPFA) accountant with many years of experience. The Council sponsors junior staff to study for relevant professional qualifications including AAT, CIPFA and ACCA. The Council also pays for (and ensures attendance on) training courses and conferences across all aspects of accounting, including (especially) Treasury Management to keep professional client status under “MIFID II” (the “Markets in Financial Instruments Directive”, incorporated into UK law in November 2017).
- *Property* –The Asset Management service comprises of, and performs the Estates Management, Building Services, Resorts, Capital Projects, and Development functions of the Council. Each function is headed by an appropriately qualified professional within their individual specialism (e.g., the Building Services team is led by a MRICS Building Surveyor). As with Finance, the Council is strongly committed to supporting both professional and wider staff development within its Asset Management function, with a number of staff on the pathway to becoming qualified RICS surveyors and with apprentice opportunities within the Asset Management team.

8.1.2 The Council also has a separate Housing team that is responsible for overseeing social housing developments within the district.

8.2 External Advisors

8.2.1 Where the Council does not have the relevant knowledge and skills required, judicious use is made of external advisers and consultants that are experts/specialists in their field. The Council currently employs Arlingclose Limited as Treasury Management advisers, and the Asset Management team will appoint property advisors (e.g., development managers, valuers etc.) to support their work where required. The approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with risk.

8.3 Councillors

8.3.1 Specifically with regard to Treasury Management, the Council acknowledges the importance of ensuring that members have appropriate capacity, skills, and information to effectively undertake their role. To this end, a training session was delivered on the 19th June 2023 by the Councils external Treasury Advisors, Arlingclose which all East Suffolk councillors were invited to.

9) CFO Statement on the Capital Strategy

9.1 Prudential Code

9.1.1 Paragraph 24 of the Prudential Code determines that....” the Chief Finance Officer should report explicitly on the affordability and risk associated with the Capital Strategy”.

9.1.2 Accordingly, it is the opinion of the CFO that the Capital Strategy as presented is affordable, and associated risks have been identified and are adequately managed.

9.2 Affordability

9.2.1 The Capital Strategy is affordable and there is a range of evidence to support this assertion, including:

- *Capital Programme* – the Programme as presented above (in Section 2.1) is supported by a robust and resilient MTFS extending through until 2027/28 that contains adequate revenue provision, including sufficient reserves in the event that plans and assumptions do not materialise as expected.
- *Asset Management* – as presented above (in Section 3.1) the Asset Management Strategy is taking a strategic longer-term (i.e., beyond 2054/26) view of the Council’s asset base. A fundamental aim of the Strategy is to achieve the optimum balance between future operational need and affordability, which is reflected in its component parts including strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets; and

9.3 Risk

9.3.1 The risk associated with the Capital Strategy has been identified and is being adequately managed. Evidence to support this assertion includes:

- *Treasury Management Strategy* – the Council is in the process of formally approving its Treasury Management Strategy for 2024/25 in accordance with CIPFA’s “Treasury Management in the Public Services: Code of Practice 2017”. That Strategy was developed by the Council’s (professionally qualified and experienced) Finance team and informed by specialist advisors Arlingclose and other relevant and extant professional guidance.
- *Investment Strategy* – the Council is also formally approving an Investment Strategy for 2024/25 in accordance with MHCLG’s “Statutory Guidance on Local Government Investments (3rd Edition) 2018”. As with the Treasury Management Strategy, the Investment Strategy was developed by the Finance team and informed by specialist advisors Arlingclose and other relevant and extant professional guidance; and

9.3.2 In addition, the CFO is satisfied that there are no major omissions – in terms of financial liabilities – from the Capital Programme in the medium-term.

9.4 Capital Strategy Updates

9.4.1 The Capital Strategy is a ‘living document’ and will be periodically – usually annually – updated to reflect changing local circumstances and other significant developments.

Annual Minimum Revenue Provision Strategy

1. Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Ministry for Housing, Communities and Local Government's Guidance on Minimum Revenue Provision.
2. The broad aim of the Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
3. The Guidance requires the Council to approve an Annual MRP Statement each year and recommends several options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
4. For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant Public Works Loan Board rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
5. Capital expenditure incurred during 2024/25 will not be subject to a charge until 2025/26.



AUDIT & GOVERNANCE COMMITTEE

Monday, 11 December 2023

Subject	Treasury Management Strategy Statement for 2024/25 & Treasury Management Investment Strategy for 2024/25
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money
Report Author(s)	Julian Sturman Specialist Accountant – Capital & Treasury Management julian.sturman@eastsoffolk.gov.uk
Head of Service	Lorraine Rogers Chief Finance Officer and Section 151 Officer lorraine.rogers@eastsoffolk.gov.uk
Director	Chris Bally Chief Executive chris.bally@eastsoffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

This report sets out the Council's Treasury Management Strategy for 2024/25 and the Treasury Management Investment Strategy for 2024/25 and covers:

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy; and
- the investment strategy

Options:

To comply with the CIPFA Treasury Management Code the report is required to be produced and presented to members, and consequently, no other options have been considered.

Recommendation/s:

That having reviewed and commented upon Treasury Management Strategy Statement and the Treasury Management Investment Strategy for 2024/25, the Committee recommends it to Full Council for approval.

Corporate Impact Assessment

Governance:

The report complies with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management code to provide information and scrutiny on the Councils Treasury Management function.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Council Strategic Plan

Environmental:

No impacts.

Equalities and Diversity:

No impacts.

Financial:

Management of the Council's cash flows, banking and capital market transactions.

Human Resources:

No impacts.

ICT:

No impacts.

Legal:

No impacts.

Risk:

Treasury Management in Local Government is governed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management in the Public Services and in this context is the “management of the Council’s cash flows, its banking and its capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks”. This Council has adopted the Code and complies with its requirements.

External Consultees: None

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being, and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education, and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>

How does this proposal support the priorities selected?

Production of the Treasury Management Strategy Statement for 2024/25 & Treasury Management Investment Strategy for 2024/25 is a requirement under the CIPFA Treasury Management Code demonstrating the Council's governance of its investment and loans portfolio.

Background and Justification for Recommendation

1 Background facts	
1.1	Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
1.2	Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
2 Current position	
2.1	The Treasury Management Strategy for 2024/25 set out in Appendix A covers: Treasury management issues: <ul style="list-style-type: none">• the current treasury position.• treasury indicators which limit the treasury risk and activities of the Council.• prospects for interest rates.• the borrowing strategy; and• the investment strategy.
3 How to address current situation	
3.1	The report recommends that the Treasury Management Strategy for 2024/25 and the Treasury Management Investment Strategy for 2024/25 be reviewed and commented upon and recommended for approval.
4 Reason/s for recommendation	
4.1	The CIPFA Treasury Management code requires the strategies to be produced and presented at Full Council prior to the start of the financial year.

Appendices

Appendices:	
Appendix A	Treasury Management Strategy Statement 2024/25
Appendix B	Treasury Management Investment Strategy 2024/25

Background reference papers:	
None	

Treasury Management Strategy Statement 2024/25

Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Investments held for service purposes or for income are considered in the Investment Strategy.

External Context

Economic background: The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024/25.

The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level in September and then again in November. Members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with near-term risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

Office for National Statistics (ONS) figures showed CPI inflation was 6.7% in September 2023, unchanged from the previous month but above the 6.6% expected. Core CPI inflation fell to 6.1% from 6.2%, in line with predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling, declining to around 4% by the end of calendar 2023 but taking until early 2025 to reach the 2% target and then falling below target during the second half 2025 and into 2026.

Credit outlook: Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast (November 2023): Although UK inflation and wage growth remain elevated, the Authority's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.

Arlingclose expects long-term gilt yields to eventually fall from current levels (amid continued volatility) reflecting the lower medium-term path for Bank Rate. However, yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

With uncertainty on future Bank Rate a prudent approach has been assumed for setting the investment income budget. New treasury investments will be made at an average rate of 3.15%, and that new long-term loans will be borrowed at an average rate of 5.35%.

Local Context

At the end of November 2023, the Council held £65.49m of borrowing and £123.55m of investments and is set out in further detail at Appendix B. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The Council expects to comply with this recommendation during 2024/25 and in the subsequent years.

Borrowing Strategy

The Council currently holds £65.49m of loans, a decrease of £160k on the previous year which is due to the principal repayment on one of current loans. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.

Objectives: The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The current strategy of internally borrowing the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has previously raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pension funds and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs; ensure the delivery of the Capital Programme; and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board).
- UK Infrastructure Bank Ltd
- any institution approved for investments (see below).
- any other bank or building society authorised to operate in the UK.
- any other UK public sector body.
- UK public and private sector pension funds (except local Pension Fund).
- capital market bond investors.
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues; and

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing.
- hire purchase.
- Private Finance Initiative; and
- sale and leaseback.

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

LOBOs: The Council does not hold any LOBO's (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost.

Short-term and variable rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

Debt rescheduling: The PWLB allows Council's to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Liability benchmark: To compare the Council’s actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts shown in the Capital Programme for borrowing, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Prudential Indicator: Liability benchmark

	2023/24	2024/25	2025/26	2026/27	2027/28
	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m
Loans CFR	148.03	192.07	228.00	309.77	304.66
Less: Balance sheet resources	-176.80	-176.80	-176.80	-181.70	-181.70
Net loans requirement	-28.77	15.27	51.20	128.07	122.96
Plus: Liquidity allowance	10.00	10.00	10.00	10.00	10.00
Liability benchmark	-18.77	25.27	61.20	138.07	132.96

Treasury Investment Strategy

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council’s treasury investment balance has ranged between £97.89 million and £147.34 million.

Objectives: The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy: Given the increasing risk from short-term unsecured bank investments, the Council invest mainly in more secure and/or higher yielding asset classes and will continue to do so during 2024/25.

ESG policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors’ decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority’s ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

The Councils current banking partners are signatories to both UN Principles for Responsible Banking and the Net Zero Asset Managers Alliance.

Banks	UN Principles for Responsible Banking	Net Zero Banking Alliance
UK Banks		
Barclays Group	✓	✓
Lloyds Banking Group (including Bank of Scotland)	✓	✓

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Council’s “business model” for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Council may invest its surplus funds with any of the counterparty types in table 1 below, subject to the cash limits (per counterparty) and the time limits shown. These limits exclude any interest payments which will be paid to the Council periodically.

Table 1: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£25m	Unlimited
Secured investments *	25 years	£25 m	Unlimited
Banks (unsecured) *	13 months	£25 m	Unlimited
Building societies (unsecured) *	13 months	£15m	£15m
Registered providers (unsecured) *	5 years	£25m	£25m
Money market funds *	n/a	£20m	Unlimited
Strategic pooled funds	n/a	£20m	£50m
Real estate investment trusts	n/a	£10m	£25m
Other investments *	5 years	£5m	£10 m

*This table must be read in conjunction with the notes below.

Minimum credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than [A-]. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £20m per counterparty as part of a diversified pool e.g., via a peer-to-peer platform.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government, and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency although they are not a zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £50,000 per company as part of a diversified pool in order to spread the risk widely.

Registered providers (unsecured): Loans and bonds issued by, guaranteed by, or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government, and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Pooled funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity, and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts (REIT): Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £20m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit, rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects: The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment return to fall but will protect the principal sum invested.

Local Authorities Section 114 Notices

Local authorities are required by law to have a balanced budget, whilst this is not defined anywhere in law it would likely involve delivering a financial plan where expenditure will equal income over the short- and medium-term.

Within the Local Government Finance Act 1988, Section 114 (3) states that: "The chief finance officer of a relevant authority shall make a report under this section if it appears that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure".

In the event of a Section 114 notice being issued the Council (namely its Members) has 21 days to consider a response. The 114 notice prohibits all new expenditure, except for that relating to the safeguarding of vulnerable people and the provision of statutory services. So effectively during the three-week period spending and other financial activity is suspended placing the organisation in a period of financial uncertainty.

Whatever action is taken it is hoped that the Authority will be able to agree on a spending and savings programme, and that a balanced budget can be put forward. If it still cannot make the budget balance then the authority will be required to call in its external auditors, who must try again to find a way to set viable budget. At this point, central government will get more heavily involved.

Investment limits: In order that investment balances are not put at too higher risk the maximum that will be lent to any one organisation (other than the UK Government) will be £25 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries, and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

Table 2: Additional Investment limits

	Cash limit
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£4m per country

Liquidity management: The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

The Council will spread its liquid cash over at least two providers (e.g., bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk. The lower the score the lower the risk is.

	2023/24 Q2	Target
Portfolio average credit score	4.8	4

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

	Target
Total cash available within 3 months	£30.00m

Interest rate exposures: This indicator is set to control the Council’s exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	£150,000
Upper limit on one-year revenue impact of a 1% fall in interest rate	£150,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Maturity structure of borrowing: This indicator is set to control the Council’s exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	75%	0%
5 years and within 10 years	75%	0%
10 years and within 20 years	75%	0%
20 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than one year: The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2023/24	2024/25	2025/26	2026/27	2027/28
Limit on principal invested beyond year end	£25.0m	£25.0m	£25.0m	£25.0m	£25.0m

Operational Boundary for External Debt: The operational boundary is based on the Council’s estimate of most likely (i.e., prudent but not worst case) scenario for external debt. It links directly to the Council’s estimates of capital expenditure, the capital financing requirement, and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council’s debt.

Operational Boundary	2023/20 24Limit £m	2024/20 25Limit £m	2025/25 6 Limit £m	2026/27 Limit £m	2027/28 Limit £m
Borrowing	173.00	173.00	173.00	173.00	173.00
Total Debt	173.00	173.00	173.00	173.00	173.00

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2023/20 24Limit £m	2024/20 25Limit £m	2025/26 Limit £m	2026/27 Limit £m	2027/28 Limit £m
Borrowing	175.00	175.00	175.00	175.00	175.00
Total Debt	175.00	175.00	175.00	175.00	175.00

Related Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g., interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g., LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities’ use of standalone financial derivatives (i.e., those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures, and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating derivative exposures. An allowance for credit risk calculated using the methodology on Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Housing Revenue Account: On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g., premiums and discounts on early redemption) will be charged/credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Council's average interest rate on treasury investments excluding strategic pooled funds adjusted for credit risk if a net investment balance and at the Authority's average rate of borrowing if a net borrowing balance.

Markets in Financial Instruments Directive (MiFiD): The Council has opted up to professional client with its providers of financial services, including advisers, banks, brokers, and fund managers, allowing it access to a greater range of services but with the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Chief Finance Officer believes this to be the most appropriate status.

Financial Implications

The budget for investment income in 2024/25 is £3.15 million, based on an average investment portfolio of £100 million at an average interest rate of 3.15%. The budget for debt interest paid in 2024/25 is £2.39 million, based on an average debt portfolio of £65.49 million at an average interest rate of 3.25%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Where investment income exceeds budget, e.g., from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g., from cheap short-term borrowing, then 50% of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer, having consulted the Cabinet Member for Resources, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Annex A – Arlingclose Economic & Interest Rate Forecast November 2023

Underlying assumptions:

- UK inflation and wage growth remain elevated but, following a no-change MPC decision in November, Bank Rate appears to have peaked in this rate cycle. Near-term rate cuts are unlikely, although downside risks will increase as the UK economy likely slides into recession and inflation falls more quickly.
- The much-repeated message from the MPC is that monetary policy will remain tight as inflation is expected to moderate to target slowly. In the Bank's forecast, wage and services inflation, in particular, will keep CPI above the 2% target until 2026.
- The UK economy has so far been relatively resilient, but recent data indicates a further deceleration in business and household activity growth as higher interest rates start to bite. Global demand will remain soft, offering little assistance in offsetting weakening domestic demand. A recession remains a likely outcome.
- Employment demand is easing, although the tight labour market has resulted in higher nominal wage growth. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household spending will therefore be weak. Higher interest rates will also weigh on business investment and spending.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects have diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant policy loosening in the future to boost activity.
- Global bond yields will remain volatile, particularly with the focus on US economic data and its monetary and fiscal policy. Like the BoE, the Federal Reserve and other central banks see persistently high policy rates through 2023 and 2024 as key to dampening domestic inflationary pressure. Bond markets will need to absorb significant new supply, particularly from the US government.
- There is a heightened risk of geo-political events causing substantial volatility in yields.

Forecast:

- The MPC held Bank Rate at 5.25% in November. We believe this is the peak for Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early mid 2026.
- The immediate risks around Bank Rate remain on the upside, but these diminish over the next few quarters and shift to the downside before balancing out, due to the weakening UK economy and dampening effects on inflation.

- Arlingclose expects long-term gilt yields to eventually fall from current levels (amid continued volatility) reflecting the lower medium-term path for Bank Rate. However, yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply.

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.28	4.35	4.30	4.25	4.10	4.00	3.75	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.55	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.32	4.40	4.35	4.30	4.25	4.15	4.00	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.55	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.78	4.70	4.65	4.55	4.45	4.35	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Downside risk	0.00	-0.55	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.38	4.30	4.25	4.20	4.15	4.15	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Downside risk	0.00	-0.55	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

UK Infrastructure Bank Rate = Gilt yield + 0.40%

Annex B – Existing Investment & Debt Portfolio Position

	Nov-23 Actual Portfolio £m
External borrowing:	
Public Works Loan Board	65.49
Local authorities	0
Other loans	0
Total external borrowing	65.49
Other long-term liabilities:	
Leases	5.48
Total other long-term liabilities	
Total gross external debt	70.97
Treasury investments:	
The UK Government	15.00
Local Authorities	56.00
Other Government entities	
Secured investments	
Banks (unsecured)	23.00
Building societies (unsecured)	
Registered providers (unsecured)	
Money Market Funds	10.00
Strategic Pooled Funds	18.09
Real Estate investment trusts	
Other investments	1.8
Total treasury investments	123.89
Net debt	-52.92

Annex C – Summary of Existing Debt & Investment Portfolio Position as at November 2023

Debt Portfolio:

Type of Loan	Start Date	Maturity	Principal	Interest Rate	GF/HRA
Maturity Loans					
Fixed	30/11/1995	30/09/2024	2,000,000	8.375%	GF/HRA
Fixed	10/08/2007	31/03/2055	3,000,000	4.550%	GF/HRA
Fixed	28/03/2012	28/03/2039	10,000,000	3.470%	HRA
Fixed	28/03/2012	28/03/2036	10,000,000	3.420%	HRA
Fixed	28/03/2012	28/03/2027	10,000,000	3.010%	HRA
Fixed	28/03/2012	28/03/2041	10,000,000	3.490%	HRA
Fixed	28/03/2012	28/03/2032	10,000,000	3.300%	HRA
Fixed	28/03/2012	28/03/2042	8,000,000	3.500%	HRA
Equal Instalments of Principle (EIP)					
Fixed	15/05/2015	15/11/2035	2,480,000	3.69%	GF
Annuity					
Fixed	10/09/1968	26/08/2028	5,445.96	7.62%	GF/HRA
Total			65,485,446		

Investment Portfolio:

Counterparty	Type of investment	Principal Balance	Duration	Start Date	Effective Maturity	Interest Rate
Bank 1 (Lloyds)	Instant Access	18,000,000	Overnight	N/A	N/A	2.10%
Bank 2 (Barclays)	Instant Access	5,000,000	Overnight	N/A	N/A	3.50%
		23,000,000				
DMO (Central Government)	Fixed Term	5,000,000	123 days	17/08/2023	18/12/2023	5.41%
DMO (Central Government)	Fixed Term	5,000,000	91 days	06/09/2023	06/12/2023	5.35%
DMO (Central Government)	Fixed Term	5,000,000	30 days	01/11/2023	01/12/2023	5.18%
		15,000,000				
Eastleigh Borough Council	Fixed Term	3,000,000	9 months	16/05/2023	16/02/2024	4.60%
Cheshire East Council	Fixed Term	5,000,000	6 months	28/06/2023	04/01/2024	4.48%
North Lanarkshire Council	Fixed Term	5,000,000	8 months	20/07/2023	20/03/2024	4.60%
London Borough of Newham	Fixed Term	5,000,000	6 months	17/08/2023	19/02/2024	4.50%
Stockport Metropolitan Borough Cou	Fixed Term	5,000,000	6 months	28/07/2023	29/01/2024	5.35%
London Borough of Newham	Fixed Term	5,000,000	9 months	31/07/2023	30/04/2024	5.60%
Ashford Borough Council	Fixed Term	5,000,000	7 months	27/09/2023	29/04/2024	5.55%
Southampton City Council	Fixed Term	5,000,000	8 months	01/09/2023	09/05/2024	5.80%
Uttlesford District Council	Fixed Term	5,000,000	298 days	21/09/2023	15/07/2024	5.80%
Plymouth City Council	Fixed Term	5,000,000	9 months	10/11/2023	12/08/2024	5.55%
Uttlesford District Council	Fixed Term	4,000,000	8 months	13/11/2023	15/07/2024	5.60%
Epping Forest District Council	Fixed Term	2,000,000	78 days	15/11/2023	01/02/2024	5.50%
Epping Forest District Council	Fixed Term	2,000,000	3 months	15/11/2023	16/02/2024	5.50%
		56,000,000				
Money Market Fund (MMF) - (CCLA)	Instant Access	10,000,000	Overnight	N/A	N/A	5.25%
		10,000,000				
Pooled Property Fund 1 (CCLA)	Notice - Long Term	9,035,486	N/A	29/11/2017	N/A	3.91%
Pooled DIF 1 (CCLA)	Notice - Long Term	4,551,806	N/A	25/11/2019	N/A	3.91%
Pooled DIF 2 (NinetyOne)	Notice - Long Term	4,502,353	N/A	17/10/2019	N/A	2.60%
		18,089,645				
East Suffolk Services Ltd	Notice - Long Term	1,800,000	10 Years	02/03/2023	02/03/2033	7.35%
		1,800,000				
Total		123,889,645				

Investment Strategy Report 2024/25

Introduction

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments),
- to support local public services by lending to or buying shares in other organisations (service investments), and
- to regenerate and provide service delivery in the locality.

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

Treasury Management Investments

The Council typically receives its income in cash (e.g., from taxes and grants) before it pays for its expenditure in cash (e.g., through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and Central Government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £90 million and £130 million during the 2024/25 financial year.

Contribution: The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

Further details: Full details of the Council's policies and its plan for 2024/25 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: The Council may lend money to its subsidiaries, its suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows.

Category of borrower	31.3.2023 actual			2024/25
	Balance owing £000	Loss allowance £000	Net figure in accounts £000	Approved Limit £000
Subsidiaries	1,800	0	1,800	10,000
Suppliers	0	0	0	0
Local businesses	0	0	0	500
Local charities & Community Groups	0	0	0	500
Parish Councils	0	0	0	500
Housing associations	0	0	0	5,000
Residents	0	0	0	0
Employees	0	0	0	0
TOTAL	1,800	0	1,800	15,100

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Councils statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding service loans by presenting a full business detailing.

- Market assessment – evidencing an independent assessment of the market that the Council is/will be competing in, the nature and level of competition, how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements.
- External Advisor Assessment – All service loans will be subject to assessment by the Council’s External Treasury Advisor and a report will be included within the business case.
- Any external advice will be presented to the Audit & Governance Committee, Cabinet, and Council Committees as appropriate.
- Credit Ratings may be used to assess the risk appetite and will be subject to regular monthly review.
- Audit & Governance Committee and Cabinet approval will be required alongside CFO approval to provide future loans.

Annual Reporting:

- Reporting – As a minimum Service department will provide an annual report to the Audit & Governance Committee which will include an update on the investment, and an independent external review if appropriate.

Service Investments: Shares

Contribution: The Council may invest in the shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Category of company	31.3.2023 actual			2024/25
	Amounts invested £000	Gains or losses £000	Value in accounts £000	Approved Limit £000
Subsidiaries	0	0	0	5,000
Suppliers	0	0	0	500
Local businesses	0	0	0	500
TOTAL	0	0	0	6,000

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding shares by presenting a full business detailing.

- Market assessment – evidencing an independent assessment of the market that the Council is/will be competing in, the nature and level of competition, how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements.
- External Advisor Assessment – All service loans will be subject to assessment by the Council's External Treasury Advisor and a report will be included within the business case.
- Any external advice will be presented to the Audit & Governance Committee, Cabinet, and Council Committees as appropriate.
- Credit Ratings may be used to assess the risk appetite and will be subject to regular monthly review.
- Audit & Governance Committee and Cabinet approval will be required alongside CFO approval for future purchase of service investment shares.

Annual reporting:

- Reporting – As a minimum Service department will provide an annual report to the Audit & Governance Committee which will include an update on the investment, and an independent external review if appropriate.

Liquidity: The maximum period for which funds may be prudently committed is for 5 years, after which subject to satisfactory review this may be renewed annually for a 1-year period.

Non-specified Investments: Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Councils upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Regeneration/Service Investments: Property

Contribution: The Council invests in local property to facilitate regeneration and provide service delivery. The income from these investments will repay any borrowing used in the purchase and to provide a maintenance budget without putting further pressure on the Councils finances.

Table 1: Property held for investment purposes in £ millions.

Property	Actual	31.3.2023 Actual	
	Purchase cost £000	Gains or (losses) £000	Value in accounts £000
Investment Property – shop Lowestoft – Unit1	166	-6	160
Investment Property – shop Lowestoft	1,433	-1,148	285
Investment Property – shop Lowestoft	2,358	-1,543	815
Investment Property - Business Park Beccles	2,355	232	2,587
Investment Property - Business Centre Lowestoft	965	35	1,000
TOTAL	7,277	-2,430	4,847

Security: In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

The fair value of the Council’s investment property portfolio is no longer sufficient to provide security against loss. However, the Council fully expects the fair value to increase following significant works to the adjoining car park, with the fair value expected to increase to that nearing the original purchase price.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding property investments by assessing the viability of the cost of financing the investment against the return on investment in terms of receivable income. Investments that are subject to short leases are unlikely to be considered due to the high risk of potential voids.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed; the Council ensures that borrowing is on an equal instalment basis and that revenue budgets cover the cost of the loan repayment.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.

The Council does not have any current financial guarantees and all loans are through the Public Works Loan Board (PWLB).

Capacity, Skills, and Culture

Elected members and statutory officers: It is important that the members and officers involved in the Treasury Management function have appropriate capacity, skills, and information to enable them to take informed decisions on specific investments, to assess the risk and strategic objectives and to ensure that the Council's risk exposure is managed. Periodically the Council's external Treasury advisors, Arlingclose will hold member training sessions which will provide members with a raft of technical advice specifically designed for the Council's environment. Additionally, Officers have a wide range of information available to them from various sources such as the Chartered Institute of Public Finance and Accountancy (CIPFA), Arlingclose and Room 151. Officers will also attend a number of courses/seminars throughout the year and have periodical strategic meetings with the Council's treasury advisors.

Property Investment deals: Officers negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local Authorities operate and have access to a number of external bodies who can provide specific advice and direction.

Corporate governance: All of the Council's procedures provide a corporate governance arrangement that ensure accountability and for decision making on investment activities and ensure that the Council's Chief Finance Officer/Section 151 Officer is fully briefed on the Council's investment position at any one time.

Investment Indicators

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third-party loans.

Table 2: Total investment exposure in £millions

Total investment exposure	31.03.2023 Actual £000	2023/24 Forecast £000	2024/25 Forecast £000
Treasury management investments	112.89	100.00	100.00
TOTAL INVESTMENTS	112.89	100.00	100.00
Guarantees issued on loans	65.65	65.49	63.33
TOTAL EXPOSURE	-47.56	-34.51	-36.67

How investments are funded: Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

Table 3: Investments funded by borrowing in £millions.

Investments funded by borrowing	31.03.2023 Actual £000	31.03.2024 Forecast £000	31.03.2025 Forecast £000
Property Investments	2.64	2.48	2.32

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 4: Investment rate of return (net of all costs)

Investments net rate of return	2023/24 Forecast	2024/2025 Forecast	2025/2026 Forecast
Short & Long Term Treasury Management investments	5.15%	3.85%	3.85%
Long Term Treasury Management property investments	3.51%	2.50%	2.50%
Long Term Treasury Management multi asset investments	4.09%	3.10%	3.10%
Average	4.25%	3.15%	3.15%
Total	12.75%	9.45%	9.45%
Property Asset Investments	5.68%	5.00%	5.00%
Total	5.68%	5.00%	5.00%



AUDIT & GOVERNANCE COMMITTEE

Monday, 11 December 2023

Subject	Corporate Risk Management Update
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money Councillor Tim Wilson Assistant Cabinet Member for Resources and Value for Money
Report Author	Stacey Ransby Performance and Risk Officer stacey.ransby@eastsoffolk.gov.uk
Head of Service	Lorraine Rogers Chief Finance Officer and Section 151 Officer lorraine.rogers@eastsoffolk.gov.uk Sandra Lewis Head of Digital and Programme Management sandra.lewis@eastsoffolk.gov.uk
Director	Chris Bally Chief Executive Chris.bally@eastsoffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	N/A
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

The purpose of this report is to provide the Committee with an overview of how the Council's strategic and operational risks are managed. It provides an overview of the identified risks and what is being undertaken to mitigate and control the risks.

To build on effective corporate risk management across the Council, it is recommended that the Committee reviews current risk reporting to ensure the reports continue to be useful and in an effective format. Members are asked to review the key risks on the register at regular intervals and consider corporate risk management when they are planning any future work programmes.

Options:

There are no options to be considered in relation to this report.

Recommendation/s:

That the committee note on the corporate strategic risks from the Council's current Corporate Risk Register (CRR) which is governed and monitored by the Corporate Leadership Team (CLT).

Corporate Impact Assessment

Governance:

The governance of the Council is supported by having an effective and robust risk management process in place to manage and monitor all risks, including strategic risks. Overall responsibility of corporate risks and governance is the responsibility of CLT. Risks are monitored, reviewed and clearly aligned to the East Suffolk Strategic Plan. Robust procedures are in place to ensure increased risks can be escalated to CLT to consider and approve inclusion onto the corporate risk register.

ESC policies and strategies that directly apply to the proposal:

- East Suffolk Risk and Opportunity Management Strategy
- East Suffolk Strategic Plan – Our Direction

Environmental:

There are no direct environmental impacts arising from this report, other than risks relating to the environment (e.g. flooding).

Equalities and Diversity:

An Equality Impact Assessment is not required as the recommendations of this report do not require changes in policy and service delivery.

Financial:

No specific impacts as a result of this report, other than risks contained within the risk register.

Human Resources: No specific impacts as a result of this report, other than risks contained within the risk register.
ICT: No specific impacts as a result of this report, other than risks contained within the risk register.
Legal: No specific impacts as a result of this report, other than risks contained within the risk register.
Risk: This report provides information on the risk management process and procedures within the Council along with details and status of the Council's corporate risks.

External Consultees:	None.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>

P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>

How does this proposal support the priorities selected?

Governance

Risk management is important in corporate governance because it protects the organisation. Proactively managing, identifying and monitoring risk in an effective manner reduces risk exposure and ultimately limits potential damage. Mechanisms are established and embedded within the Council with responsibilities clearly identified to allow risks to be escalated, when required, onto the corporate risk register. All risks within the ESC Risk Register are also assigned to a strategic theme within the East Suffolk Strategic Plan which ensures risks are categorised effectively. The Risk Management Framework (Appendix B) clearly demonstrates the management of risks within the Council.

Background and Justification for Recommendation

1 Background facts	
1.1	<p>Audit and Governance Committee</p> <p>The Audit and Governance Committee has responsibility for overseeing risk management for East Suffolk Council. Corporate risk management includes the processes and structures by which the business and affairs of the Council are directed and managed. This is to improve long-term stakeholder confidence by enhancing corporate performance and accountability. An annual update on Corporate Risk Management is reported to Audit and Governance Committee.</p>
1.2	<p>Overview</p> <p>Corporate risk management is about building credibility, ensuring transparency and accountability as well as maintaining an effective channel of information disclosure that would foster good corporate performance. Risk management also covers opportunity management.</p>

2 Current position	
2.1	<p>Management of Risks</p> <p>The Council’s approach to corporate risk management is to embed risk management across the Council so that it is the responsibility of all managers and teams rather than purely the responsibility of one team.</p> <p>Overall Risk Management sits within the Digital and Programme Management service area, it is aligned to the management of the Strategic Plan and includes providing risk management advice and support to all officers across all services.</p> <p>The Chief Finance Officer has specific responsibilities as Section 151 Officer, including ensuring assets are safeguarded and insurances in place, and the Head of Internal Audit takes an independent review of the governance of risks, however all Heads of Service ensure that risks within their areas of responsibility are recorded and managed appropriately, in line with the Risk Management Framework (Appendix B). This framework clearly identifies monitoring and reviewing risks; recording and reporting; and communication and consultation. Corporate Leadership Team (CLT) has overall responsibility to oversee the approach to risk management within the Council including its regular review and monitoring.</p>
2.2	<p>Risk Management processes</p> <p>Risk registers form part of corporate leadership reporting and are designed to be living documents, updated regularly. The CRR covers risks which affect our ability to achieve long-term Council objectives including those within the East Suffolk Strategic Plan and those which may affect service delivery or our district as a whole. Risks within the Corporate Risk Register (CRR) states the cause, event and effect. For example, “as a result of bad weather, there is a risk that staff will not be able to get to the office and undertake their work which will result in unhappy service users and increased complaints.”</p>

	<p>Governance arrangements for the East Suffolk Strategic Plan ensure that risks are identified for each theme and continue to be monitored and managed effectively ensuring high level risk reporting takes place across the Council. All risks within the ESC Risk Register clearly identify the Strategic Plan theme they relate to and are managed and monitored regularly. Risks can be escalated from service areas and Strategic Plan Theme meetings to CLT for consideration and inclusion in the CRR, this process also allows risks to be moved or lowered (e.g., a corporate risk to be moved to the theme or service level risk register) if appropriate.</p> <p>The Risk Management Toolkit (Appendix A), developed with Zurich Insurance, is used to assess and manage corporate, operational, project and partnership risks. The Council's intranet has a dedicated Risk Management page containing useful information, including guidance, training presentations/documents, East Suffolk Risk and Opportunity Management Strategy and Corporate Risk Registers.</p>
2.3	<p>East Suffolk Risk and Opportunity Management Strategy</p> <p>The East Suffolk Risk and Opportunity Management Strategy provides a clear purpose of risk management ensuring it is robust and provides comprehensive details on the governance and management of risks. The Strategy also includes opportunities arising from risk management and the risk management process is demonstrated including risk escalation, monitoring and review; roles and responsibilities; aims and objectives and the Council's risk appetite.</p> <p>Independent experts, Zurich Insurance, undertook a health-check of the Strategy at the end of 2021 which provided the Council with validation that the Strategy is fit for purpose and meets good practice. Audit and Governance Committee approved the Strategy on 13 December 2021.</p>
2.4	<p>Key Categories for Managing Risks</p> <p>For the purposes of effectively managing risk, and in accordance with best practice, the Council manages risk within five categories:</p> <ul style="list-style-type: none"> • Corporate (also known as 'Strategic') risks which affect our ability to achieve long-term Council objectives, such as those in the East Suffolk Strategic Plan. These are recorded in the Corporate Risk Register (CRR) and regularly reviewed and monitored by CLT. • Strategic Theme level risks are those that affect the ability to deliver priorities within a theme of the East Suffolk Strategic Plan. Risks are identified, monitored and regularly reviewed as part of the framework to deliver objectives. • Operational/Service level risks are those that affect the day-to-day business of a service; for example, staff absence and its impact on service delivery. These are recorded, identified and managed by service areas. Heads of Service are expected to report high level risks within their service area to CLT to consider whether they are significant enough to be escalated to corporate level status. • Health and Safety includes health and safety of service users as well as staff and councillors. This is overseen by Environmental Services and Port Health. Information, policies and risk assessments are available on the Council's intranet.

	<ul style="list-style-type: none"> • Emergency Planning and Business Continuity are the responsibility of the Head of Operations. Emergency Planning and internal Business Continuity Services for the Council are provided by the District Emergency Planning Officer and the Emergency Planning Officer, employed by the Suffolk Joint Emergency Planning Unit. This enables the Council to react effectively to infrequent Major Emergencies, in partnership with other agencies, as required by the Civil Contingencies Act 2004. Further information is available on the Council’s Intranet, while general information on the multi-agency response to Major Emergencies, together with plans available for public scrutiny are available at www.suffolkresilience.com
2.5	<p>Project Risks</p> <p>Project risks are also managed according to the risk management process toolkit. Details of risks are included in risk register templates for projects and business case appraisals. Links to the relevant documents are included in the Project Management Framework. Each significant project should have its own risk register allowing Project Managers to actively manage risks pertaining to specific projects and Project Boards to monitor those risks.</p>
2.6	<p>DEVELOPMENT AND PROGRESS IN MANAGING RISK</p> <p>Risk Management E-learning Module</p> <p>The Risk Management e-learning module continues to form part of the induction process and is mandatory for all new staff to undertake training within one month of employment. Further training or guidance on risk management is available.</p> <p>Risk Management Training Programme</p> <p>As part of the Risk Management Training Programme the Council’s insurance providers and advisors, Zurich Insurance Group, facilitated the annual ‘Horizon Scanning and Corporate Risk Challenge’ session for CLT on 21 November 2023. It clearly demonstrated that risks relevant to the Council, and identified within the global risk report, are captured within the Corporate Risk Register. Further work on outcomes arising at this meeting will be considered by CLT on 19 December 2023 which may result in minor changes. The session reviewed and challenged existing corporate risks and any potential additional risks the Council needed to identify.</p> <p>Risk Appetite: Work will continue to strengthen guidelines around risk appetite to aid in determining the council’s approach to individual risk management.</p>
2.7	<p>CORORATE RISKS</p> <p>This section provides details on progress being undertaken to achieve specific targets, meet risk scores of existing corporate risks and includes new risks. There are currently 25 risks on the Corporate Risk Register (3 red risks, 18 amber risks and 4 green risks). The risk management toolkit/matrix (Appendix A) is used to assess risk scores and monitor and manage all risks.</p> <p>Red Risks:</p> <p><u>Failure to deliver import checks required in new Target Operating Model (TOM) (Red B2, high likelihood, critical impact)</u></p> <p>The Suffolk Coastal Port Health Authority’s (SCPHA) ability to deliver the required BTOM checks has a significant dependency on the clarity of information provided by National Competent bodies; these policies/requirements remain in development and have not been fully confirmed. SCPHA has already sought</p>

Council approval for delegated authority to act to enable it to respond in a dynamic and rapid way with the appropriate governance structure. SCPHA is currently developing a financial modelling paper and a proposed future service development paper, that are based on the current known requirements and reasonable assumptions. This will be brought forward for consideration/approval in November/December 2023. This paper, if approved, will enable SCPHA to commence preparations for the implementation of the BTOM and will see the risk reduce to B4 Amber. There will continue to be a BTOM delivery risk until such time as all the policy elements of the BTOM have been developed, implementation easements have been rescinded, and that a business-as-usual position has been achieved. This is not envisaged to be before late 2025.

Coastal Management – Incident management – flood risk

(Red B1, high likelihood, catastrophic impact)

Potential of flooding and tidal surges in the short-term and the long-term remains high, particularly as the Council has a large coastline and the impact this would have on properties, communities and businesses. There is also a possibility of more frequent flooding and tidal surges due to the impact of climate change. ESC is part of Suffolk Resilience Forum and continues to work with other agencies. Work was undertaken to develop crisis response plans which will also involve regular review in future. Targeted actions include Coastal Partnership East producing an incident response protocol with incident response 'Civil Contingencies, Environmental Health and Building Control' (as appropriate with local authorities) and with others depending on flood risk sources. Due to the nature and uncertainty of this risk it cannot be eliminated, however, work continues to monitor and manage its impact.

The target risk is B4 amber. The aim is to ensure the impacts and effects of all coastal management risks reduce on those affected through either improved defences, improved warning or by adaptation measures, the target risk review date is 2025 which will allow time to see the outcome of our Resilient Coast project pilots and progress on Lowestoft which will be advanced.

High profile or major coastal erosion or coastal incident

(Red B2, high likelihood, critical impact)

There remains a high possibility for major erosion, slip or a tidal surge incident along the East Suffolk coastline which could be catastrophic to life or loss of public or private assets. Monitoring of weather and surge reports is undertaken with appropriate engagement with civil contingencies team, East Anglia and Suffolk and Norfolk Resilience Forums. Out of office cover and emergency plans are in place. 'Peace-time' work is due to be undertaken with wider local authority teams to establish resources and responsibilities in an erosion event. Work continues on incident management with Building Control, Housing and Communities teams with the wider Council impacts from erosion requiring multi-team/agency response with homeowners, utilities and public. An emergency event plan is developed in conjunction with other relevant service areas and external partners e.g. Coastguard, Utilities, Police and implemented in key erosion locations. Funding from our FCRIIP bid will help with awareness raising and community planning. Target risk score is C3 (amber).

Amber Risks:

Cost of living crisis

(Amber B3, high likelihood, major impact)

A significant risk to the Council is the cost-of-living crisis impacting on individuals, families and communities in East Suffolk. The Council is continuing to experience increased pressure on existing resources to meet greater and more complex demand to support all those in need. This pressure particularly impacts on the following services: communities, housing and revenues and benefits, and there is also pressure on council finances to meet needs through hardship grants and other forms of support. There is potential for increased rent debt (impacting on ESC incomes) and house repossessions leading to increasing levels of homelessness and more deprivation across the district. Universal credit changes and sanctions will lead to more people seeking help to access emergency support (food, energy and financial). The Council hosts the Suffolk Warm Homes Team and there is huge demand for support around energy efficiency, costs and debt.

The Council is supporting communities with the cost-of-living crisis in many ways, including through the Community Partnership Board and eight Community Partnerships. The CPB has identified tackling inequalities as one of its priorities with a specific focus on financial inequality. A far-reaching Ease the Squeeze programme was established in 2002, with £100k allocated by the CPB to the programme and each member allocated £1k from their community budget to the cost-of-living crisis which, combined with other funding (including part of our UK Shared Prosperity Fund allocation) has created a programme worth more than £700k. The programme includes twelve projects including Warm Rooms, Community Pantries, Cooking on a Budget classes and Field to Fork community growing space grants.

Seventeen Ease the Squeeze roadshows were delivered along with regular outreach into community locations and focussed support through activities such as Talk Money Week. A dedicated webpage has been set-up providing information and advice. The Council has taken over 1000 referrals from residents for help with a wide range of challenges which are triaged through a new Community Help Hub. Other key sources of support include Winter Warmth Packs and a Pre-Payment meter project delivered by the Warm Homes Team alongside core advice, support and grants, a new project funded by Cadent to support 'centres for warmth' in Lowestoft, a Cold Homes project targeting older people and young people with respiratory conditions developed in conjunction with Norfolk and Waveney ICB and mobile work through the Wellbeing on Wheels (WoW) bus in the Lowestoft area and the new Be Well Bus in the south of the district. Grant schemes are in place for council tax discounts, housing benefits, discretionary housing payment and one-off hardship support, as well as Cost-of-Living Community Grants to enable VCFSE groups to develop local solutions. ESC works in partnership with other organisations such as DWP, other local authorities, community organisations, voluntary sector and police. The target risk score is C3 (amber) and will continue to be monitored by the Council and at Communities Theme meetings.

Subsidy control compliance and reporting

(Amber B3, high likelihood, major impact)

Risk relates to non-compliance with new post-January 2023 UK Subsidy Control (formerly State Aid) regime. Specialist legal and treasury management advice has been engagement where appropriate. External Training is scheduled for CLT and key officers on 10 January 2024. Target risk score is D4 green (low likelihood, marginal impact) and will be reviewed following training.

Capacity to deliver the Council's aims and aspirations

(Amber C2, significant likelihood, critical impact)

Risk relates to pressure on resources to deliver aims and ambitions within the Council including those identified within the Strategic Plan and the risk if these are not delivered. Contributing factors of this risk relate to pressure to meet aspirations identified; the number of significant projects which have the same timeframe and require the same officers to deliver; and additional finance. Increasing prices, supply chain issues and the need for additional staff/resources could potentially require use of reserves are also impacting on this risk. This risk will continue to be monitored and reviewed. Target risk score is C3 (amber).

Failure to protect lives and properties from flooding/tidal surges (Lowestoft)

(Amber C2, significant likelihood, critical impact)

Due to ESC having a large coastline the threat of flooding and tidal surges is a risk for the Council. National flood warnings and measures are in place, including procedures to warn people to vacate properties. Overall the risk is relatively low, however, Lowestoft remains a higher risk. At present, there is a temporary barrier in Lowestoft, regularly tested and deployed in significant tidal surges to protect Lowestoft central, and work is underway to construct the tidal flood walls and tidal barrier by 2029. The target score is green D4 (low likelihood, marginal impact) and although the project is progressing (the tidal walls are complete) the risk will not be reduced until the full scheme is in place.

Housing Regulation – Breach of the Rent Standard and the 'Home' Consumer Standard

(Amber C2, significant likelihood, critical impact)

ESC is not compliant with the Rent Standard and 'Home' Consumer Standard and has self-referred to the Regulator for Social Housing (RSH). The RSH published a Regulatory Notice on 23 May 2022. Rental charges dating back to ESC's predecessor authority, Waveney District Council, did not meet requirements set out in 'Rent Standard', with tenants who moved in after 2014 being charged higher rents. The review also included aspects of health and safety of properties, including fire risk assessments, asbestos management, water safety, gas and electrical safety, etc. A number of controls and mitigating actions have now been undertaken including forensic audit of potential overpayments of rents which was completed July 2023. A permanent Housing Health and Safety Board was created and provides senior level monitoring, control and direction. A full asset review of St Peter's Court was completed in August 2023 and considered by Cabinet on 2nd October 2023. A decision was made to re-home tenants with immediate effect and demolish the building. Regular monthly meetings being held with Housing Regulator and quarterly reports are being provided to Cabinet. Target risk is D4 (green) and will be monitored on a regular basis until the Regulatory Notice is withdrawn.

Cyber-attacks including failure of ICT (Cyber security/resilience)

(Amber C2, significant likelihood, critical impact)

ICT and cyber resilience remains a key priority with ongoing review and updating of infrastructure, systems and processes to mitigate against ever-evolving ICT risks. Specific measures are in place to address cyber security risks and additional solutions have been implemented to provide layers of resilience. 24/7 monitoring of the network takes place which raises alerts when any abnormal incidents/threats occur resulting in immediate action to be taken. External threats continue to be an ongoing concern and therefore will always be an entry on our risk register to ensure we remain vigilant. Target score D2 amber (low likelihood and critical impact).

Increasing Anti-social behaviour incidents impacting on Council services

(Amber C2, significant likelihood, critical impact)

Following discussion and agreement at CLT in October 2023, a new corporate risk was added relating to increasing anti-social behaviour incidents, both in volume and complexity, and the impact it is having on services throughout the Council. Multiple departments are involved in dealing with ASB reports including Housing on tenant matters, Environmental Services on statutory nuisance (particularly noise and smells), Planning regarding hedges and planning issues, and Communities dealing with a range of other ASB incidents including neighbour disputes and community level ASB.

Neighbourhood disputes have increased significantly along with customer expectations on the Council's ability to resolve incidents for them. Work is underway in the Council to review current structures to ensure customers are dealt with effectively, with minimal hand-off between our services and between our services and external partners, and ensuring they have realistic expectations of what we can and can't do. It is also important to identify and address any skills gaps as ASB complaints increase in complexity. The Council has an Anti-social Behaviour Policy, and a transformation project within the Communities Service has led to the implementation of a number of changes. Regular liaison also takes place between service areas and ASB training has been delivered to relevant officers. The target risk score is D3 (green) and will be reviewed once further work has been undertaken to address some of the actions around communication, joining up our ASB response and providing the best possible service whilst managing customer expectations.

Recruitment of staff to key positions resulting in failure to deliver services

(Amber C3, significantly likelihood, major impact)

Risk relates to ongoing issues to recruit staff to key and specialist positions within the Council which is significant and will increase if no action is taken. For some positions there had been a lack of applications for vacancies with positions remaining unfilled. In some instances, threshold/calibre required to undertake roles had not been met with successful candidates requiring additional support and training and positions having to be readvertised resulting in additional time required for the recruitment process. Recruitment is also a national issue and local authorities and other public sector bodies are unable to compete with competitive salaries offered by the private sector. Work continues to monitor this risk and, as part of this, the People Strategy is being refreshed which will include an action plan to address succession planning, career development and staff retention. A procurement exercise to source a strategic recruitment partner will

take place early 2024. Liaison continues to take place with CLT and managers across the council to ensure job descriptions are regularly reviewed and job evaluations undertaken. Target score of D4 (green) and work will continue to monitor at senior level.

Failure to deliver consultants recommendations to effectively manage environmental impact of oil deposits on Gunton Beach

(Amber C3, significant likelihood, major impact)

Due to increased exposure of oil deposits on Gunton Beach following oil spill from a collision between an oil tanker and an ore carrier 43 years ago. Part removal of contamination carried out at the time, the remainder was left in situ. Coastal erosion is likely to further expose oil deposits with the situation likely to worsen over next two years. Remediation work could potentially accelerate erosion and exacerbate the risk of Anglian Water sewer pipes becoming exposed to damage by the sea. Also implications if WWI/II bombs/mines present.

On-site investigations and reports have found that, as a result of erosion, mixing with sand and weathering, the oil now exists in a range of constituents from hard black stained relatively benign bound gravelly sand, to wet semi liquid dark brown oily sand with strong hydrocarbon odour. There is a comprehensive UXO assessment being done in two phases:

- Phase 1 study to identify location of the oil deposits.
- Phase 2.1 study delineating the site further and an estimate of quantities of the buried oil. It falls under the classification of hazardous waste and would have to be treated as such for any removal.

Hydrock has a good idea of UXO in the area studied and where large deposits of material are buried. Hydrock has given a broad idea of quantities but with many assumptions made and likely inherent inaccuracies. The acute risk is the possibility of further viscous oil exposure as a result of high tides and storms, however, this is managed and mitigated by fortnightly visual inspection of the deposits and a consistent recording of any changes. There is a working plan with ESSL to prevent public access to any exposed viscous oil and provision of further signage. ESC is liaising with CEFAS who offered assistance in reviewing the terms of the contract with Hydrock for further works. In the previous year no public queries were made about the oil deposits. It is recommended that Hydrock should be asked to do further investigation and testing to determine human, water and marine receptors, and an assessment under Part 2A EPA 90 to establish our responsibilities to human and ecological health, as per the existing contract.

Failure to manage impact of Sizewell C

(Amber C3, significant likelihood, major impact)

Risk relates Sizewell C and its impact on the area including environmentally, to the local economy and housing. Concerning the planning status, the decision on the Development Consent Order (DCO) application was approved by Government. Deed of Obligation signed with the applicant to ensure there is a mitigation and compensation package in situ. The first tranche of funds from the Deed of Obligation has been provided to ESC to begin recruitment to identified posts with an anticipated commencement of the development in Quarter 1 2024. The target score is green D4 (low likelihood, marginal impact) and senior officers and members are working with communities to maximise potential whilst minimising the impacts. This includes ensuring economic advantages to the local economy

relating to the creation of jobs and training and infrastructure. A hothouse involving Planning, Economic Development and Regeneration, Communities and Housing was held in Autumn 2023 to consider impacts of development within East Suffolk.

Safeguarding – ESC policies and processes fail in identifying vulnerable children, young people and adults at risk and ensuring they receive appropriate help from the relevant organisations, including via the Multi-Agency Safeguarding Hub (MASH), when safeguarding concerns are identified
(Amber C3, significant likelihood, major impact)

This risk relates to those who are vulnerable and are unable to receive the help needed due to not meeting the high threshold criteria of the Multi-Agency Safeguarding Hub (MASH) and other organisations despite being vulnerable and in need of safeguarding for a variety of reasons. Our priority is to ensure that all safeguarding concerns identified by councillors, staff and delivery partners are appropriately reported and feedback is received on the outcome of referrals.

ESC continues to liaise with other Suffolk authorities to try to address the gap in terms of thresholds and feedback loops. A corporate Services for All Group provides oversight of safeguarding and Equality and Diversity, and training had been delivered to staff and councillors to ensure compliance with policy and legislation and awareness of reporting procedures. Additional resources have been identified to oversee safeguarding referrals from ESC staff and councillors (which are recorded internally as well as on the MASH referral form) and an overview of referrals (including the person and team making the referral and referral reason(s)) is considered by the Services for All Group and concerns escalated through the CLT Governance meeting as part of improving our processes to ensure that ESC is tackling this risk effectively. Feedback on the outcome of referrals is still a gap, as is identifying pathways for the referrals made under safeguarding processes that relate to concerns about mental health and capacity where there is no abuse or risk of abuse and that are therefore not picked up through the MASH process.

This risk also includes the Council's statutory duty to only licence, and permit to remain licensed, fit and proper persons and the risks associated with not always being notified promptly, or at all, when drivers are under investigation or arrested on suspicion of criminal act(s). Controls include a single point of contact with the police for disclosure/information sharing. There are ongoing discussions between the Council and the police to seek to ensure that the information that the Local Licensing Authority needs to fulfil its statutory duty is disclosed in a timely manner. The target score is green D4 (low likelihood, marginal impact) and will be reviewed to assess progress.

Failure to effectively deliver the Accountable Body for Freeport East
(Amber C3, significant likelihood, major impact)

Freeport East was announced in March 2021 as one of eight Freeports in England. It became a 'live' Freeport in December 2021 after Government approved the Outline Business Case (OBC) and the three Tax Sites and seven Customs Sites. East Suffolk Council is the Lead Authority and Accountable Body. There is currently lack of guidance from DLUHC regarding subsidy control and business rate reliefs, and direct contact with the Accountable Body. There is also a shortfall in funding to cover operational costs and forward investment until business rates income is

realised. Controls to manage this risk include a Freeport East Supervisory Board established which meets bi-monthly; an Audit and Finance Committee is in place and business cases for seed capital funding will be signed off by the Chief Finance Officer for the Accountable Body this includes being satisfied that the Subsidy Control Assessments have been completed. The target score is E2 (amber) and will continue to be reviewed.

Risk to life from fire incident(s) in social and temporary housing assets
(Amber D1, low likelihood, catastrophic impact)

Risk was previously named 'Risk to life from fire spreading through St Peter's Court' but has now evolved to cover risk to life from fire incidents in multiple high risk social and temporary housing assets. These include St Peter's Court (high rise block of flats), retired living schemes and some Temporary Accommodation. Recent Fire Risk Assessments and safety surveys identified remedial works required to rectify significant breaches to internal fire compartmentation and defects to cross-corridor fire compartmentation (fire doors). On St Peter's Court uncertainty remains around the fire performance of the External Wall Insulation (EWI), which is also incorrectly installed. These factors could combine to create a multi-casualty event. Remedial works undertaken on St Peter's Court has lowered the Fire Risk to from Substantial to Moderate. Suffolk Fire and Rescue Service issued formal Notices of Deficiency (NOD) and Enforcement Notices on several buildings. Failure to resolve this risk could lead to enforcement or prohibition action.

A number of controls are in place including monthly monitoring by the Housing Health and Safety Board to ensure actions from FRA's are completed within agreed timescales; weekly meetings are held by operational teams to manage compliance work programmes; Annual Risk Assessments are carried out by a competent, external Fire Risk Assessor; and an Evacuation strategy is reviewed in liaison with partners, including the Fire Authority and competent Fire Risk Assessors. In St Peter's Court, a Fire Suppression system (sprinkler system) was installed in individual dwellings. Statutory guidance and regulations are in place; Regulatory Reform Fire Safety Order 2005, Fire Safety Act 2021, Building Safety Act 2022. An Asset Review of St Peter's Court has highlighted that this 50 year old building is reaching end-of-life. Cabinet has decided to implement a 12-month programme to re-house all residents living in St Peter's Court, with a view to the building being demolished and the site re-developed.

Target actions include the removal of St Peter's Court from our housing stock, and for other high-risk buildings to invest in necessary works to maintain the building in accordance with legislation, so the risk of fire spread is effectively managed. The target score is D4 green and is expected to be achieved.

A sustainable Medium Term Financial Strategy (MTFS) for the General Fund, Housing Revenue Account (HRA) and the Capital Programme
(Amber D2, low likelihood, critical impact)

Risk continues to reflect financial uncertainty around national Government initiatives and funding to local government, delivery of key projects, and the economic outlook including pressures from the cost-of-living crisis and inflation (including pay pressures). New compliance and regulatory requirements are creating cost pressures for the HRA. Inflation continues to affect the delivery of the capital programme in terms of timing and costs. This risk also incorporates the

delivery of a balanced annual budget and financial governance. The Corporate Leadership Team works with Cabinet to develop and implement plans to deliver a sustainable balanced budget. Work continues to identify savings and income generation, and the delivery and monitoring of key projects to achieve and maintain financial sustainability. The annual budget is approved by Full Council annually in February and the MTFS position is continuously reviewed, and assumptions updated. An updated of the draft MTFS was reported to Cabinet on 7 November 2023 with the next update to be reported to Cabinet on 2 January 2024. Target score is D4 green (low likelihood and marginal impact).

Risk to the medium-term financial sustainability of the HRA

(Amber D3, low likelihood, major impact)

New risk added focusing on the financial pressure on HRA budgets and potential funding available to deliver all services and programme. Risk relates to the housing development programme to build new social housing stock, capital programmes to retrofit all social homes for EPC 30 by 2030 and zero carbon by 2050, and assuring tenant safety with a sizeable investment in the safety of our buildings, particularly fire safety (to resolve a breach of the Homes Standard). Controls and mitigations are in place and a review of the 30-year HRA Business Plan has been completed and used to inform budget-setting. A new Housing Health and Safety Board also oversees capital expenditure for safety and compliance. Target score is D4 green (low likelihood and marginal impact) which will be reviewed by September 2024.

Failure to deliver against our 2030 Carbon Neutral target

(Amber C4, significant likelihood, marginal impact)

Risk relates to failure to deliver against net zero greenhouse gas emissions target. As part of this risk climate change is recognised as a high-level priority for the Council and is specifically identified within the 'Environmental Impact' Theme in 'Our Direction 2028'. The ESC Climate Action Framework and Annual Greenhouse Gas reports include milestones to work towards the Council becoming net zero by 2030. ESC is part of the Suffolk Climate Emergency Plan groups and Suffolk Climate Change Partnership and is working towards the aspiration of making Suffolk net zero by 2030 with SCC and other partners across the county and region, including Public Sector Leaders. ESC continues to actively bid for funding as opportunities emerge, take advantage of new low emissions technologies. It also continues to work with Government to deliver its 25-year Environmental Plan and increase the powers and resources available to local authorities in order to make the 2030 target achievable. It is also measuring renewable energy generated on the Council's own estate. The target score is green F5 which will continue to be monitored as work progresses on the delivery of the Climate Action Framework. An updated decarbonisation plan is currently being scoped.

Failure to meet legal requirements of Health and Safety of employees and others

(Amber D3, low likelihood, major impact)

Statutory duty of the Council to ensure legal requirements relating to health and safety are complied with and met. Health and safety management audits undertaken in 2022 identified areas where further support is required, and this will be provided to managers. An annual programme of health and safety related tasks (e.g. display screen equipment user assessments) has been reintroduced to assist managers to manage health and safety within the scope of their responsibility. A health and safety induction session is being developed for all new starters to

complete in their first week of employment. The Council's statutory Health and Safety Policy has been revised and previously implicit responsibilities have been made explicit. The target risk score is green D4 (low likelihood and marginal impact) and is achievable if managers implement the necessary controls identified following suitable and sufficient risk assessment.

Loss of public confidence due to failure to adhere to member and officer code of conduct and promote and maintain Ethical Standards

(Amber D3, low likelihood, major impact)

Due to the importance of maintaining and promoting Ethical Standards this risk remains a corporate risk. The Council's Audit and Governance Committee has a statutory duty to promote and maintain high standards of behaviour. Regular reports are made to the Committee about standards matters. Declarations of interests, gifts and hospitality are made and monitored. The LGA Model Code of Conduct was adopted by East Suffolk Council on 23 March 2022, with effect from 1 May 2022. Member training on the Code has been provided. The target score is E4 (green).

Green Risks:

Physical and mental health wellbeing (staff and members)

(Green D4, low likelihood, marginal impact)

Mental and physical wellbeing of staff and members continues to be a significant risk and included as a corporate risk. Controls and mitigations are in place to ensure support and counselling is available for all, including comprehensive details held on the Council's intranet and mental first aiders. The target score of D4 green has been achieved and this risk will continue to be reviewed.

Impact of potential pandemic outbreaks on service delivery

(Green D4, low likelihood, marginal impact)

Risk relates to potential pandemic outbreak. Continuity plans are in place and constantly reviewed to ensure that services operate effectively. Target risk is green D4 (low likelihood, marginal impact).

Failure to implement the new Equality, Diversity and Inclusion Action Plan

(including areas of improvement identified in Equalities Framework self-assessment and Anti-Racism Charter Action Plan (Green D4, low likelihood, marginal impact))

Risk relates to implementation of a new Equality, Diversity and Inclusion Action Plan and ensuring that gaps and areas for improvement identified in the Equality Framework for Local Government self-assessment and Anti-Racism Charter Action Plan ensuring that the Council is fully compliant with meeting legislative requirements or achieve its equalities ambitions. Significant work has taken place including two staff workshops to inform the development of a new EDI Action Plan. Also Equality Impact Assessments are an integral part of decision making. Policies and procedures are also in place (e.g. Equality and Diversity Policy). Progress is regularly reported to CLT. Due to significant work the risk is green (D4) and following completion will be reviewed to ascertain whether it has met its target score of E4 green.

Frontline services not delivered if significant delivery contracts/partnerships fail (Green D4, low likelihood, marginal impact)

Risk relates to significant delivery contracts and partnerships. East Suffolk Services was successfully created and came into effect from June 2023 following an extensive programme to ensure its smooth transition of services. Partnership boards are established for all significant partnerships. Target score of Green D4 is being met and will continue to be reviewed and monitored.

Overview of Risk Ratings:

A summary of the current and target risk scores along with the projected direction of travel is detailed below. Appendix C displays all corporate risks against the risk matrix.

Risk	Current	Target	Direction of Travel
Failure to deliver import checks required in new Target Operating Model	Red	Amber	➔
Incident management – flood risk	Red	Amber	➔
Major coastal erosion or coastal incident	Red	Amber	➔
Cost of living crisis	Amber	Amber	⬇
Subsidy control compliance and reporting	Amber	Green	➔
Capacity to deliver Council’s aims and ambitions	Amber	Amber	⬆
Flooding / tidal surges (Lowestoft only)	Amber	Green	➔
Housing Regulation - Breach of the Rent Standard and the ‘Home’ Consumer Standard	Amber	Green	➔
Cyber-attacks (Cyber Security Resilience)	Amber	Amber	⬆
Recruitment of staff	Amber	Green	➔
Oil deposits on Gunton Beach	Amber	Green	➔
Sizewell C	Amber	Green	➔
Safeguarding – failing to protect the most vulnerable	Amber	Green	⬆
Accountable Body for Freeport East	Amber	Amber	➔
Fire incident(s) in social and temporary housing assets	Amber	Green	⬆
Medium Term Financial Strategy (MTFS) including delivery of balanced Annual Budget	Amber	Green	⬇
Risk to medium-term financial sustainability of the HRA	Amber	Green	➔
Carbon Neutral target (203)	Amber	Green	➔
Health and Safety	Amber	Green	➔
Ethical Standards	Amber	Green	⬇
Potential pandemic outbreaks delivery	Green	Green	⬆
Significant contracts/partnerships	Green	Green	⬆
Physical and mental health and wellbeing	Green	Green	⬆
Equality, Diversity and Inclusion Action Plan	Green	Green	➔
New Risk:			
Anti-social behaviour incidents increasing	Amber	Green	n/a

3 How to address current situation

3.1	Ensure that robust risk management procedures and processes meet the needs of the Council in continuing to provide good governance, ensuring risk processes continue to manage risks and allow for identification of new and emerging risks.
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3.2	Ongoing review and monitoring of corporate risks with ownership by Corporate Leadership team.
3.3	Continue to deliver training on risk management as and when required.

4 Reason/s for recommendation

4.1	To provide assurance to Members that good governance arrangements are in place to manage and monitor risks within the Council. Risks are reported and reviewed regularly at Corporate Leadership Team meetings. Training continues to be delivered on risk management and a Horizon Risk Challenge session recently facilitated by Zurich Insurance to challenge and provide an external view on our risk management processes.
4.2	Members are fully informed of the current corporate risks within the Council and provided with information on what has been achieved and reasons as to why they are strategic risks, including current risks scores and target risk scores.

Appendices

Appendices:

Appendix A	Risk Management Process/Toolkit
Appendix B	Risk Management Framework
Appendix C	Corporate Risks on matrix

Background reference papers:

None



Risk – and opportunity – management process and toolkit

This process is used to manage corporate, service, project, business case, and partnership risks and opportunities.

Roles All members and officers have a responsibility to manage risk in their work. There are also specific responsibilities:	
Cabinet	Consider risk when making decisions. Review key risks
Audit & Governance	Review strategy
Corporate Leaders Team (CLT)	Manage corporate risks. Escalate risks to CLT. Move corporate risks into team or service registers. Raise risks at meetings.
Team Leaders	Manage own risks. Update senior managers Escalate risks



Step 1: Identify

Do this at least once a year

- Look at the Strategic plan/business plans, especially priorities. What might stop your team delivering the Council's priorities – or delivering your service plan?
- Consider the types of risk
- Brainstorm with colleagues
- Examine trends, Analyse last year's problems
- Review information from other councils / situations
- Be aware of new initiatives / agendas & regulations
- What opportunities are there?

Do this frequently

- What might stop you delivering your service?
- Review situation. Brainstorm with team.

Step 1: Categories: Types of risk / opportunities (with examples full details in East Suffolk Risk and Opportunity Management Strategy): *What if...?*

Political	Change of political control locally or nationally
External	Changes outside the council's control
Assets	Property – land, buildings, and equipment
Economic & Social	Recession, deprivation, population growth, ageing population, changing demographic of area
Social	Population growth; aging population
Governance	Compliance requirements; controls
Communication & Relationships	Failure of systems; potential new partnerships
Legislative or Regulatory	Fail to meet requirements; law changes, legislation
Customers	Changing needs and expectations; poor quality/reduced service delivery
Partnerships	New initiatives, ways of working, policies/procedures, new relationships
Financial	Impact on budget; financial management regulations; interest rate change; financial loss; arrangements
Strategic / operational	Fail to meet Strategic Plan or team objectives
Resources (incl. HR, IT, Finance)	Staff illness; succession planning; system failure; new software; budget cut
Legal	Breach of contract; improved terms
Environmental	Extreme weather events; floods; good summer
Roles & Responsibilities	Using staff skills; lack of qualified staff
Stakeholders & Relationships	Disagreements; changed priorities

Step 2: Analyse - Capture the main elements to a risk or opportunity

Cause	If / As a result of...	As a result of bad weather
Event	Then / There is a risk that...	there is a risk that staff will not be able to get to the office to do their work
Effect	So / Which will result in...	which will result in unhappy service users and increased complaints

For information on risk management, performance & policy, contact Stacey.ransby@eastsoffolk.gov.uk 01394 444232, Digital and Programme Management
Updated: Sept 2023

Step 5 - Monitor

Review the Register with colleagues (for example, as part of your Service Plan) at least quarterly

- What has changed?
- New risks or opportunities?
- Need to report or escalate risks?
- Have rankings changed?

Step 4 – Mitigate

- Assess current actions and controls: Are they adequate or more needed?

Treat – Accept - Terminate - Transfer

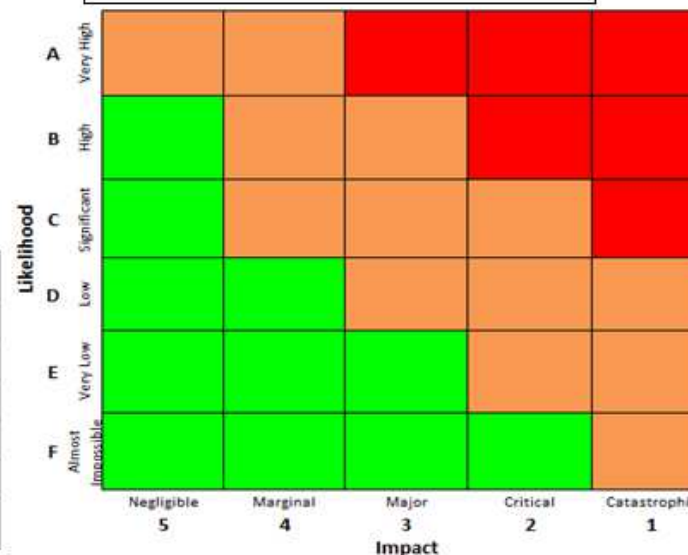
- Within your Service Plan - develop specific SMART actions that will either reduce the likelihood of the risk or minimise the impact – or maximize an opportunity and increase its likelihood.
- What should score be after taken action taken?
- Should this risk be escalated?



Likelihood	%	Description	Proximity/ Timing
A Very High	90%	Event is very likely to occur.	Within current financial year
B High	60% - 90%	Strong possibility the event will occur.	Will occur at least once per year
C Significant	30% - 60%	Will probably occur in most circumstances	Will occur within next 4 years
D Low	15% - 30%	Risk event likely to occur at some time.	Likely to occur once in 4 to 6 yrs
E Very Low	5% - 15%	Risk event could occur at some time.	Likely to occur within 6 to 10 yrs
F Almost Impossible	0% - 5%	May occur only in exceptional circumstances. Extremely unlikely or virtually impossible.	May occur once within 10 to 50 yrs

Step 3 – Prioritise using matrix below

- How likely is this? How soon might it happen?
- How big an impact will it have?

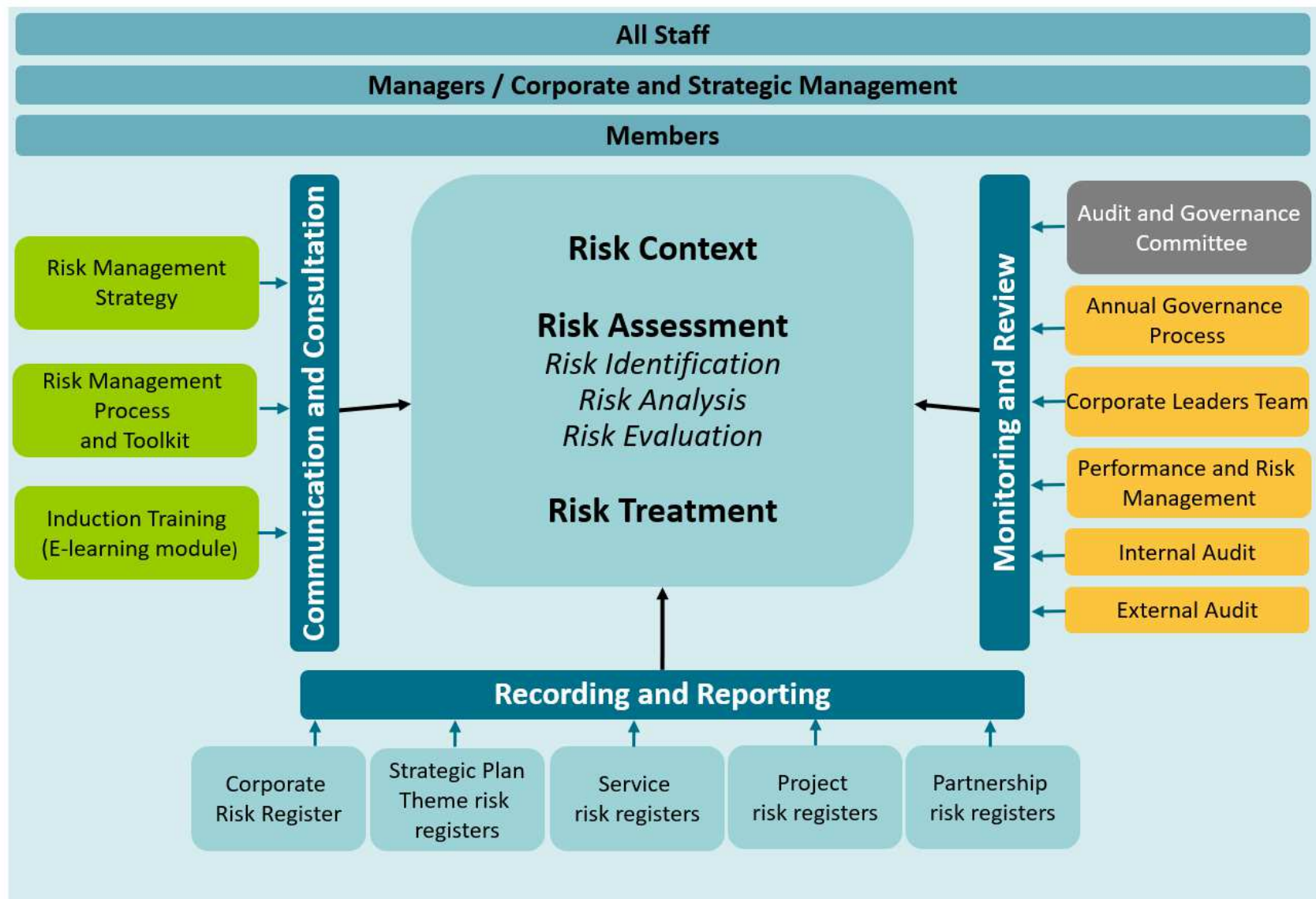


Impact	Service / Operational	Project or programme	Strategic	Financial	Opportunity
1 Catastrophic	Service suspended long-term or taken over. Statutory duties not delivered.	Milestones missed; key deliverables not achieved.	Corporate objectives not met; Mass staff leaving/unable to attract staff. Remembered for years, mentioned in Parliament.	In excess of authority's available balances, finances/ reserves wiped out.	Significant performance improvement, savings or income of 70%, service transferred.
2 Critical	Service suspended medium-term or taken over temporarily. Key objectives missed.	Project reduced/suspended in the medium-term. Major milestones & KPIs missed (red)	Statutory requirements not met. Industrial action, adverse national publicity.	£5m and above	Service transferred, savings/income 50%-70%
3 Major	Service reduced / suspended short-term / taken over for a minimal period. Key objectives or KPIs missed (annual - red) within one team/ service, or more than one service affected.	Project delayed / suspended short-term. Some major <u>milestone</u> , or KPIs missed (red).	Industrial action, adverse local and national publicity.	Over £1m less than £5m	Part of service transferred savings/income 30%-50%.
4 Marginal	Service slightly reduced Within one team/service some objectives or KPIs missed (amber annual, red quarter).	Project slightly delayed Some objectives or KPIs missed (amber).	Adverse local media, impact on an external inspection (s), some hostile relationships and minor non-co operation.	Over £½m less than £1m	Positive local media, financial impact 10%-30%, all PIs met, some partnership working.
5 Negligible	No impact on annual service, performance or team objectives.	No impact on: final project due date, performance or objectives.	No effect on morale No effect on reputation or partnership. No media attention.	Less than £½ m	No impact on team objectives or performance. Financial impact below 10%.



Risk Management Framework

In accordance with ISO 31000:2018 guidance



Corporate Risk Register

Likelihood	Very High (A)					
	High (B)			14, 17	5, 20	19
	Significant (C)			8, 11, 16, 23, 24	2, 9, 15, 21, 25	
	Low (D)	1, 6, 10, 12	3, 7, 18, 22	13	4	
	Very Low (E)					
	Almost impossible (F)					
		Negligible (5)	Marginal (4)	Major (3)	Critical (2)	Catastrophic (1)
		Impact				

Current Risks:

Governance / CLT (Governance)

- (1) Potential outbreak of pandemics*
- (2) Capacity to deliver Council's aims/aspirations
- (3) Ethical Standards
- (4) Fire incident(s) social & temporary housing assets
- (5) Import checks req'd in Target Operating Model
- (6) Physical and mental wellbeing
- (7) Health and safety
- (8) Recruitment
- (9) Housing Regulation Breaches
- (10) Equalities
- (11) Accountable Body for Freeport East

Environment

- (19) Flood risk*
- (20) Major coastal erosion/incident*
- (21) Flooding/tidal surges (Lowestoft)
- (22) Carbon Neutral
- (23) Oil deposits on Gunton Beach*

Economy

- (24) Sizewell C*

Financial Sustainability / CLT (Financial)

- (12) Contracts/Partnerships (under review)
- (13) Sustainable MTFS (for General Fund, HRA & Capital Programme)
- (14) Subsidy Control Compliance and Reporting

Digital

- (15) Cyber attacks (ICT failure)*

Enabling Communities

- (16) Safeguarding the vulnerable
- (17) Cost of living crisis*
- (18) HRA (MTFS) funding to deliver services & progs
- (25) Anti-Social behaviour

Reference:
* Risks with external threat



AUDIT & GOVERNANCE COMMITTEE

Monday, 11 December 2023

Subject	Internal Audit Plan 2023/24 Progress Report
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money Councillor Tim Wilson Assistant Cabinet Member for Resources and Value for Money
Report Author and Head of Service	Siobhan Martin Head of Internal Audit siobhan.martin@eastsoffolk.gov.uk 01394 444254
Chief Executive	Chris Bally Chief Executive chris.bally@eastsoffolk.gov.uk 01502 523210

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	N/A
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

This report presents progress and updates to the Internal Audit Plan 2023/24 for East Suffolk Council

Options:

The Audit and Governance Committee has already approved the annual Internal Audit Plan 2023/24. This report is to enable the Committee to monitor progress against the approved plan.

There are no alternative recommendations. It is a function of the Committee to oversee the council's internal audit arrangements.

Recommendation/s:

That having commented upon the progress and updates made to the Internal Audit Plan 2023/24, the Committee endorses its contents.

Corporate Impact Assessment

Governance:

Internal Audit reports, advice and recommendations all aim to create and foster a robust corporate governance foundation to support sustainable services for all stakeholders. As a consequence, the Internal Audit Service aims to mitigate the risk of losses arising from error, irregularity and fraud. In addition, efficiency, effectiveness and economy reviews form part of the work undertaken, and this represents a fundamental function in delivering the council's corporate governance responsibilities.

ESC policies and strategies that directly apply to the proposal:

The Audit and Governance Committee is directly responsible for supporting good governance arrangements and practices at East Suffolk Council, which underpin the council's entire strategic and operational workings including the East Suffolk Strategic Plan. The Internal Audit Plan of work provides independent, fact-based evidence to senior management and the Audit and Governance Committee on the actual effectiveness of council activities which support the East Suffolk Strategic Plan.

The implications and benefits of agreed recommendations produced by the Internal Audit Service contribute to the council's overall objectives by improving controls and processes, which contribute towards efficient and effective management of services.

Environmental:

There are no direct environmental implications to this report.

Equalities and Diversity:

This report does not require an Equality Impact Assessment.

Financial:

There are no direct financial implications to this report.

Human Resources:
There are no direct human resources implications to this report.
ICT:
There are no direct ICT implications to this report.
Legal:
The Accounts and Audit Regulations 2015 require a relevant authority to ‘...undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance’.
Local government public sector internal auditing standards require “risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals.”
Risk:
The annual Internal Audit Plan 2023/24 provides the Committee and Management with assurance over risk management as part of each individual audit assignment.

External Consultees:	No external parties were consulted in the preparation of this report.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		

P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
Internal Audit supports a robust corporate governance framework. The work of the Internal Audit Service as set out the Internal Audit Plan provides assurance on East Suffolk Council's governance, risk management and internal controls.			

Background and Justification for Recommendation

1 Background facts	
1.1	This report is being presented to the Audit & Governance Committee in accordance with the Committee's terms of reference which stipulate that the Committee is to 'approve, (but not direct) internal audit's work plan' as well as 'to promote the value of the audit process'.
1.2	The Audit and Governance Committee is responsible for overseeing the application of audit resources and monitoring performance of the audit function.
1.3	Internal Audit Services acts in accordance with the Accounts and Audit Regulations (2015) and aims to follow the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (2013). This report has been prepared in accordance with our Audit Charter.
1.4	The work of the Internal Audit Service is to provide independent assurance and report upon the effective and efficient application of internal controls, governance arrangements and risk management at the council. All Internal Audit reports underpin the Head of Internal Audit's Annual Audit Opinion and form part of the crucial evidence to enable the Chief Executive and Leader of the Council to sign the Annual Governance Statement (the obligatory statement along with the Annual Accounts.) External Audit may also consider Internal Audit work to ensure that system controls are adequate and effective.
2 Current position	
2.1	East Suffolk Council's approach to risk-based planning was updated for the 2023/24 year to emphasise ongoing risk reviews to identify internal audit assignments and balance these against the resources available.

2.2	This report is to provide the Committee with details of Internal Audit activity over the period April-November 2023, and Internal Audit commitments for the remainder of the 2023/24 year.
2.3	In addition to the Internal Audit plan activity relating to specific audit assignments, Internal Audit also has a programme to follow-up progress by Management in completing audit actions, as well as supporting the council's wider governance, risk and control activities.
2.4	<p>The Audit and Governance Committee approved a new approach to developing the Internal Audit Plan 2023/24 in March 2023.</p> <p>The approved Internal Audit Plan 2023/24 includes core "Essential" audits, but allows the remainder of the audit plan to be developed flexibility throughout the year according to risk and assurance needs. The current Internal Audit Plan presented in this report has been developed following quarterly risk reviews within the internal audit team, as well as input from Heads of Service in September 2023.</p>
2.5	Where specific circumstances make it appropriate, for example if risks reduce or service priorities mean the timing of an internal audit would disrupt delivery of key objectives, the Head of Internal Audit may agree for an audit to be deferred and not undertaken in the current year. Any deferrals are kept under review in the quarterly risk reviews to be reassessed and ensure assurance needs will be met in current and future financial years.
2.6	<p>Staff resources</p> <p>Internal Audit is currently operating with a reduction in resources due to a member of staff leaving the organisation in 2023/24, long-term sickness absence, and difficulties in recruiting a senior post. The revised risk-based internal audit approach approved by the Audit and Governance Committee has meant that the Internal Audit team has been able to manage vacancies and match the reduced capacity to continue to deliver a risk-based Internal Audit Plan.</p> <p>IT auditing is provided as part of the SLA Partnership between Ipswich Borough Council and East Suffolk Council. The role of IT Auditor has been vacant since April 2020 due to unsuccessful recruitment.</p> <p>Short-term solutions have been introduced, including the engagement of two specialist internal audit consultants during 2023/24.</p>

Internal Audit Plan 2023/24 (Service Area Assurance and Consultancy Activity) – Progress and Activity November 2023

Service Area	Audit	Activity Type	Status	Opinion	Comments
Corporate, Governance and Cross-Cutting	Payroll Key Controls	Assurance	In Progress		Essential assurance need
	Contract Waivers	Assurance	Pending		
	Declarations of Interest, Gifts, and Hospitality	Assurance	In Progress		
	LATCo Governance	Assurance	In Progress		Essential assurance need
Economic Development and Regeneration	<i>Towns Fund Governance 2022/23*</i>	Assurance	Completed	Reasonable	<i>Carried forward from 2022/23</i>
	Flood Recovery Framework Support	Consultancy	In Progress		To support development of the scheme and pre-payment checking
	Freeport East Governance	Assurance	Pending		
	Freeport East Grant Support	Consultancy	Pending		To support development of the scheme and pre-payment checking
	Towns Fund Projects	Assurance	Pending		Essential assurance need
	Changing Places Fund Certification	Assurance	Completed	Effective	
Environmental Services and Port Health	<i>Port Health Fee Setting and Budget Control 2022/23*</i>	Assurance	Completed	Limited	<i>Carried forward from 2022/23</i>
	Neoma Project due diligence	Consultancy	In Progress		Essential assurance need; due diligence at project board meetings
Financial Services	Capital Accounting Follow up	Assurance	Completed	Effective	Essential assurance need
	Write Offs	Assurance	In Progress		
	Energy Bills Support Council Tax Rebate relating to 2022/23	Assurance	In Progress		
	ESC COMF relating to 2022/23 (31/5518)	Assurance	Completed	Effective	
	SCC Covid-19 Grant Funding Certification relating to 2022/23	Assurance	Completed	Effective	
	FMS Upgrade - Main Accounting Controls	Assurance	Pending		Essential assurance need
	FMS Upgrade - Accounts Payable	Assurance	Pending		Essential assurance need
	FMS Upgrade - Accounts Receivable	Assurance	Pending		Essential assurance need

Service Area	Audit	Activity Type	Status	Opinion	Comments
Financial Services (Revenues and Benefits)	Business Rates (NNDR)	Assurance	Pending		Essential assurance need
	ARP Enforcement Agents (Bailiffs)	Assurance	Pending		This audit will be complete in 2023/24 to assist another partner Authority and ensure all ARP partners receive assurance in this area.
Housing	<i>Housing Compliance (Gas, Electrical etc.) 2022/23*</i>	Assurance	Reporting		<i>Carried forward from 2022/23</i>
	Disabled Facilities Grant Certification	Assurance	Reporting		Essential assurance need
	Refunding Housing Rents and Service Charges Support	Consultancy	In Progress		To support development of the scheme
	HRA CORE Reporting	Assurance	Pending		This audit is currently on hold due to service area capacity and may be deferred if it cannot be scheduled in Q4.
	HRA Housing Rents Follow up	Assurance	Pending		Essential assurance need
Legal and Democratic Services	<i>Taxi Licensing 2022/23*</i>	Assurance	Completed	Reasonable	<i>Carried forward from 2022/23</i>
Planning and Coastal Management	Coastal Partnership East Contracts Review	Assurance	In Progress		
	Planning Enforcement Follow up	Assurance	Deferred		Essential assurance need. This audit will be rescheduled to 2024/25 to align with revised project timescales.

* Four audits originally in the 2022/23 Internal Audit Plan were being finalised at the point the 2022/23 Head of Internal Audit Opinion was required. As reported to Committee in the 2022/23 Internal Audit Annual Opinion Report these will contribute to the 2023/24 annual audit opinion.

Glossary				
Pending	In Progress	Reporting	Completed	Deferred
These audits are the audit commitments currently identified for November 2023 – March 2024. The risk review scheduled for Q4 2023/24 may identify additional audit requirements.	These audits have been agreed with the relevant service area and are being tested.	Testing has been completed for these audits and is under review with the service area prior to finalising the report.	These audits were identified as assurance needs in 2023/24 and have been completed.	Following consultation with the relevant service area and risk review these audits have been deferred and will be considered and risk reassessed for the 2024/25 Internal Audit Plan.

3 How to address current situation

3.1	The updated Internal Audit Plan 2023/24 will provide sufficient assurance for the Head of Internal Audit to provide an Annual Audit Opinion, which is a key requirement for local government public sector internal auditing standards and the council's Constitution. This will also support the council's Annual Governance Statement for 2023/24.
3.2	Recruitment of internal auditors with the necessary skills, knowledge and experience in local government auditing remains a challenge locally and further afield. The Head of Internal Audit intends to review medium and long-term solutions in Quarter 4 2023/24.

4 Reason/s for recommendation

4.1	To support East Suffolk Council's overall governance arrangements and to ensure that the Audit and Governance Committee fulfils its terms of reference by reviewing the updates to the risk based Internal Audit Plan 2023/24.
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Appendices

Appendices:

None

Background reference papers:

None

AUDIT & GOVERNANCE COMMITTEE

Monday, 11 December 2023

Subject	Anti-Fraud and Corruption Strategy 2023
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money Councillor Tim Wilson Assistant Cabinet Member for Resources and Value for Money
Report Author and Head of Service	Siobhan Martin Head of Internal Audit siobhan.martin@eastsoffolk.gov.uk 01394 444254
Chief Executive	Chris Bally Chief Executive chris.bally@eastsoffolk.gov.uk 01502 523210

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not Applicable.
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

To provide a strategic overview to the Audit and Governance Committee of the updated Anti-Fraud and Corruption Strategy 2023 and to acknowledge the procedures to be undertaken by the Corporate Fraud Service. To ensure Members are aware of the Strategy etc.

Options:

No alternative options are presented in relation to this Strategy

Recommendation/s:

That Audit and Governance Committee comments upon and endorses the updated Anti-Fraud and Corruption Strategy 2023.

Corporate Impact Assessment

Governance:

This updated Anti-Fraud and Corruption Strategy supports the Council's governance framework by setting out the principles of how the Corporate Fraud Service intends to manage and respond to fraud risk in coming financial years.

ESC Fraud policies and strategies that directly apply to the proposal:

This report has links to the Council's:

- Anti Bribery Policy
- Corporate Fraud Policy and response Plan
- Code of Corporate Governance
- Whistleblowing Policy

Environmental:

This report does not include direct links to the Council's strategic environmental aims.

Equalities and Diversity:

This report does not require the completion of an Equalities Impact Assessment.

Financial:

This report has some potential financial implications due to any irregular activity within the Council and/or partnerships that may have financial implications etc.

Human Resources:

Currently this report does not have any direct staffing implications.

ICT:

This report does not have any direct ICT (Information Communications Technician) implications.

Legal:

The Corporate Fraud Service adheres to several statutory powers including but not limited to primary legislation:

- Bribery Act 2010
- Fraud Act 2006
- Prevention of Social Housing Fraud Act 2013
- Proceeds of Crime Act 2002
- Theft Act 1968 /78

Risk:

This Anti-Fraud and Corruption Strategy sets out how the Corporate Fraud Service intends to manage the risk of fraud and other irregularities within the council and/or its partnerships.

External Consultees: No external parties were consulted in the preparation of this report.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		

P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>How does this proposal support the priorities selected?</p> <p>The updated Council's Anti-Fraud and Corruption Strategy is the Council's procedures alongside the Bribery Act Policy. Nationally it is a key element in any Council's governance framework, designed to reduce the risk of fraud, corruption, and abuse in the delivery of local services.</p>			

Background and Justification for Recommendation

1 Background facts	
1.1	The Council maintains a zero-tolerance approach towards fraud and corruption, and the existence of a professional Corporate Fraud Service demonstrates the Council's commitment to this objective.
1.2	<p>This revised Anti-Fraud and Corruption Strategy sets out the Council's position on fraud issues aligned to the Bribery Act Policy that affect the services of the Council and member of the public. This Strategy is a natural extension of seeking to provide the best possible service to the public.</p> <p>Regardless of the law, the Councils position is, and always has been, that we have a zero tolerance to anyone committing fraud.</p>
1.3	In addition, the Fighting Fraud and Corruption Locally 2020 is the current national strategy for council leaders, chief executives, finance directors, and all those charged with governance in local authorities to use in defending against fraud in local government. This Strategy is in addition to the CIPFA (Chartered Institute of Public Finance and Accountancy), Code of Practice on managing the Risk of Fraud and Corruption.
1.4	The Corporate Fraud Plan is produced annually to support delivery of the aims set out in the overarching Anti-Fraud and Corruption Strategy. The Corporate Fraud Plan is also a direct response to meeting national strategy, guidance, and achieving the Council's Strategic Plan objectives. It is a key contributor to enabling the Government's austerity measures in reducing public expenditure by reducing fraud. It also defines the Council's proactive and reactive anti-fraud work.
1.5	At East Suffolk Council the Corporate Fraud Team involved in the procedures within the Anti-Fraud and Corruption Strategy is managed by the Head of Internal Audit Services.

2 Current position	
2.1	A key responsibility within the Audit and Governance Committee's terms of reference is to 'Monitor the counter-fraud strategy, activity and resources'.

2.2	The Corporate Fraud Service will continue to focus activities as directed by the Head of Internal Audit, who also leads this service area at Ipswich Borough Council.
2.3	Further development and enhancement in the field of pro-active corporate fraud activity including promotion of the anti-fraud policies, Whistleblowing, Bribery, Corruption Policies etc. This will be based upon the ever-changing increased fraud risk assessments of various Council sections as an ongoing matter.

3 How to address current situation

3.1	The Council has an obligation to protect public funds. The refreshed Anti-Fraud and Corruption Strategy sets out how East Suffolk Council will act to prevent and respond to fraud or improper or unlawful activities.
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4 Reason/s for recommendation

4.1	To fulfil the Audit and Governance Committee's responsibility to monitor the counter-fraud strategy.
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Appendices

Appendices:

Appendix A	Anti Fraud and Corruption Strategy
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Background reference papers:

None



East Suffolk Council

Anti-Fraud and Corruption Strategy

Policy owner: Siobhan Martin, Head of Internal Audit Services
Issue date: December 2023
Review date: December 2025

1.0 Introduction

- 1.1 East Suffolk Council has a duty to safeguard public funds and is committed to the highest standards of openness and accountability to ensure that controls are in operation to mitigate, prevent, detect, and take action against fraudulent activity. The minimisation of losses to fraud and corruption is essential to ensure public resources are used for their intended purposes of providing services to its residents. This document sets out the Council's policy in relation to fraud and corruption and protection of public funds and assets.
- 1.2 All Councillors and Officers are committed to a zero-tolerance approach towards fraud and corruption in the administration of responsibilities, whether inside or outside the Council.
- 1.3 East Suffolk Council will not tolerate fraud or corruption by its Councillors, employees (including contract staff, suppliers, contractors, or service users) and will take appropriate steps to investigate all allegations of fraud and corruption to a satisfactory conclusion, which may include sanctions or prosecution.
- 1.4 This Anti-Fraud and Corruption Strategy should be applied in conjunction with other Council policies and procedures, including amongst others:
- Codes of Conduct (Councillors and Employees);
 - Whistleblowing Policy;
 - Anti-Money Laundering Policy;
 - Anti-Bribery Policy and Procedure;
 - Covert Investigation Policy;
 - Contract Procedure Rules;
 - Financial Procedure Rules; and
 - Sanctions and Prosecutions Policy.

2.0 Scope

- 2.1 This Strategy applies to:
- all Council employees (including agency staff) and Councillors;
 - contractors;
 - consultants; and
 - suppliers.

3.0 Aims & Objectives

3.1 The aim of this Strategy is to further embed the management of fraud and risk and protect Council resources. This will be achieved by:

- raising awareness of the importance of tackling fraud;
- acknowledging and understanding fraud risks;
- support the effective management of fraud risk;
- support proactive counter fraud activities across the Council;
- minimise the likelihood and extent of losses through fraud;
- pursue action against those who commit fraud against the Council;
- working in partnership with other agencies.

4.0 Definitions

4.1 Fraud

Fraud is defined by The Fraud Act 2006, Sections 1, 2, 3 or 4:

A person is guilty of fraud if he is in breach of any sections 1-4, different ways of committing the offence. A dishonest action by false representation, by failing to disclose information, by abuse of position and designed to facilitate gain (personally or for another) at the expense of the Council, the residents of the Council or the wider community.

The definition covers various offences including deception, forgery, theft, misappropriation, collusion, and misrepresentation.

The potential maximum penalty is imprisonment for a term of up to ten years.

4.2 Corruption

Corruption is the offering or acceptance of inducements designed to influence official action or decision making. Corruption covers the inducement or reward of cash, holidays, event tickets, meals, etc. which may influence the action of any person to act inappropriately.

4.3 The Bribery Act 2010

The following are considered an offence:

Offering a bribe;
Being bribed; and
A corporate offence of failure to prevent bribery.

An organisation must have “adequate procedures” in place to prevent bribery.

4.4 The Theft Act 1968

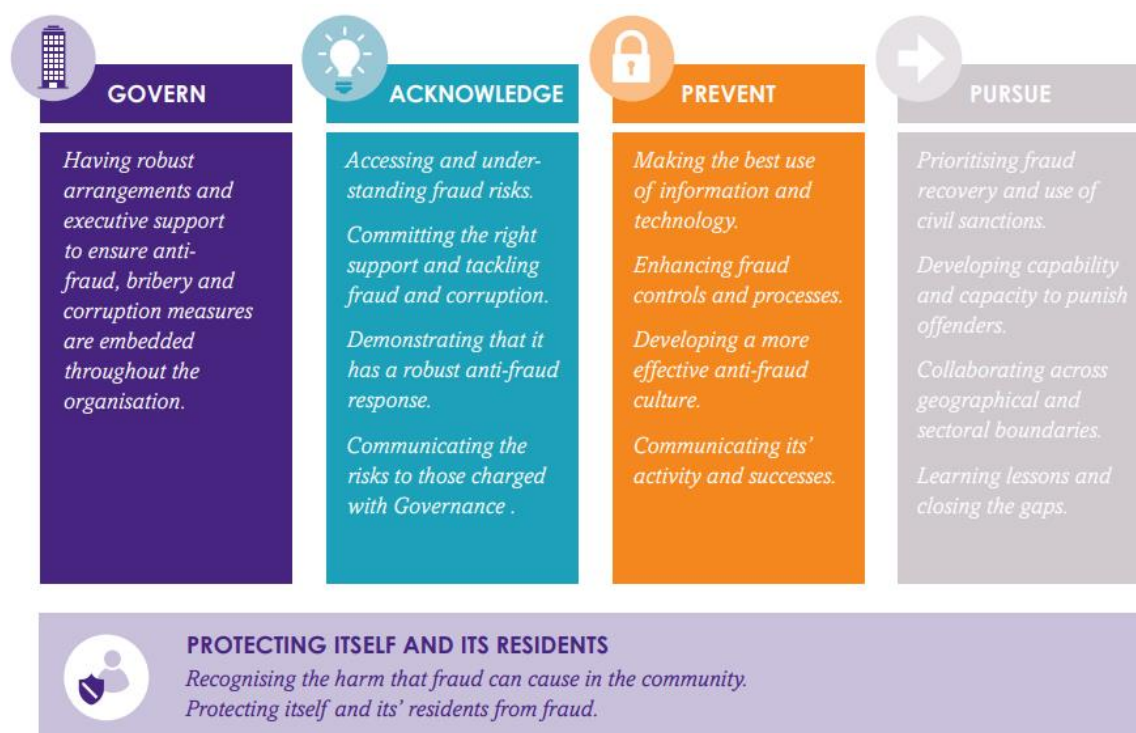
Theft is defined as the taking without consent and the intention of not returning any property belonging to the Council or which has been entrusted to it, including cash, equipment, vehicles, data etc. Theft does not necessarily require fraud to have been committed. Theft can also include the taking of property belonging to staff/Councillors whilst on Council property.

4.5 What is Financial Malpractice / irregularity?

This term is used to describe any actions that represent a deliberate serious breach of accounting principles, financial regulations, or any of the Council's financial governance arrangement. They do not have to result in personal gain.

5.0 Approach

5.1 This Strategy is based upon the recommended approach set out within CIPFA's "Fighting Fraud and Corruption Locally – A Strategy for the 2020s":



*Image from FFCL – A strategy for the 2020s

5.2 Govern

East Suffolk Council demonstrates a commitment to anti-fraud through the adoption of policies referred to at 1.4 above, and by resourcing a professional, highly skilled Corporate Fraud Team.

5.3 Acknowledge

East Suffolk Council accepts that local authorities face a significant challenge against fraud and must take steps to respond. In doing so, we will undertake an assessment of our fraud and corruption risks and review regularly to identify emerging risks.

In acknowledging such risks, the Council operates a Corporate Fraud Team working closely with other Service Areas and is resourced by:

- Head of Internal Audit – (Senior Authorising Officer accredited by the National Crime Agency);
- Corporate Fraud Manager – Accredited Counter Fraud Manager.
- Audit Manager – Accredited Counter Fraud Specialist.
- Financial Intelligence / Investigator (accredited by the National Crime Agency and in the future be able to utilise the Proceeds of Crime Act 2002 to recover money lost through fraud).
- Corporate Fraud Investigators (1 ½ full time equivalent);
- Intelligence Officer (part-time).

5.4 Prevent

East Suffolk Council endeavours to ensure robust controls are in place to prevent fraudsters from accessing services and employment.

The Corporate Fraud Team forms part of Internal Audit & Corporate Fraud Services and therefore works very closely with Internal Audit. Particularly, fraud risk is considered during the planning stage of each Internal Audit review and discussed with a Corporate Fraud Manager/Investigator. Compliance with Public Sector Internal Audit Standard 1210.A2 requires “Internal Auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organisation.....”

During the normal course of business, we will collaborate with external agencies and enforcement partners to understand and mitigate the risks of organised and serious frauds, and where legally possible adhering to the DPA/GDPR regulations share data to help prevent future fraud. We will use technology and data matching to prevent fraud at the application stage and prevent fraudsters from gaining access to our services.

We will actively publicise proactive initiatives and successes.

5.5 Pursue

East Suffolk Council has invested in resources to ensure that staff within the Corporate Fraud Team has the skills and training to tackle fraud and corruption. The skill set of the team will remain relevant and up to date.

All referrals are logged, and risk assessed when received. Cases accepted for investigation will have a case file set up on the Fraud Management System and an Investigator allocated.

All fraudulent activity is unacceptable and will result in consideration of appropriate sanctions including the possibility of legal action being taken against the individual(s) concerned. We will pursue the repayment of any financial gain from individuals involved in malpractice and wrongdoing. (See the separate Sanctions and Prosecution Policy).

5.6 **Protect**

The Council adopts procedures that enforce the management of fraud risk throughout activities, specifically by:

- ensuring effective governance arrangements;
- acknowledging the risk of fraud;
- ensuring a robust control environment is in place and promoting fraud awareness;
- taking action where fraud is suspected and identified.

Collectively, these activities will promote the best use of Council resources and protect the Council and its' residents.

6.0 **Roles & Responsibilities**

6.1 East Suffolk Council is committed to preventing fraud and corruption and has policies and procedures which if adhered to will prevent fraud. This sends a clear message that fraud committed against East Suffolk Council will not be tolerated, and where reported will be investigated professionally and dealt with in accordance with the sanction and prosecution policy.

6.2 The Seven Principles of Public Life (also known as the Nolan Principles) apply to anyone who works as a public officeholder are the seven principles of public life which are:

- selflessness – You must act solely in terms of the public interest and not in order to gain financial or other material benefits for yourself, family or friends.
- integrity – You should not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
- objectivity – You must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- accountability – You are accountable to the public for your decisions and actions, and you must submit yourself to whatever scrutiny is appropriate.
- openness – You should be as open as possible about all the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.

- honesty – You have a duty to declare any private interests relating to your work and you need to take steps to resolve any conflicts arising in a way that protects the public interest.
- leadership – You should promote and support these principles by leadership and example.

6.3 The following table sets out roles and responsibilities:

Stakeholder	Responsibilities
Audit & Governance Committee	<ul style="list-style-type: none"> • Manage the Council's exposure to risk having regard to its control environment including potential exposure to fraud and corruption. • Consider the Council's anti-fraud and corruption arrangements.
Councillors	<ul style="list-style-type: none"> • To comply with the Members Code of Conduct and maintain an awareness of the possibility of fraud and corruption and report any genuine concerns accordingly.
Corporate Leadership Team	<ul style="list-style-type: none"> • Establish an anti-fraud culture in their service area(s). • Ensure staff are aware of and promotion of all relevant policies and procedures relating to anti-fraud and corruption. • Adopt and maintain a robust control environment, ensuring agreed internal audit actions are implemented in a timely manner.
Monitoring Officer	<ul style="list-style-type: none"> • To contribute to the promotion and maintenance of high standards of conduct.
S151 Officer	<ul style="list-style-type: none"> • Statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs.
Corporate Fraud Team	<ul style="list-style-type: none"> • To deliver a quality corporate fraud service and contribute in activity to prevent, detect, deter and investigate fraud.
Internal Audit	<ul style="list-style-type: none"> • Develop a risk-based plan of work giving due consideration to fraud risk. • Evaluate the potential for the occurrence of fraud within areas subject to audit and how the organisation manages fraud risk.
Employees (including temporary and agency staff)	<ul style="list-style-type: none"> • To comply with Council policies and procedures, and to maintain an awareness of the possibility of fraud and corruption and report any genuine concerns accordingly.
Contractors, Consultants Suppliers and Partners	<ul style="list-style-type: none"> • To ensure they have adequate systems and controls to prevent and detect fraud and corruption. • To act with honesty and integrity and to report any suspicions or knowledge they acquire in relation to fraud and/or corruption against the Council.

7.0 Reporting

7.1 Referrals can be made directly in confidence to the Corporate Fraud Team:

Fraud hotline: (01394 444444)

fraud@eastsoffolk.gov.uk

7.2 **All Council employees and Councillors must report any suspicions of fraud to the Corporate Fraud Team immediately.**

8.0 Investigation

8.1 The Corporate Fraud Team are responsible for investigating allegations of fraud. This ensures a proper investigation is conducted by qualified and skilled Investigators and that Council assets and interests are protected and losses recovered where appropriate.

8.2 In undertaking an investigation, Officers will adhere to the Police and Criminal Evidence Act Codes of Practice 1984 (PACE) and the Criminal Procedures and Investigations Act 1996 (CPIA).

8.3 Investigators will ensure that persons subject to investigation are advised of their legal rights and that evidence is obtained and secured in accordance with the law.

8.4 All Investigators will consider and adhere to the Human Rights Act 1998, Data Protection Act 2018, Investigatory Powers Act 2016 and all bespoke equality needs during the course of an investigation.

8.5 Where surveillance is deemed an appropriate course of action, formal authorisation will be obtained under the Regulation of Investigatory Powers Act 2000 (RIPA) which public bodies employ in the discharge of their functions.

9.0 Strategy Review

9.1 The Audit & Governance Committee will continue to review and comment on this Strategy to ensure it remains relevant to the needs of the Council and compliant with appropriate Legislation and Regulations.

AUDIT & GOVERNANCE COMMITTEE

Monday, 11 December 2023

Subject	Whistleblowing Policy
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money Councillor Tim Wilson Assistant Cabinet Member for Resources and Value for Money
Report Author and Head of Service	Siobhan Martin Head of Internal Audit siobhan.martin@eastsoffolk.gov.uk 01394 444254
Chief Executive	Chris Bally Chief Executive chris.bally@eastsoffolk.gov.uk 01502 523210

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not Applicable.
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

To provide a strategic overview to Members of the Audit and Governance Committee of the updated Whistleblowing Policy and to acknowledge the confidential protected disclosure procedures to be undertaken within the council when dealing with a "Whistleblower". To ensure Members are aware of the procedures etc.

Options:

No alternative options are presented in relation to this Policy

Recommendation/s:

That having commented upon its contents, the Audit and Governance Committee approves the refreshed Whistleblowing Policy.

Corporate Impact Assessment

Governance:

This refreshed Whistleblowing Policy supports the Council's governance framework by setting out how the council will respond to anyone reporting a protected disclosure. Protected disclosures may identify breaches of law or the proper practices that are expected for a well-governed local authority.

ESC Fraud policies and strategies that directly apply to the proposal:

This report has links to the Council's:

- Anti-Fraud and Corruption Strategy
- Anti Bribery Policy
- Corporate Fraud Policy and response Plan
- Code of Corporate Governance

Environmental:

This report does not include direct links to the Council's strategic environmental aims.

Equalities and Diversity:

This report does not require the completion of an Equalities Impact Assessment.

Financial:

This report has some potential financial implications due to its purpose in providing a legal gateway in which the Whistleblower can report confidentially any irregular activity within the Council and/or partnerships that may have financial implications and/or affect the Health and Safety of the public etc.

Human Resources:

Currently this report does not have any direct staffing implications.

ICT:

This report does not have any direct ICT (Information Communications Technician) implications.
Legal: This report addresses how the Council will meet the statutory responsibilities set out in the Public Interest Disclosure Act 1998.
Risk: This Whistleblowing policy sets out how the Corporate Fraud Service will reduce the risk of irregularities within the council and/or its partnerships, by enabling workers to report concerns confidentially. This may impact any risk affecting the council, including but not limited to financial loss, health and safety of staff and the public, or legal non-compliance.

External Consultees:	No external parties were consulted in the preparation of this report.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		

P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>How does this proposal support the priorities selected?</p> <p>The updated Council’s Whistleblowing Policy is the Council’s response to handling Protected Disclosures under the Public Interest Disclosure Act. Nationally it is a key element in any Council’s governance framework, designed to reduce the risk of fraud, corruption, and abuse in the delivery of local services</p>			

Background and Justification for Recommendation

1 Background facts	
1.1	As a local authority, East Suffolk Council has a responsibility to hold itself to the highest standards of governance in the performance of its duties.
1.2	<p>People who work for the council, or are involved in the council’s work, are often the first to know if anything goes wrong and can therefore play a key role in identifying issues and preventing problems.</p> <p>The Public Interest Disclosure Act 1998 provides legal protection to encourage workers who are willing to come forward with legitimate concerns. The term ‘whistleblowing’ is the common phrase given to disclosures made under the Public Interest Disclosure Act 1998. Regardless of the law, the Councils position is, and always has been, that we want to know if something is going wrong.</p>
1.3	The Council’s Whistleblowing Policy was last reviewed in January 2019 by the Audit and Governance Committees of Suffolk Coastal District Council and Waveney District Council.

2 Current position	
2.1	The Audit and Governance Committee’s terms of reference include the responsibility to “Review the Council’s Whistleblowing Policy”.
2.2	The previous Whistleblowing Policy dated 2019 has been fully refreshed. The refreshed Policy continues to encourage staff to report concerns and sets out how East Suffolk Council will respond.

3 How to address current situation	
3.1	The council needs to ensure its corporate policies are up to date in order to maintain good corporate governance. A refreshed Whistleblowing Policy is necessary to ensure it provides appropriate advice to staff and other stakeholders.

4 Reason/s for recommendation	
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4.1	To fulfil the Audit and Governance Committee’s responsibility to review the council’s Whistleblowing Policy.
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Appendices

Appendices:

Appendix A	East Suffolk Council Whistleblowing Policy
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Background reference papers:

None



Whistleblowing Policy

Our policy on Handling Protected Disclosures under the Public Interest Disclosure Act



Policy owner: Siobhan Martin, Head of Internal Audit Services
Issue date: December 2023
Review date: December 2025

About this policy

This policy sets out the Council's position on those situations where members of staff and others want to tell us about things, they're worried that the Council is doing wrong.

Although this policy sets out specific rights that arise under employment legislation, the Council sees *Whistleblowing* as a natural extension of a policy of seeking to provide the best possible service to the public, and to be the best possible employer to its staff and others.

Regardless of the law, the Council's position is, and always has been, that we want to know if something is going wrong, so please tell us.

The Council guarantees that it will never treat anyone unfairly as a result of them sharing their genuinely held concerns with it.

This policy tells you how, in addition to the Council's guarantees, the *Public Interest Disclosure Act* protects employees and other staff who make a *protected disclosure* about a matter of concern

This policy sets out what to do if staff and others or others have concerns about certain improper or unlawful activities covered by the *Public Interest Disclosure Act*.

The policy also signposts those procedures the Council will use in receiving, handling, and investigating disclosures and tells anyone wishing to make a disclosure the best way of going about it.

If you have concerns NOT covered by this policy, we still want to hear them. The Council has processes for dealing with crime against the Council, mistreatment of staff and others and inefficient working practices. Any manager or *Designated Whistleblowing Specialist* can give you further information about this.

If you have any questions about this policy or the processes involved, please contact the *Whistleblowing Lead* or any *Designated Whistleblowing Specialist* for advice and assistance.

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1. Formal statement of our policy

This policy aims to enable and encourage workers to raise concerns within the Council. It recognises a worker's legal rights to make a protected disclosure to certain prescribed persons or bodies under the *Public Interest Disclosure Act 1998* and any subsequent legislation, as incorporated into the *Employment Rights Act 1996*.

The Council is committed to the highest possible standards of openness, propriety, and integrity. In line with this commitment, workers with serious concerns about unlawful conduct, financial malpractice or dangers to the environment, employees and other Council workers, the public or the Council's reputation are encouraged to come forward and voice those concerns. The Council recognises that staff, and those working with us, are often the first to realise that there may be something seriously wrong within an organisation.

It is important to the Council that any fraud, misconduct or wrongdoing by workers or officers of the organisation is reported and properly dealt with. The Council is committed to tackle malpractice and wrongdoing. Everyone should be aware of the importance of preventing and eliminating wrongdoing at work. If any cases of wrongdoing are upheld, they will be seriously dealt with.

The Council encourages workers to use internal mechanisms for reporting malpractice or illegal acts or omissions by employees or ex-employees. Concerns will always be listened to and investigated appropriately. **The Council will never tolerate or support any mistreatment of those who raise genuine concerns.**

The Council will ensure that they have appointed and trained an appropriate number of specialists who are able to receive disclosures from workers and provide them with advice and support ('*Designated Whistleblowing Specialists*', see Appendix 1).

The Council will provide regular training to all managers to ensure that they may deal with disclosures appropriately.

This policy will be available to all staff on the Council's intranet, so that they are aware of whistleblowing law and know how to use this policy. It will, from time to time, provide appropriate refresher training.

Adequate resources will be made available to fulfil the aims of this policy. The policy will be widely promoted, and copies will be freely available through the Council's intranet.

The Council understands that raising a concern can feel difficult to do, especially if there is fear of reprisal from those responsible for the malpractice. We will not tolerate harassment and victimisation of anyone raising a concern, or any attempts to bully a person into not making a report, and there should be no impact on the continued employment and opportunities for future promotion or training of anyone raising a concern. Any such behaviour is a serious breach of the Council's values and, if upheld following investigation, will result in disciplinary action potentially leading to dismissal.

2. Definitions and explanations

Whistleblowing is the common name given to statutory law. This policy has been prepared in response to the Employment Rights Act 1996 and the Public Interest Disclosure Act 1998. These documents set out a framework for raising genuine concerns and providing guarantees of full protection to employees and other Council workers who raise such issues. This policy also incorporates the principles and timescales set out in the EU Whistleblowing Directive 2019/1937.

This policy applies to all individuals who could find themselves in a position of economic vulnerability if retaliatory measures occur as a consequence of reporting a concern. This includes staff, former staff, temporary and casual staff, agency workers, volunteers, trainees, self-employed persons providing services, freelance workers, contractors, subcontractors and suppliers. This policy uses the term *worker* to encompass all the above.

The Council has appointed a number of *Designated Whistleblowing Specialists* and a *Whistleblowing Lead* – who leads the *Designated Whistleblowing Specialists* group in whistleblowing matters. Details of who has been appointed and how to contact them are given in Appendix 1.

For the purpose of this policy, whistleblowing is the passing on of information by a worker about wrongdoing at work in the statutory categories set out in the Public Interest Disclosure Act. Passing on of such information is called a *protected disclosure* and the person making the disclosure is called a *whistleblower*.

The **statutory categories** for wrongdoing are:

- a criminal offence (such as insurance fraud or illegal tax evasion)
- a breach of any legal obligation
- a miscarriage of justice
- endangering an individual's health and safety
- damage to the environment
- deliberate concealment of information about any of the above.

The following are examples (and not an exhaustive list) of issues that may be raised:

- Health and safety risks, including risks to the public or other employees
- Sexual or physical abuse of both employees and clients
- Damage to the environment
- Unauthorised use of public funds
- Theft or abuse of Council property
- Possible fraud and corruption
- Other unethical conduct
- Abuse of children and vulnerable adults
- Actions which are intended to conceal any of the above.

To be a **protected disclosure**, the following additional conditions must also be fulfilled:

- The person making the disclosure must be an employee or other Council worker as defined
 - The disclosure must be made lawfully and without breaching legal professional privilege
 - It must be made in the public interest
 - The person making the disclosure must not act maliciously or make false allegations; and
- The person making the disclosure must not seek any personal gain for it (where a disclosure has been made to a third party) such as financial payments, gifts or any other benefit or advantage

In order to raise the concern a worker should have reasonable belief that wrongdoing is being, has been, or is likely to be committed. However, it is not necessary to have proof or certain knowledge. The whistleblower has no responsibility for investigating the wrongdoing and **MUST NOT** do so. It is the Council's responsibility to investigate reports.

A member of staff who makes a protected disclosure has the right in law not to be dismissed, subjected to any other detriment, or victimised, because they have made a disclosure. This includes cases where the subsequent investigation into the concern did not identify wrongdoing.

The Council recognises that any so-called 'gagging' or confidentiality clauses in settlement agreements or non-disclosure agreements with individuals do not prevent workers from making disclosures in the public interest and are void in such circumstances.

If the wrongdoing that a worker wants to disclose is not included in the list above, they should use another route to raise their concerns or seek advice. For example, this policy does not cover any concerns staff might have about employment matters that affect only them (unless these also fall into one of the categories set out above); those types of concern should be addressed through the Council's grievance policy, which may be found on the intranet.

If a worker is unsure of the correct route to take, advice is available from their line manager, from a *Designated Whistleblowing Specialist* (see appendix 1) or from an external advice body (see appendix 2).

The Council recognises that employees may feel nervous when reporting concerns in line with this policy and are happy for them to be supported by a colleague when going through the process.

This policy complements but does not replace the Council's procedures for internal and external complaints.

Other relevant policies and routes

To tell us about **inefficient business practice**, you should speak first to your line manager.

If you are not satisfied with the outcome, you may approach any relevant member of the senior leadership team.

Complaints about treatment at work are covered by the Council's ***Grievance Procedures***, which may be found on SharePoint.

For help or advice, you could approach someone in your line of management, the Council's *human resources* team, a union representative or your professional body.

External complaints are covered by the Council's ***Customer Feedback Process and Procedure***, which may be found on SharePoint.

Further advice may be sought from the Council's Customer Feedback Team.

Covert Human Intelligence Sources who provide the council with **intelligence** are covered by the ***Covert Investigation Policy***, which may be found on SharePoint.

Further advice may be sought from the Council's Corporate Fraud team.

3. Roles and responsibilities

Adoption, review and revision

The responsibility for adopting this policy and ensuring that it is kept up to date rests with the Audit & Governance Committee.

This policy will be reviewed periodically by the Council's Audit & Governance Committee, with advice from the *Whistleblowing Lead*.

The *Whistleblowing Lead* will ensure that the policy remains both up-to-date with the current legal position and an example of best practice in the field. This includes appointing *Designated Whistleblowing Specialists* who are appropriately trained.

The Corporate Leadership Team is responsible for ensuring that the policy is drawn to the attention of, and appropriately explained to, all relevant people. Senior managers will, through their actions, demonstrate their commitment to developing an open culture within the organisation.

Workers

People who work for or alongside an organisation are often the first to know about any unlawful activities or abuse of law and are, therefore, in a privileged position to inform those who can address the problem.

This policy is designed to show workers that they will be protected if they report an issue in good faith. Workers should report wrongdoing in line with this policy. As public servants, and as those working alongside a local authority, it is not acceptable for workers to ignore wrongdoing.

The Council directs all staff to cooperate fully with any whistleblowing investigation. Except insofar as the law allows a person not to self-incriminate, failure to cooperate is likely to amount to misconduct which would lead to a disciplinary investigation.

Line Managers

Line managers are responsible for:

- ensuring all workers are aware of this policy and procedure and their responsibilities
- accurately recording in writing any whistleblowing concerns raised to them, and reporting those concerns promptly to the *Whistleblowing Lead*
- investigating issues, but only when asked to do so by the *Whistleblowing Lead*
- fostering an open culture within their teams
- ensuring any whistleblower is not subject to detriment

Whistleblowing Lead

The *Whistleblowing Lead* has lead responsibility for the whistleblowing procedure and for dealing with issues raised. If the *Whistleblowing Lead* is unavailable for any reason, a *Deputy Whistleblowing Lead* will fulfil the following responsibilities. The *Whistleblowing Lead* will:

- oversee and review the whistleblowing policy and procedure
- provide advice and support to managers and employees

- ensure learning from whistleblowing cases is fed back to the wider organisation
- designate a competent and impartial person or department to investigate any reported issues promptly and thoroughly
- follow up any reported concerns
- ensure managers are only asked to investigate matters if they have been trained in dealing with such issues
- inform the *Chief Executive* of any findings of wrongdoing and the actions being taken
- ensure the process is monitored and improved where required

Designated Whistleblowing Specialists

Appendix 1 lists all those appointed as *Designated Whistleblowing Specialists*. These specialists will act as an independent and impartial source of advice to workers at any stage of raising a concern. They will:

- treat the concern confidentially unless otherwise agreed.
- ensure the worker receives timely support to progress their concern.
- escalate to senior management any indications that a whistleblower is being subjected to detriment for raising their concern.
- remind the organisation of the need to give the whistleblower timely feedback on how their concern is being dealt with; and
- advise the whistleblower on how to access to personal support as it is recognised that raising such a concern may be stressful.

4. Raising a concern

For the effective detection and prevention of improper acts or omissions, it is vital that the relevant information reaches swiftly those closest to the source of the problem, most able to investigate and with powers to remedy it, where possible. For that reason, workers are encouraged to raise any concerns internally if appropriate to do so.

Initially, current and former staff should raise any concern with their immediate line manager. Workers who are not directly employed by the council may raise a concern with the relevant East Suffolk Council line manager for the area the worker has been involved in. This does depend however on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. If a worker believes that their management is involved or are uncertain who to contact they should approach any *Designated Whistleblowing Specialist*.

Workers should raise concerns at the earliest opportunity once there is reasonable belief that an issue exists or could exist in the future so that timely action can be taken.

Workers may raise concerns by leaving a message and contact details on the Council's **Whistleblowing Hotline**, in person by meeting with a line manager or any of the *Designated Whistleblowing Specialists*, or in writing by post or email to a line manager or any of the *Designated Whistleblowing Specialists*.

If a worker needs advice and guidance on how matters of concern may be raised or pursued, please contact any of the *Designated Whistleblowing Specialists* or leave a message on the Council's Whistleblowing Hotline.

Whistleblowing Hotline

01394 444222

To engage protection as a whistleblower, workers should have reasonable grounds to believe, in light of the circumstances and the information available to them at the time of reporting, that the matters reported by them are true. Appendix 3 gives a visual guide on how to report a concern and the initial steps that will be taken, whilst the table on the following page details the conditions for engaging protection as a whistleblower.

If a worker does not feel able to raise a concern internally, they may choose to raise concerns in the public interest externally with 'prescribed bodies'. These are listed in section 6. Before deciding to do this, workers should be aware when making an external report that to qualify for the protections available under the Public Interest Disclosure Act additional conditions need to be met in order.

If the disclosure is made to:

- **the employer** it must arise from a reasonable suspicion that the alleged malpractice has occurred, is occurring or is likely to occur;
- **a regulator i.e. Health and Safety Executive**, in addition it must be honestly and reasonably believed that the information and any allegations contained are substantially true;
- **other bodies (Police, media, MP etc)**, in addition to the tests for regulatory disclosure, no personal gain will be made from the disclosure; and
- in all circumstances, that it is reasonable for the disclosure to be made.

If the disclosure is made to **other bodies**, further preconditions apply. It must be:

- reasonably believed that they would be victimised if the matter was raised internally;
- reasonably believed that the disclosure related to a criminal offence;
- the case that there is no prescribed regulator, and it was believed that relevant information would be concealed or destroyed;
- that the concern has already been raised with the employer or regulator; or
- that the concern is of an “exceptionally serious” nature.

5. How we deal with reports

When a worker makes a *protected disclosure*, the person it is reported to ('the receiving officer') will consult with the *Whistleblowing Lead*, or if unavailable the *Deputy Whistleblowing Lead*.

Protected disclosures must always be noted in writing by the receiving officer, who will pass the details to the *Whistleblowing Lead* within 24 hours. In cases where there is an immediate and serious risk disclosed, the receiving officer will contact the *Whistleblowing Lead* by telephone straight away, or the *Deputy Whistleblowing Lead* if the *Whistleblowing Lead* is unavailable.

The *Whistleblowing Lead* will nominate a competent and impartial person to investigate any reported issues promptly.

In order to protect individuals and the Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle, which the Council will have in mind, is the public interest. Concerns raised or allegations made which fall within the scope of other specific procedures (for example harassment or discrimination issues) will normally be referred for consideration under those procedures. Regardless of the actions taken by the Council, whistleblowers will be protected by this policy and the law for all valid concerns they raise, even if these are subsequently determined to not be in the public interest or to be honest 'mistakes of fact' in reporting.

The person nominated to undertake initial enquiries will contact the reporting person **within seven days** of the disclosure to confirm receipt of the report and provide details of what will happen next.

If the *Whistleblowing Lead* believes it is appropriate so to do, they may advise the Chief Executive or other senior officer of the nature (and, in some cases, the content) of the disclosure. **Any person being so informed is bound by a strict duty of confidentiality and must not discuss the disclosure with any other person or organisation without the consent of the *Whistleblowing Lead*.**

Following initial enquiries by an impartial person the Council will respond to the concern, as appropriate. The action taken by the Council will depend on the nature of the concern. At the sole discretion of the *Whistleblowing Lead*, the matters disclosed may:

- Be investigated by the Council's Internal Audit and Corporate Fraud Team;
- Be investigated by a *Designated Whistleblowing Specialist*;
- Be investigated by another appropriate person (either from within or outside the Council);
- Be referred to the police or the external auditor;
- Be referred to two or more of these (to work together on the investigation); or
- Form the subject of an independent inquiry.

Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any detailed investigation is concluded.

If the investigation is internal to or under the control of the Council, the investigating officer nominated by the *Whistleblowing Lead* will maintain communication with the whistleblower and provide feedback. Wherever possible they will:

- indicate how the Council proposes to deal with the matter. (Where appropriate follow-up is still being determined, providing an estimate of when the whistleblower can expect this feedback);
- give an estimate of how long it will take to provide a final response (normally this should not exceed three months, however complex cases may require a longer timescale of up to six months),
- advise whether any initial enquiries have been made;
- advise whether further investigations will take place, and if not, explain this decision; and
- indicate how the Council will proceed where the informant has chosen to remain anonymous.

The amount of contact between the officers considering the issues and the whistleblower will depend on the nature of the matters raised, the potential difficulties involved, and the clarity of the information provided. If further contact is needed, it will be made in a way which does not arouse suspicion in the workplace. The whistleblower will normally be asked to suggest a method of contact that they feel comfortable with.

When any meeting is arranged with an employee or other Council worker, they have the right, if they so wish, to be accompanied by a trade union or professional association representative or a workplace colleague who is not involved in the area of work to which the concern relates. The measures for the protection of whistleblowers set out in this policy also apply, so far as is relevant, to those involved in supporting the whistleblower.

The Council will take steps to minimise any difficulties which whistleblowers may experience as a result of raising a concern. For instance, if whistleblowers are required to give evidence in criminal or disciplinary proceedings, advice about the procedure and support will be given.

If the investigation is internal to or under the control of the Council, the investigating officer nominated by the *Whistleblowing Lead* will detail the outcome of the investigation in a written report. The report will outline the findings of the investigations and reasons for the judgement made. This report is owned by the *Whistleblowing Lead* who will determine distribution.

Where an investigation identifies governance, risk management or internal control failures, the *Whistleblowing Lead* may supplement the whistleblowing investigation by commissioning a separate Internal Audit review.

The Council recognises that whistleblowers need to be assured that the matter has been properly addressed. Thus, subject to any legal constraints, whistleblowers raising a concern will receive information about the outcome of any investigation.

6. Reporting concerns to external bodies

This policy is intended to provide a route by which members of staff and others can raise concerns internally.

If a worker does not feel able to raise their concern internally they may choose to raise concerns externally with '**prescribed persons or bodies**'. Details are provided in section four about the additional requirements for gaining the protections available under the Public Interest Disclosure Act if reports are made other than to the Council. If a whistleblower does take the matter outside the Council, they should be careful not to disclose confidential information, and ensure that they comply with the requirements of the Public Interest Disclosure Act so that they do not lose the protection of the Act against dismissal or other detriment.

If a whistleblower has reported a matter internally but is not satisfied that the concern has been properly dealt with, they should first raise it with the *Whistleblowing Lead*. If still unsatisfied and it is necessary and in the public interest, the whistleblower may also consider raising concerns externally to **prescribed persons or bodies**.

The full list of **prescribed persons and bodies** can be found on the UK government website at www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies-2/whistleblowing-list-of-prescribed-people-and-bodies. This includes:

- ✓ HM Revenue & Customs
- ✓ the Comptroller and Auditor General
- ✓ the Director of the Serious Fraud Office
- ✓ the Charity Commission for England and Wales
- ✓ the Information Commissioner
- ✓ the Equality and Human Rights Commission
- ✓ the Health and Safety Executive
- ✓ the Care Quality Commission
- ✓ the Environment Agency

If, instead of going to a prescribed person a worker chooses to make a disclosure to an '**other body**', such as the media or a Member of Parliament (MP) they should note that further conditions (set out in the table under section 4) apply.

Note: those who receive payment for a disclosure (which may be especially relevant in dealings with the media) are unlikely to receive the protections discussed in this policy.

7. Confidentiality and anonymity

Workers may be concerned about reporting their concerns, notwithstanding the guarantees made by the Council and provided by law. That is why we want to reiterate how seriously we take those concerns and our commitment to protecting our *whistleblowers*.

As far as it is possible to do so, the Council will not reveal the identity of any *whistleblower* to the subject of the disclosure or to any other person or body that is not involved in the investigative process. **All Line Managers and Designated Whistleblowing Specialists must keep details of whistleblowing reports and the person who made them confidential.**

In the exceedingly unlikely circumstance that the Council considered it might be appropriate to disclose a *whistleblowers* identity to anyone not involved in investigating the concern, the designated investigating officer would ALWAYS discuss this with the whistleblower first and make sure protective measures were put in place and the reason for considering a disclosure was clearly explained.

Sometimes (if, for example, the Council was to discipline or prosecute someone) there might need to be a hearing and the *whistleblower* might be required to give evidence. If this were to happen, the council would take all reasonable steps to protect the identity of the *whistleblower* (such as screened or pre-recorded evidence, when available) but, on occasion, the Council might be required to disclose their identity.

The council asks that whistleblowers give us a name when making a *protected disclosure*. There are many reasons for this:

1. We want to make sure that we are able to look after you and protect your rights, and it's harder for us to do this if we don't know who you are.
2. When you make a disclosure, you will tell us what you think we need to know but, in our experience, *whistleblowers* often know other things that they don't realise are important to the investigation. If you were to accidentally omit a key detail when making a report, we may not properly understand what it is that you are telling us about and, therefore, not be able to investigate your concern properly. This is why the appointed investigator would like to be able to contact you, if they have any questions.
3. Sometimes the nature of a *protected disclosure* is such that, rather than an investigation (or prior to an investigation) immediate action could be taken; we would often want to agree this with you.
4. At the end of the investigation, we'd like to be able to tell you (as far as the law allows us to) of the outcome and the steps we've taken or are going to take. Sometimes we might want to discuss a proposed course of action with you before taking it.

Potential whistleblowers should be aware that the protection of confidentiality may not apply where an individual intentionally reveals his or her identity in the context of a public disclosure.

Although the Council encourages whistleblowers to provide contact details, a worker is still able to raise a concern anonymously. However, workers should be aware that if concerns are reported anonymously they may find it harder to argue that any subsequent unfair treatment was as a result of the whistleblowing.

The Council suggests a whistleblower wishing to remain anonymous should consider using an anonymous email account so that the Council can respond and communicate details of the investigation. Anonymous whistleblowers may wish to keep copies of all correspondence to demonstrate that a concern was raised.

Appendix 1 - Designated Whistleblowing Specialists

In addition to approaching your line manager, you may raise concerns with a senior manager in the Council. You may prefer to speak to a **Designated Whistleblowing Specialist**.

The Council has appointed the following **Designated Whistleblowing Specialists**.

Who	Whistleblowing Role
Siobhan Martin, Head of Internal Audit Services Email siobhan.martin@eastsuffolk.gov.uk Phone 01394 444254	Whistleblowing Lead; and Designated Whistleblowing Specialist
Sheila Mills-James, Corporate Fraud Manager Email sheila.mills@eastsuffolk.gov.uk Phone 01394 444292	Deputy Whistleblowing Lead; and Designated Whistleblowing Specialist
Laura Fuller, Audit Manager Email laura.fuller@eastsuffolk.gov.uk Phone 01394 444562	Deputy Whistleblowing Lead; and Designated Whistleblowing Specialist
Chris Bally, Chief Executive Email chris.bally@eastsuffolk.gov.uk Phone 01502 523210	Designated Whistleblowing Specialist
Chris Bing, Monitoring Officer Email chris.bing@eastsuffolk.gov.uk Phone 01394 444408	Designated Whistleblowing Specialist
Frances Wykes, Principal Auditor Email frances.wykes@eastsuffolk.gov.uk Phone 01394 444248	Designated Whistleblowing Specialist

Appendix 2 - Support and advice

Our *Designated Whistleblowing Specialists* are trained in how to support you, but we understand that you might like to seek advice or support from someone else before, during or after making a report. These are some other sources available.

Protect

Website: <https://protect-advice.org.uk>

Protect Advice email: whistle@protect-advice.org.uk

Protect Advice Line: 020 3117 2520 (* option 1)

UK Government

UK government advice on 'Whistleblowing for employees'

Website: <https://www.gov.uk/whistleblowing>

ACAS

ACAS guidance on 'Whistleblowing at work'

Website: <https://www.acas.org.uk/whistleblowing-at-work>

Employee Assistance Programme

Confidential support is available for individual employees from the employee assistance programme, and this may include counselling if appropriate, in addition to practical information and advice.

Details of the programme are available on the Council's Intranet HR Pages, or via HR@eastsuffolk.gov.uk

Ernst & Young LLP (The Council's External Auditor)

Telephone: 01582 643000

Address: Debbie Hanson, Ernst & Young LLP, 400 Capability Green, Luton, Bedfordshire LU1 3LU

The Comptroller and Auditor General

Telephone: 020 7798 7999

Website: <https://www.nao.org.uk/contact-us/whistleblowing-disclosures/>

Police

Telephone: 101

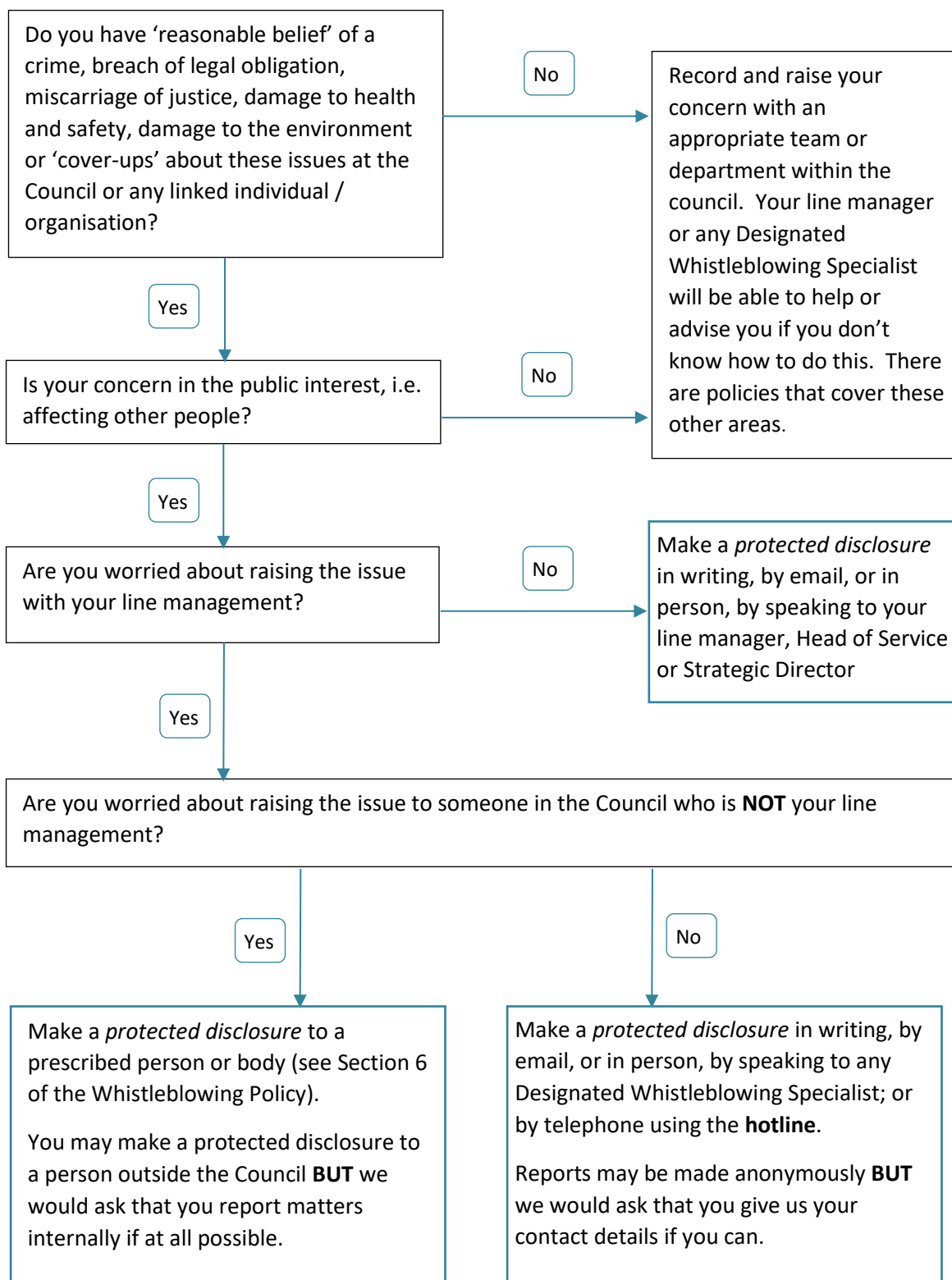
Website: <https://www.suffolk.police.uk/contact-us/report-something>

Member of Parliament

Contact details for any Member of Parliament are available online

Website: <https://members.parliament.uk/>

Appendix 3 - How to Report Whistleblowing



IF IN DOUBT, SEEK ADVICE BEFORE DISCLOSING ANYTHING THAT MIGHT BE CONFIDENTIAL.

AUDIT & GOVERNANCE COMMITTEE

Monday, 11 December 2023

Subject	Internal Audit Reports Recently Issued
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money Councillor Tim Wilson Assistant Cabinet Member for Resources and Value for Money
Report Author and Head of Service	Siobhan Martin Head of Internal Audit siobhan.martin@eastsoffolk.gov.uk 01394 444254
Chief Executive	Chris Bally Chief Executive chris.bally@eastsoffolk.gov.uk 01502 523210

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

Internal Audit reports are issued to the Audit and Governance Committee to enable the Committee to fulfil its Terms of Reference: 'To consider reports from the Head of Internal Audit....'

Options:

There are no options to be considered in relation to this report.

Recommendation/s:

That having commented on the attached internal audit reports, the Audit and Governance Committee note their contents:

- Capital Accounting Follow Up 2023-24
- Changing Places Certification 2023-24 (relating to 2022-23)
- ESC COMF Fund Certification 2023-24 (relating to 2022-23)

Corporate Impact Assessment

Governance:

Each Internal Audit report details any applicable governance implications.

ESC policies and strategies that directly apply to the proposal:

The findings within each Internal Audit report are linked to good governance arrangements and practices at East Suffolk Council, which underpin the council's strategic and operational workings including the East Suffolk Strategic Plan.

Environmental:

There are no environmental implications.

Equalities and Diversity:

There are no equalities and diversity implications.

Financial:

Each Internal Audit report details any applicable financial implications.

Human Resources:

There are no human resources implications.

ICT:

There are no ICT implications.

Legal:

The Local Government Act 1972 and the Accounts and Audit Regulations 2015 require a relevant authority to '...undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, considering public sector internal auditing standards or guidance.'

Risk:

1. The Internal Audit reports presented to this Committee set out the main risks associated with the scope and objectives of that individual audit. A mechanism exists, including meetings between the Head of Internal Audit and Senior Management Team, to ensure that any remaining uncovered risks are fed back into the Audit risk model to ensure these are assessed and considered for inclusion in the Internal Audit Plan.
2. Any significant findings within individual reports will clearly state the associated risk that East Suffolk Council is exposing itself to.
3. A crucial element within the council's risk environment is the implementation of the recommendations put forward by Internal Audit and agreed by Management.

External Consultees: No external parties were consulted in the preparation of this report.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>

P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
<ol style="list-style-type: none"> 1. Internal Audit recommendations and advice support a robust corporate governance framework. The work of Internal Audit Service represents a fundamental function in delivering East Suffolk Council's Corporate Governance responsibilities. 2. The implications and benefits of agreed recommendations produced by Internal Audit affect all areas by improving controls and processes, which contribute towards efficient and effective management of services. 3. The primary function of Internal Audit reports is to provide independent and objective assurance, supporting the council's governance, risk management and control processes. Where Internal Audit reports provide assurance on the achievement of business objectives by service areas and within the agreed scope of audit work, these have been recognised as secondary priorities in the above list. 			

Background and Justification for Recommendation

1 Background facts	
1.1	Internal Audit reports are independent, evidence-based documents that provide assurance on the level of governance in operation and a clear roadmap for improvement if required.
1.2	The Internal Audit reports attached have recently been issued to those listed on the report distribution list.

2 Current position	
2.1	The conclusion and assurance level of each Audit is set out in each individual Internal Audit report.
2.2	Full copies of Internal Audit reports are forwarded to the Chief Executive and relevant senior officers, including the Section 151 Officer where appropriate. Full reports are also sent to the relevant Portfolio Holder and all Members of the Audit and Governance Committee once the reports are finalised.
2.3	All agreed recommendations are recorded on a database maintained by Internal Audit. This database provides the Head of Internal Audit with the mechanism to both track and follow up outstanding recommendations. Overdue recommendations which have poor governance implications are reported regularly to the Audit and Governance Committee.

3 How to address current situation	
3.1	Recommendations relating to the findings arising from each Internal Audit can be seen on the reports, for the consideration of relevant lead officers.

4 Reason/s for recommendation	
4.1	To ensure that this report is considered within the overall control environment operated within East Suffolk Council.
4.2	To enable the Audit and Governance Committee to assure itself that the coverage by Internal Audit as outlined in the Audit Plan is adequate, and to enable the Committee to comment upon the contents of the attached Internal Audit Report in support of effective corporate governance.

Appendices

Appendices:	
Appendix A	Capital Accounting Follow Up 2023-24
Appendix B	Changing Places Certification 2023-24 (relating to 2022-23)
Appendix C	ESC COMF Fund Certification 2023-24 (relating to 2022-23)

Background reference papers:
None



Capital Accounting Follow Up 2023/24

Issued to:	Chief Finance Officer and S151 Officer, L Rogers Finance Manager – Compliance, M McKissock
Issued by:	Head of Internal Audit, S Martin
CC: (For Information Only)	Chief Executive, C Bally Strategic Directors, K Blakemore, A Jarvis, N Khan Audit and Governance Committee Cabinet Member with responsibility for Financial Resources and Value for Money, Cllr V Langdon-Morris Assistant Cabinet Member with responsibility for Financial Resources and Value for Money, Cllr T Wilson Ernst & Young (External Auditor), M Russell
Date:	October 2023

1. Scope and Objective of Review

This review provides assurance in relation to Capital Accounting and will be reported as part of the 2023/24 Annual Audit Plan, which was approved by the East Suffolk Council Audit and Governance Committee on 13 March 2023.

The business objective for this review was to account for the Council's non-current assets in line with national accounting requirements.

An action was agreed in the Joint Review of Asset Management 2017/2018 for a reconciliation to be undertaken between the Council's asset data held on the Non-Current Asset Register and operational property records held on Uniform. The audit objective for this review was to ensure that the agreed action has been completed satisfactorily.

2. Audit Assurance Opinion

The overall assurance of **Effective** has been given on the basis that Internal Audit has been provided with evidence that the agreed action has been completed. A reconciliation between the Non-Current Asset Register and the Uniform system has been undertaken, and Internal Audit concludes that this control process is now in place to mitigate the risk that the Council might misstate its asset value in the Statement of Accounts by failing to correctly recognise the assets it controls.

As a result of the reconciliation process Finance have identified adjustments required to the Non-Current Asset Register and Uniform, and are currently liaising with Asset Management to update Uniform. The Non-Current Asset Register will be updated in March 2024 in line with current year end processes.

In addition to the agreed action to undertake a reconciliation, in order to enhance processes and provide ongoing assurance Management have also confirmed that the reconciliation process will be maintained in the future as an improvement to the systems of financial control.

Audit reports contain confidential information which may highlight weaknesses in the Council's internal control environment, and if released could increase the Council's exposure to risk. All distributed draft and final Internal Audit reports remain the property of the Head of Internal Audit and relevant Head of Service and may not be shared without agreement.



Final Internal Audit Report

ES/1769

ESC Changing Places Fund (Certification) 2023/24 (For expenditure 1 April 2022 to 31 March 2023)

Issued to: Head of Operations, K Blair
Head of Economic Development & Regeneration, P Wood
Chief Finance Officer and S151 Officer, L Rogers
Asset and Investment Consultant, D Johnson
Funding Manager, B Porter

Issued by: Head of Internal Audit (S Martin)

Date: September 2023

1. Scope and Objective of Review

- 1.1 This review provides certification in relation to the Changing Places Fund (CPF) 2022/23 and will be reported as part of the 2023/24 Annual Audit Plan, which was approved by the East Suffolk Council Audit and Governance Committee on 13 March 2023.
- 1.2 The business objective for this review was that of administration of the Changing Places Fund Grant in accordance with grant conditions, a grant awarded by the Department for Levelling Up, Housing and Communities for installation of disabled toilets and changing facilities.
- 1.3 Internal Audit undertook appropriate investigations and checks in order to assess whether the grant usage statement, in all material respects, fairly represents the eligible expenditure in the period 1 April 2021 to 31 March 2022 (for any accrued amounts set out in the determination letter) and 1 April 2022 to 31 March 2023, in accordance with the definitions and conditions of the Grant Determination (2022-2023): No 31/6222.

2. Audit Assurance Opinion

- 2.1 The overall assurance of **Effective** has been given, as East Suffolk Council is compliant with all conditions of the grant determination apart from the addition of the Changing Places toilets onto the fixed asset register, which has been confirmed as work in progress.

3. Grant Condition Compliance

- 3.1 The funding and its conditions were received after commencement of the refurbishment of East Point Pavilion in Lowestoft, the site of the Changing Places toilets.
- 3.2 The expenditure for fixtures and fittings of the toilet block totalled £14,255.42 (net of VAT). It is this figure that East Suffolk Council are claiming as eligible expenditure in the Statement of Grant Usage, and it is this figure that internal audit has provided an opinion of Effective Assurance.
- 3.3 The grant conditions require a report from the Chief Executive or Chief Finance Officer stating whether they have received an internal audit opinion that provides reasonable assurance that the Statement of Grant Usage represents eligible expenditure. The results of this audit were reported to the Chief Finance Officer on 15 September 2023 in order to support the completion of the Statement of Grant Usage required by government.
- 3.4 The grant determination letter combines grant conditions with definitions and guidance. Definitions and guidance have been excluded from the summary below, to provide a compliance opinion against the grant determination's conditions only.

Grant Condition Summary	Opinion
<p>Grant paid to a local authority under this determination can only be used to meet the costs of installing Changing Places Toilet Facilities and can only be used in the:</p> <ul style="list-style-type: none"> a) Provision of Changing Places Toilets in venues agreed by the Secretary of State, details of which are included in annex A of the grant award letter issued to the Local Authority alongside those agreed by DLUHC officials through the Project Change Request process. b) Design, construction, and completion of Changing Places Toilets in existing buildings. c) Design, purchase, construction, and completion of modular Changing Places Toilets. d) Design and construction of an addition to an existing structure to accommodate a Changing Places Toilet. e) Access improvements that are essential for the provision of a Changing Places Toilet. f) Purchase and installation of equipment required for a Changing Places Toilet. g) Professional fees associated with the points above. h) The design, purchase and installation of the required Changing Places Fund plaque on completion 	<p>Full compliance (Per value of usage being claimed)</p>

Grant Condition Summary	Opinion
<p>If the authority incurs any of the following costs, they must be excluded from eligible expenditure:</p> <ul style="list-style-type: none"> a) Toilet facilities that are not registered with the Changing Places UK Consortium, regardless of the specification. b) Changing Places Toilets installed as part of the construction of a new building. c) Privately accessible venues: Changing Places Toilets may be funded in premises where it is necessary to pay an entry charge if the public have access, but not where public access is restricted. d) Changing Places Toilets installed on modes of transport e.g., ferries, trains. e) Cleaning, repair, and maintenance costs, including the costs of service and or maintenance agreements. f) Changing Places Toilets where the installation detracts from existing toilet provisions of any kind, a new Changing Places Toilet must be additional to existing provisions or replace an existing toilet. There must be no net loss to existing toilet provision. g) Any building works, including access improvements that are not essential to the provision of a Changing Places Toilet. h) Contributions in kind. i) Payments for activities of a political or exclusively religious nature. j) Depreciation, amortisation or impairment of fixed assets owned by the authority or any third party. k) Input VAT reclaimable by the authority, or any third party the authority passes the grant to, from HM Revenue & Customs. l) Interest payments or service charge payments for finance leases. 	Full compliance
<p>The authority must maintain reliable, accessible and up to date accounting records with an adequate audit trail for all expenditure funded by grant monies under this Determination. The authority should provide these records and further explanations as reasonably required.</p>	Full compliance
<p>The authority must keep a register of fixed assets, including Changing Places Toilets created wholly or partly using grant provided under this Determination.</p>	Not compliant (Internal Audit has been informed that it will be added to the fixed asset register at year end in line with current accounting procedures).
<p>Publicity Requirements: each Changing Places Toilet funded by the grant is required to display a plaque including the Changing Places Toilet, Department for Levelling Up Housing and Communities and Muscular Dystrophy UK logos and branding. The plaque must be in place when the facility opens to the public or in retrospect as soon as possible thereafter for those facilities registered and opened prior to the payment made by the Department to the local authority in the financial year 2022/23.</p>	Full compliance

Grant Condition Summary	Opinion
<p>The authority must prepare a Statement of Grant Usage for each of (A) the period 1 April 2021 to 31 March 2022 (for any accrued amounts set out in column 1 of the table at Annex A) and (B) 1 April 2022 to 31 March 2023 both to be submitted to the Department on or before 30 September 2023. Each Statement of Grant Usage must be in a form agreed between the authority and the Department and must provide details of eligible expenditure in the period. Each Statement of Grant Usage must be certified by the authority's chief executive that, to the best of his or her knowledge, the amounts shown on the Statement of Grant Usage are all eligible expenditure and that the grant has been used for the purposes intended.</p>	<p>Full compliance (Statement has been produced, its submission subject to issue of this report).</p>
<p>Each Statement of Grant Usage submitted to the Department must be accompanied by a report from the authority's chief executive or chief finance officer setting out whether he or she has received an audit opinion from the authority's chief internal auditor that he can provide reasonable assurance that the Statement of Grant Usage, in all material respects, fairly presents the eligible expenditure in the period 1 April 2021 to 31 March 2022 (for any accrued amounts set out in column 1 of the table at Annex A) and 1 April 2022 to 31 March 2023 in accordance with the definitions and conditions in this Determination.</p>	<p>Full compliance (Subject to completion after issue of this report, as detailed in paragraph 3.4 above).</p>

Audit reports contain confidential information which may highlight weaknesses in the Council's internal control environment, and if released could increase the Council's exposure to risk. All distributed draft and final Internal Audit reports remain the property of the Head of Internal Audit and relevant Head of Service and may not be shared without agreement.



ESC COMF Certification 2023/24 [31/5518] (relating to the 2022/23 financial year)

Issued to:	Chief Finance Officer and S151 Officer, L Rogers Head of Environmental Services and Port Health, F Quinn
Issued by:	Head of Internal Audit, S Martin
CC:	Chief Executive, C Bally Strategic Directors, K Blakemore, A Jarvis, N Khan Audit and Governance Committee Cabinet Member with responsibility for Financial Resources and Value for Money, V Langdon-Morris Cabinet Member with responsibility for Community Health, M Ninnmey Assistant Cabinet Member with responsibility for Financial Resources and Value for Money, Cllr T Wilson Assistant Cabinet Member with responsibility for Community Health, Cllr J Ewart External Auditor, M Russell
Date:	August 2023

1. Scope and Objective of Review

- 1.1 This review provides certification in relation to COVID-19 Test and Trace Contain Outbreak Management Fund (COMF) funding for 2022/23 and will be reported as part of the 2023/24 Annual Audit Plan, which was approved by the East Suffolk Council Audit and Governance Committee on 13 March 2023.
- 1.2 The business objective for this review was to use the Test and Trace Support COMF funding in accordance with the required grant conditions in relation to the mitigation against and management of local outbreaks of COVID-19.
- 1.3 Internal Audit undertook appropriate investigations and checks in order to assess whether, in all significant respects, the required grant conditions set by the UK Health Security Agency (UKHSA) have been complied with.
- 1.4 East Suffolk Council received £344,486.15 for the COVID-19 Test and Trace COMF funding.

2. Audit Assurance Opinion

2.1 The overall assurance of **Effective** has been given, which means evaluated controls are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives are being met.

3. Grant Condition Compliance

Grant Condition Summary	Opinion
(1) Grant is spent on mitigating and managing local outbreaks of COVID-19	Full compliance
(2) Chief Executive and Head of Internal Audit to submit a declaration	Full compliance
(3) Monitoring and evaluation of the scheme	Full compliance
(4) And (5) Repayment of grant to Minister of State if notified	Not applicable

3.1 The total expenditure as at 30 June 2023 is £344,486.15, meaning all funding received has been fully spent.

3.2 The Chief Executive and Head of Internal Audit are required to provide an assurance declaration to UKHSA confirming grant conditions have been met. The results of this audit were used to provide a declaration on 23 August 2023.

Audit reports contain confidential information which may highlight weaknesses in the Council's internal control environment, and if released could increase the Council's exposure to risk. All distributed draft and final Internal Audit reports remain the property of the Head of Internal Audit and relevant Head of Service and may not be shared without agreement.



AUDIT & GOVERNANCE COMMITTEE

Monday, 11 December 2023

Subject	Amendment to the Constitution: Planning Committee Member Call In Process
Cabinet Member	Councillor Kay Yule Cabinet Member with responsibility for Planning and Coastal Management
Report Author(s)	Katherine Scott Principal Planner (Technical Lead, Development Management) katherine.scott@eastsoffolk.gov.uk Ben Woolnough Planning Manager (Development Control) ben.woolnough@eastsoffolk.gov.uk
Head of Service	Philip Ridley Head of Planning and Coastal Management philip.ridley@eastsoffolk.gov.uk
Director	Nick Khan Strategic Director Nick.khan@eastsoffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	None

Purpose and high-level overview

Purpose of Report:

To ask Audit and Governance Committee to consider proposed changes to East Suffolk Council's Constitution with respect to the consideration of planning applications by the Planning Referral Panel and to recommend to Full Council that the changes be implemented.

Options:

To recommend, or not to recommend, to Full Council that the Strategic Planning Committee's proposals of 3 July 2023 to amend the Constitution to introduce a Planning Committee Member Call in process and to amend the scheme of delegations in the Constitution as detailed in this report be implemented.

Recommendation/s:

That Audit and Governance Committee recommends to Full Council that the Council's Constitution be amended as per Strategic Planning Committee's proposals of 3 July 2023, to introduce a Planning Committee Member Call in process and to amend the scheme of delegations, as detailed at sections 3.1 and 3.2 of this report.

Corporate Impact Assessment

Governance:

Not applicable

ESC policies and strategies that directly apply to the proposal:

Our Direction 2028

Environmental:

Not applicable

Equalities and Diversity:

Not applicable

Financial:

Not applicable

Human Resources:

Not applicable

ICT:

Not applicable

Legal:

When making planning decisions, Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires that regard is to be had to the Development Plan and that the determination shall be made in accordance with the plan unless material consideration indicates otherwise. In the case of East Suffolk, the Development Plan consists of the

adopted [local plans](#) and any relevant [Neighbourhood Plan](#), if there is one for the area. The decision should also be made in accordance with the [National Planning Policy Framework](#) unless there are material considerations to indicate otherwise.

Risk:

Not applicable

External Consultees: Not applicable

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

How does this proposal support the priorities selected?

Click or tap here to enter text.

Background and Justification for Recommendation

1 Background facts	
1.1	<p>In April 2019, East Suffolk Council brought into force a new scheme of delegation. This scheme sets out the means by which planning applications will be determined and seeks to clarify which applications will be determined by the Head of Planning and Coastal Management and which will be referred to the Planning Committee for consideration.</p> <p>All planning application decisions are delegated to the Head of Planning and Coastal Management unless:</p> <ol style="list-style-type: none">1. The Planning Application is, in the opinion of the Head of Planning and Coastal Management or the Chairman/Vice Chairman of the Planning Committee, of significant public interest; would have a significant impact on the environment; or should otherwise be referred to Members due to its significance in some other respect; or2. The applicant or landowner is East Suffolk Council; or3. The applicant, or agent, is an East Suffolk Councillor or an East Suffolk Council employee, or the applicant, or agent, is a close relative of an East Suffolk Councillor or East Suffolk Council employee; or4. The 'minded to' decision of the Planning Officer is contrary to either:<ol style="list-style-type: none">a. The comments received from the Town or Parish Council within the 21-day consultation period; orb. The comments received from the Ward Member within the 21-day consultation period; orc. The comments received from a statutory consultee within the 21-day consultation period. <p>If item 4 is invoked, the Planning Application will be referred to the Planning Referral Panel – the panel will discuss with the Head of Planning and Coastal Management (based on planning grounds) to either refer the application to Planning Committee for decision or remain delegated to the Head of Planning and Coastal Management</p>
1.2	<p>The Planning Referral Panel is a consultative panel consisting of the Chair and Vice Chair of each area Planning Committee, convened by the Head of Planning and Coastal Management as necessary and established to advise on the delegated route of decision making for planning permission and other planning matters as part of the scheme of delegation.</p> <p>Officers use the Planning Referral Panel to consult with the Chair and Vice Chair of the committees as to whether the application or matter will be determined by the relevant Planning Committee or remain delegated to the Head of Planning and Coastal Management in accordance with the Scheme of Delegation.</p>

	<p>The final decision on whether the relevant Planning Committee or the Head of Planning and Coastal Management shall determine the application or matter shall be made by the Head of Planning and Coastal Management as part of the consultation with the Planning Referral Panel. The Planning Referral Panel will also consider whether it is appropriate for the relevant Planning Committee to undertake a site visit before the case is presented to the Planning Committee.</p> <p>The Planning Referral Panel was introduced when East Suffolk Council was established to enable the caseload of the planning committees to be carefully managed so they were considering only those cases where there were clear planning issues which warranted further consideration and debate. Without such a system in place the planning committees would not be able to function effectively because the council receives a significant volume of planning applications and other planning submissions (almost 4,500 in 2022).</p>
	<p>The Planning Referral Panel is called by the Head of Planning and Coastal Management, as necessary, for consultative purposes to agree the route for determining a planning application.</p> <p>The Planning Referral Panel will consider referral if the 'minded to' decision by Planning Officers is contrary to comments received from the Town or Parish Council, a Ward Member or a Statutory Consultee.</p> <p>The Planning Referral Panel is a consultative panel with the Head of Planning and Coastal Management. The Head of Planning and Coastal Management will have final say on items to be referred for Committee decision rather than exercising delegated Officer powers.</p>
1.3	<p>Since its introduction, some concerns about the Referral Panel process have been raised, namely transparency and the role of Ward Members in the process. Additionally, the Council was made aware of concerns from some Town and Parish Councils regarding the Referral Panel process, forwarded to officers by the Suffolk Association of Local Councils (SALC), based on a SALC survey responded to by 59 of the 175 Town and Parish Councils in East Suffolk.</p>
1.4	<p>Between 1 April 2022 and 31 March 2023, the Referral Panel delegated 158 applications to officers for determination (79%) and referred 38 applications to Planning Committee (19%), with the remaining 3 applications being withdrawn. This compares to 88% delegated and 12% referred in 2021/22, 82% delegated and 18% referred in 2020/21, and 87% delegated and 12% referred in 2019/20.</p>
1.5	<p>Between 1 April 2022 and 31 March 2023, applications were at Planning Committee for the following reasons:</p> <ul style="list-style-type: none"> - 49% of applications were at Planning Committee due to referral by the Planning Referral Panel. - 24% of applications at Planning Committee were taken directly by the Head of Service - None were taken directly by referral by the Chairman/Vice-Chairman of the Planning Committee. - 27% were there due to an East Suffolk Council connection
1.6	<p>Please see Appendix 1 for Key Figures on Planning Referral Panel (1 April 2019 to 30 November 2023) and Planning Committees (1 April 2019 to 31 October 2023).</p>

2 Current position

2.1	On 2 March 2023, Scrutiny Committee considered the matter of democratic accountability within the Planning process and made a series of recommendations to Strategic Planning Committee.
2.2	On 3 July 2023, Strategic Planning Committee resolved that Audit and Governance Committee considers and recommends to Full Council the approval of the introduction of a 'Planning Committee Member Call In' process and an amendment to the scheme of delegations.

3 How to address current situation

3.1	<p>Strategic Planning Committee has recommended that a 'Planning Committee Member Call In' process be introduced to East Suffolk Council's Referral Panel arrangements and consequential amendments be made to the Constitution.</p> <p>The proposed 'Planning Committee Member Call In' process is:</p> <ol style="list-style-type: none">1. Within the 21 day consultation period [on a planning application] if a contrary position to the officer recommendation is received from the Town or Parish Council and a request for Committee decision is received from a Ward Member, then a Planning Committee member call-in process would be triggered. <p>In the event that only a Town/Parish Council response or Ward Member response is received then the existing Referral Panel process would proceed.</p> <ol style="list-style-type: none">2. With the Planning Committee member call-in process triggered, the Planning case officer would send a notification to all relevant North or South Planning Committee members by email. <p>This would be carried out once the officer is able to understand whether a decision will be contrary to Town or Parish Council and Ward Member positions.</p> <p>The Notification shall include:</p> <ul style="list-style-type: none">• The case reference number, the description of development and the address• A link to Public Access to view the application and documents• A copy of Town or Parish Council response• A copy of the Ward Member response• A sentence setting out the likely officer recommendation <ol style="list-style-type: none">3. After the notification has been sent, any member of the relevant North or South Planning Committee must respond within 5 working days if they wish to confirm that it should be considered by the Planning Committee. Any Planning Committee member calling the application in must 'reply to all' (including all members of the relevant Planning Committee) and the first response received will be taken as the call-in request.
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	<p>A call-in request from a Planning Committee member must set out how they consider it meets the expectation that :</p> <p>“The proposal would be of significant public interest; would have a significant impact on the environment; or should otherwise be referred to Members due to its significance in some other respect”.</p> <p>The above process could not be utilised where:</p> <p>a) the Head of Planning and Coastal Management or the Chair/Vice Chair of the Planning Committee, has already made the decision that in their opinion the application should be determined at Planning Committee because</p> <p>“The proposal would be of significant public interest; would have a significant impact on the environment; or should otherwise be referred to Members due to its significance in some other respect” (point 1 of the current scheme of delegation);</p> <p>or</p> <p>b) either the applicant or landowner is East Suffolk Council, or the applicant or agent is an East Suffolk Council employee: or the applicant, or agent, is a close relative of an East Suffolk Councillor or East Suffolk employee, (points 2 and 3 of the current scheme of delegation) because such applications have to be determined by Planning Committee in any case.</p>
3.2	<p>Strategic Planning Committee also recommended an amendment to point 1 of the Register of Specific Officer functions for the Head of Planning and Coastal Management in the Scheme of Delegation to Officers (Section E, Appendix 1 of the Constitution).</p> <p>It was noted that at present a Chair or Vice Chair of the Planning Committee can potentially over-ride the vote of the Referral Panel to refer an application to Planning Committee. This is considered an unfair route to take and discredits the Referral Panel process and opinions of the other three members of the panel.</p> <p>The current wording is:</p> <p>“The Planning Application is, in the opinion of the Head of Planning and Coastal Management or the Chairman/Vice Chairman of the Planning Committee, of significant public interest; would have a significant impact on the environment; or should otherwise be referred to Members due to its significance in some other respect”</p> <p>It is proposed that this should be amended to:</p> <p>“The Planning Application is, in the opinion of the Head of Planning and Coastal Management or the Chairman/Vice Chairman of the Planning Committee, of significant public interest; would have a significant impact on the environment; or should otherwise be referred to Members due to its</p>

	significance in some other respect and this request has been made prior to an application being placed on the Agenda for a Referral Panel”.
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4 Reason/s for recommendation	
4.1	To promote democratic accountability within the planning process.

Appendices

Appendices:	
Appendix A	Key Figures on Planning Referral Panel (1 April 2019 to 30 November 2023) and Planning Committees (1 April 2019 to 31 October 2023).

Background reference papers:		
Date	Type	Available From
02/03/23	ES-1489 – Democratic Accountability within the Planning Process (report to Scrutiny Committee)	Document.ashx (cmis.uk.com)
03/07/23	ES-1574 – Response to Scrutiny Committee of March 2023	Document.ashx (cmis.uk.com)

ES/1781

KEY FIGURES ON PLANNING REFERRAL PANEL

Table 1: Summary of key data relating to the Planning Referral Panel 1 April 2019 to 30 November 2023

		1 April 2019 to 31 March 2020	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2022 to 1 March 2023 (Current Referral Panel Protocol came into effect July 2022)	Since elections in May 2023 to 30 November 2023 (only approximately 6.5 months)
Total Number of items at Referral Panel		259	288	244	200	113
Town/Parish Council Comments	Number / Proportion of applications triggering Referral Panel due to an 'Objection' or 'support' from the relevant Town/ Parish Council during the consultation period	<u>Objection</u> Number = 199 Proportion = 67%	<u>Objection</u> Number=169 Proportion = 74.1%	<u>Objection</u> Number –186 Proportion=76.23%	<u>Objection</u> Number=166 Proportion =79.4%	<u>Objection</u> Number=88 Proportion=77.2%
		<u>Support</u> Number=89 Proportion=29.97%	<u>Support</u> Number=50 Proportion=21.9%	<u>Support</u> Number=52 Proportion =21.31%	<u>Support</u> Number=30 Proportion=15%	<u>Support</u> Number=21 Proportion=18.4%
	Number / Proportion of applications at Referral Panel with 'no objections' from the relevant Town/Parish Council during the consultation period	<u>No Objections/Neutral Comments</u> Number=5 Proportion=1.68%	<u>No Objections/Neutral Comments</u> Number=3 Proportion=1.3%	<u>No Objections/Neutral Comments</u> Number=4 Proportion =1.64%	<u>No Objections/Neutral Comments</u> Number=2 Proportion=1%	<u>No Objections/Neutral Comments</u> Number=4 Proportion=3.5%
	Number / Proportion of applications at Referral Panel with no submitted comments from the relevant Town/Parish Council during the consultation period	<u>No Objections/Neutral Comments</u> Number=4 Proportion=1.35%	<u>No Objections/Neutral Comments</u> Number=6 Proportion=2.6%	<u>No Objections/Neutral Comments</u> Number = 2 Proportion=0.82%	<u>No Objections/Neutral Comments</u> Number=2 Proportion =1%	<u>No Objections/Neutral Comments</u> Number = 1 Proportion=0.9%
Ward Member Comments	Number/proportion of applications at Referral Panel with 'Objection', 'Support', or 'No Objections / Neutral Comments' from the relevant Ward Member(s) during the consultation period	Type of comments not recorded at the time, only overall number with written comments Number = 12 Proportion = 4.4%	<u>Objection</u> Number=13 Proportion=5.8%	<u>Objection</u> Number=10 Proportion=4.1%	<u>Objection</u> Number=11 Proportion=5.5%	<u>Objection</u> Number=14 Proportion=12.3%
			<u>Support</u> Number=3 Proportion=1.3%	<u>Support</u> Number=1 Proportion =0.4%	<u>Support</u> Number=2 Proportion =1%	<u>Support</u> Number=3 Proportion=2.6%
			<u>No Objections/Neutral Comments</u> Number=2 Proportion=0.9%	<u>No Objections/Neutral Comments</u> Number=8 Proportion =3.3%	<u>No Objections/Neutral Comments</u> Number=6 Proportion=3%	<u>No Objections/Neutral Comments</u> Number=0 Proportion=0%
	Number/proportion of applications at Referral Panel with any form of comment from the relevant Ward Member(s) during the consultation period		<u>Any form of written comments</u> Number=18 Proportion=8%	<u>Any form of written comments</u> Number=19 Proportion=7.8%	<u>Any form of written comments</u> Number=19 Proportion=9.5%	<u>Any form of written comments</u> Number=17 Proportion =14.9%
Number /proportion of applications at Referral Panel without any form of written comment from the relevant Ward Member during the consultation period	<u>Without any written comments</u> Number = 285 Proportion = 95.96%	<u>Without any written comments</u> Number =210 Proportion = 93.3%	<u>Without any written comments</u> Number =225 Proportion =92.5%	<u>Without any written comments</u> Number=181 Proportion = 90.5%	<u>Without any written comments</u> Number=97 Proportion=85%	
Member Attendan	Number / Proportion of Ward Members who attended at least one Referral Panel Meeting during that period	Data not recorded at time so not available			Number = 25 Proportion = 45.45%	Number=16 Proportion =29%

Appendix 1: Key figures on the Planning Referral Panel and Planning Committee

		1 April 2019 to 31 March 2020	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2022 to 1 March 2023 (Current Referral Panel Protocol came into effect July 2022)	Since elections in May 2023 to 30 November 2023 (only approximately 6.5 months)
	Number / Proportion of Ward Members who did not attend at least one Referral Panel Meeting during that period.	Data not recorded at time so not available			Number = 30 Proportion = 54.55%	Number=39 Proportion =71%
Outcomes	Number / Proportion of Referral Panel Items that the Panel referred to Planning Committee or delegated to officers for determination	<u>Referred to Committee</u> Number=36 Proportion=12.12%	<u>Referred to Committee</u> Number=41 Proportion=17.98%	<u>Referred to Committee</u> Number=29 Proportion=11.89%	<u>Referred to Committee</u> Number=38 Proportion=19%	<u>Referred to Committee</u> Number= 17 Proportion = 15.04%
		<u>Delegated to Officers</u> Number=259 Proportion=87.21%	<u>Delegated to Officers</u> Number=187 Proportion=82.02%	<u>Delegated to Officers</u> Number=214 Proportion=87.7%	<u>Delegated to Officers</u> Number=158 Proportion –79%	<u>Delegated to Officers</u> Number = 95 Proportion = 84.07%
	Number / Proportions of applications subsequently Refused, Granted, Withdrawn or still live	<u>Granted</u> Number=222 Proportion=74.75%	<u>Granted</u> Number=183 Proportion=80.3%	<u>Granted</u> Number=201 Proportion=82.38%	<u>Granted</u> Number 177 Proportion 88.5%	<u>Granted</u> Number 68 Proportion 71.58% (as of 30 Nov 23)
		<u>Refused</u> Number=54 Proportion=18.18%	<u>Refused</u> Number=42 Proportion=18.4%	<u>Refused</u> Number=37 Proportion=15.16%	<u>Refused</u> Number=19 Proportion=9.5%	<u>Refused</u> Number 17 Proportion 17.89% (as of 30 Nov 23)
		<u>Withdrawn</u> Number=0 Proportion=0	<u>Withdrawn</u> Number=0 Proportion=0	<u>Withdrawn</u> Number=2 Proportion –0.82%	<u>Withdrawn</u> Number=2 Proportion –1%	<u>Withdrawn</u> Number 0 Proportion 0 (as of 30 Nov 23)
		<u>Still Live at end of monitoring period</u> Number=0 Proportion=0	<u>Still Live at end of monitoring period</u> Number=3 Proportion=1.3%	<u>Still Live at end of monitoring period</u> Number 4 Proportion 1.64%	<u>Still Live at end of monitoring period</u> Number 2 Proportion 1%	<u>Still Live</u> Number 7 Proportion 41.18% (as of 30 Nov 23)

Figure 1: Total number of items at Planning Referral Panel during each financial year 1 April 2019 – 30 November 2023

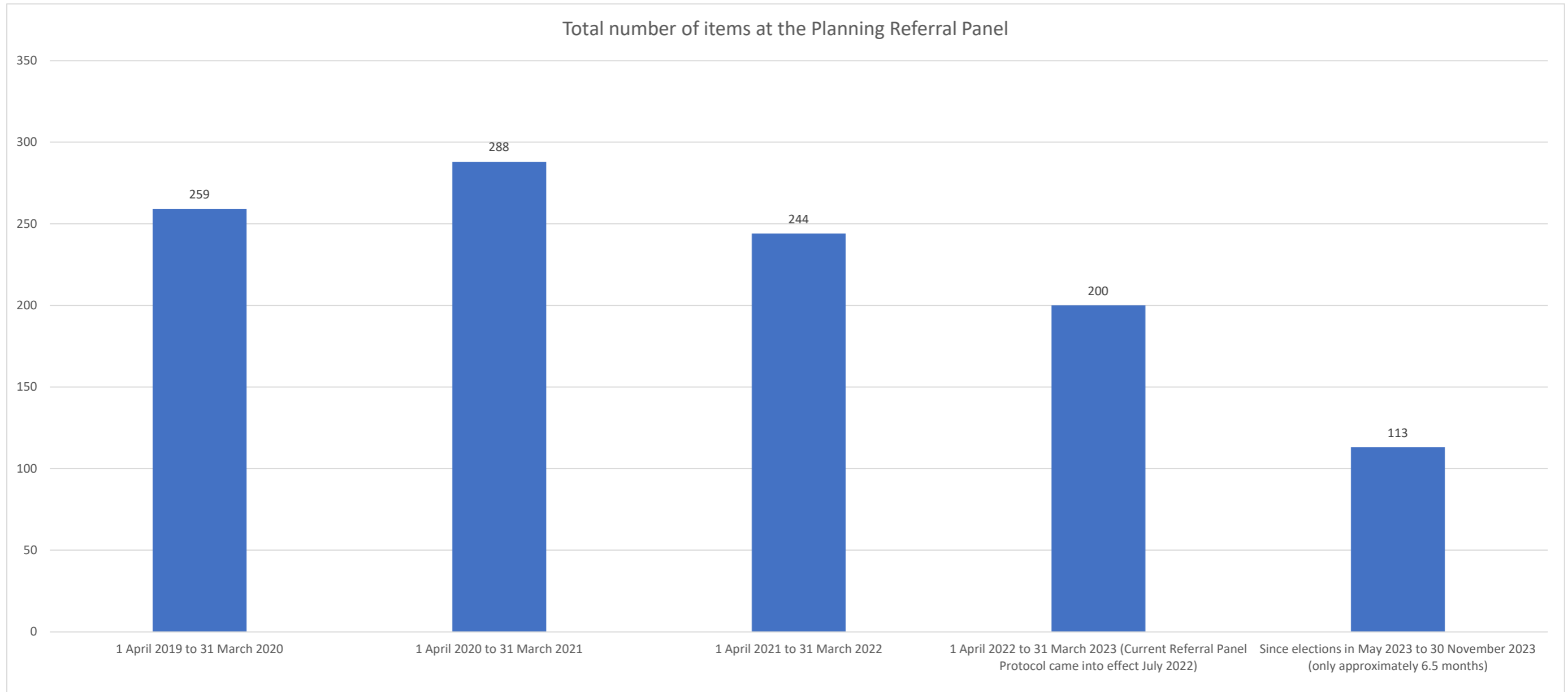


Figure 2: The number of items at Planning Referral Panel during each financial year 1 April 2019 – 30 November 2023, on which the relevant Town/Parish Council submitted comments of “Objection”, “Support”, “No Objections” or did not submit comments.

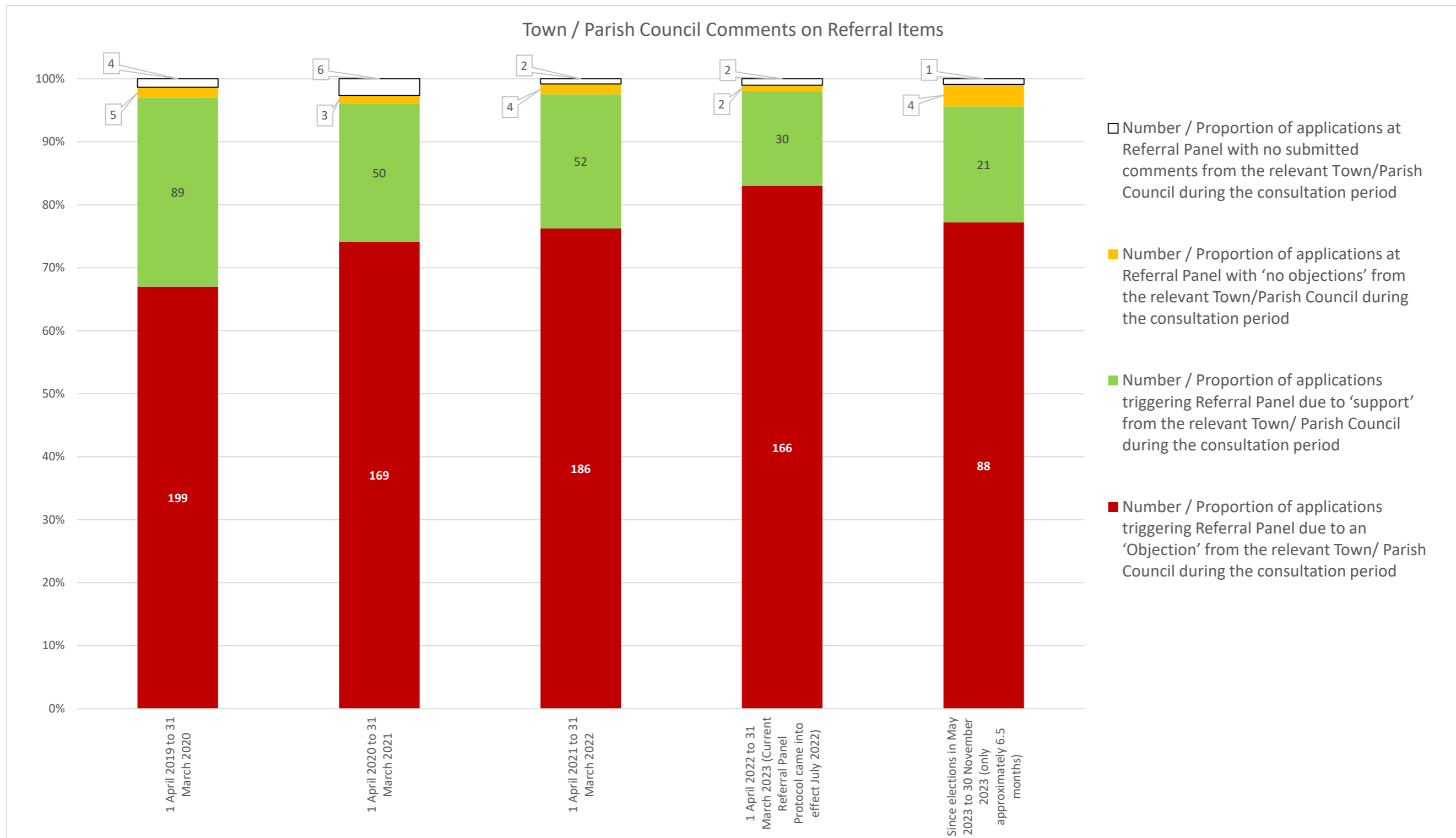


Figure 3: The number of items at Planning Referral Panel during each financial year 1 April 2019 – 30 November 2023, on which the relevant Ward Member(s) submitted comments of “Objection”, “Support”, “No Objections” or did not submit comments.

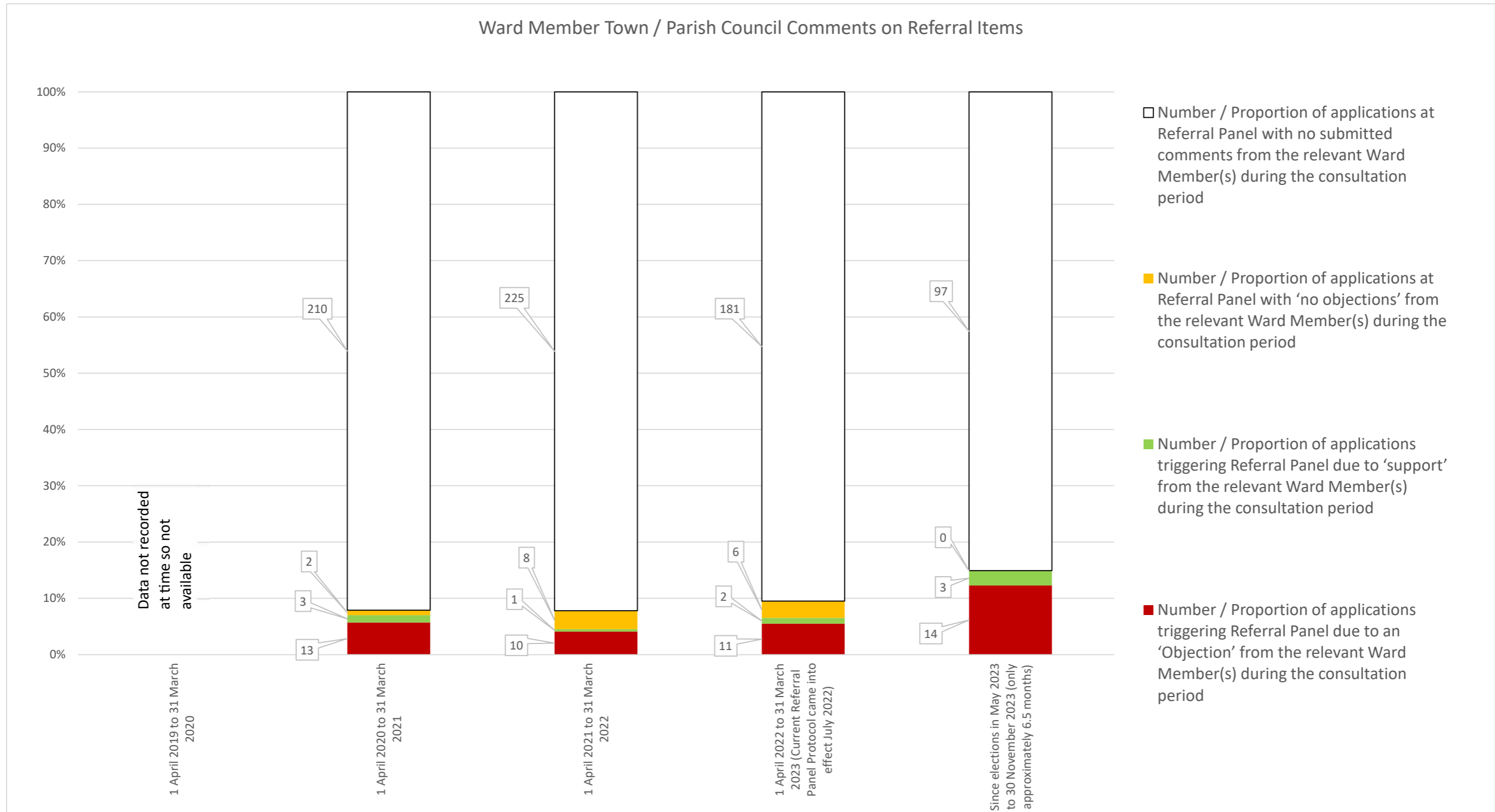


Figure 4: The proportion/number of Ward Members who have attended at least one Planning Referral Panel during each financial year 1 April 2019 – 30 November 2023.

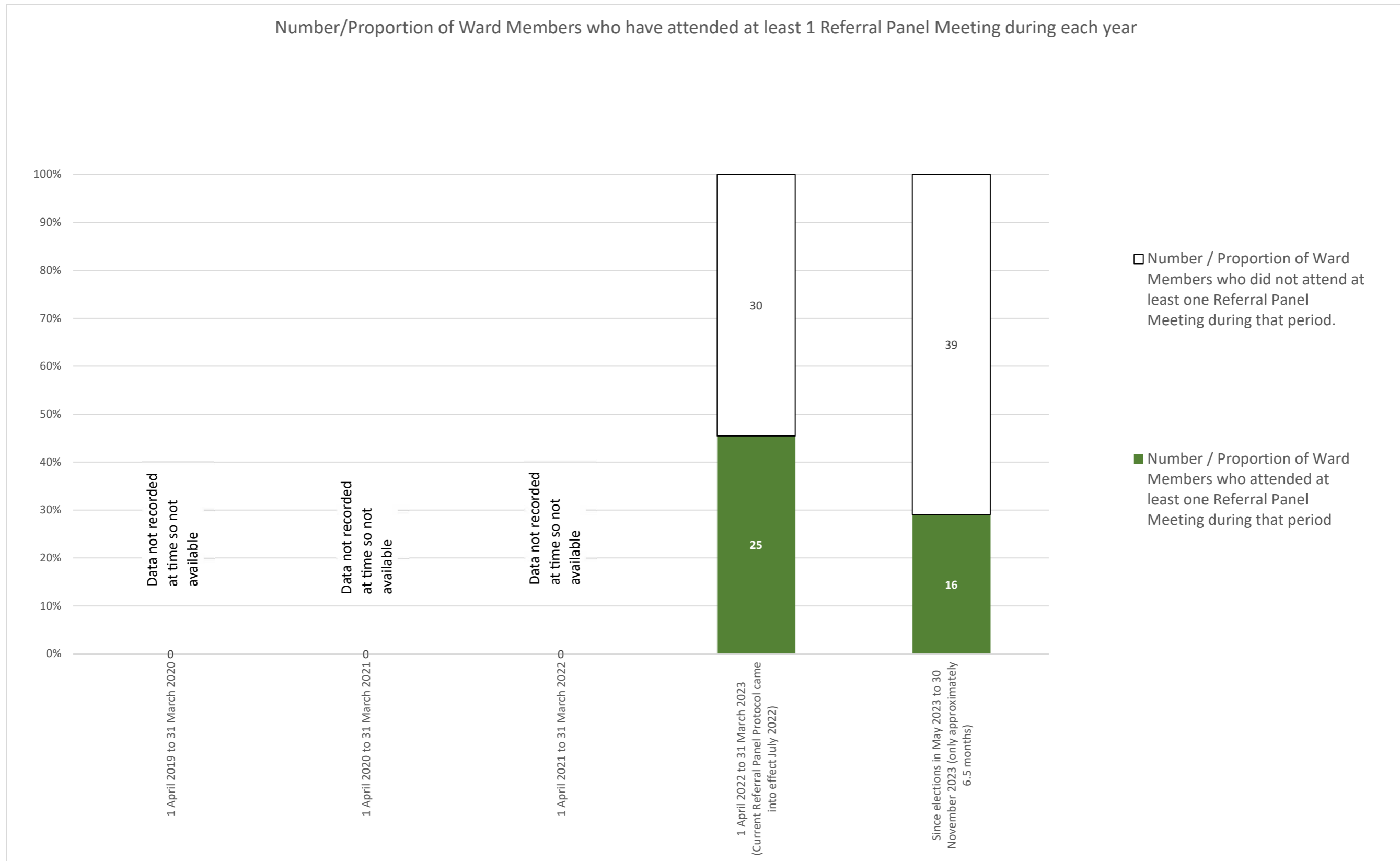


Figure 5: The number/proportion of items at Planning Referral Panel during each financial year 1 April 2019 – 30 November 2023, which were Referred to Planning Committee or delegated to officers.

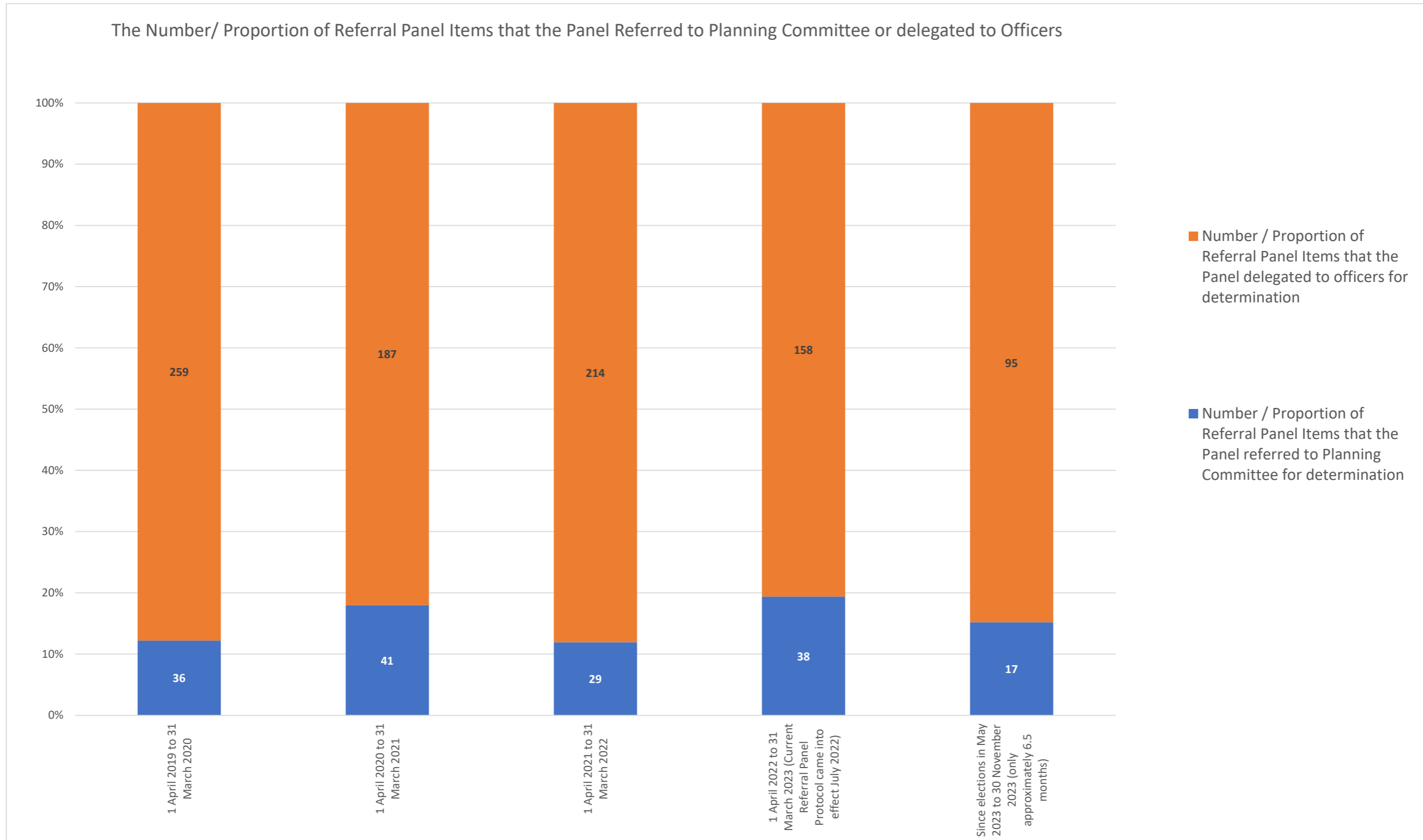
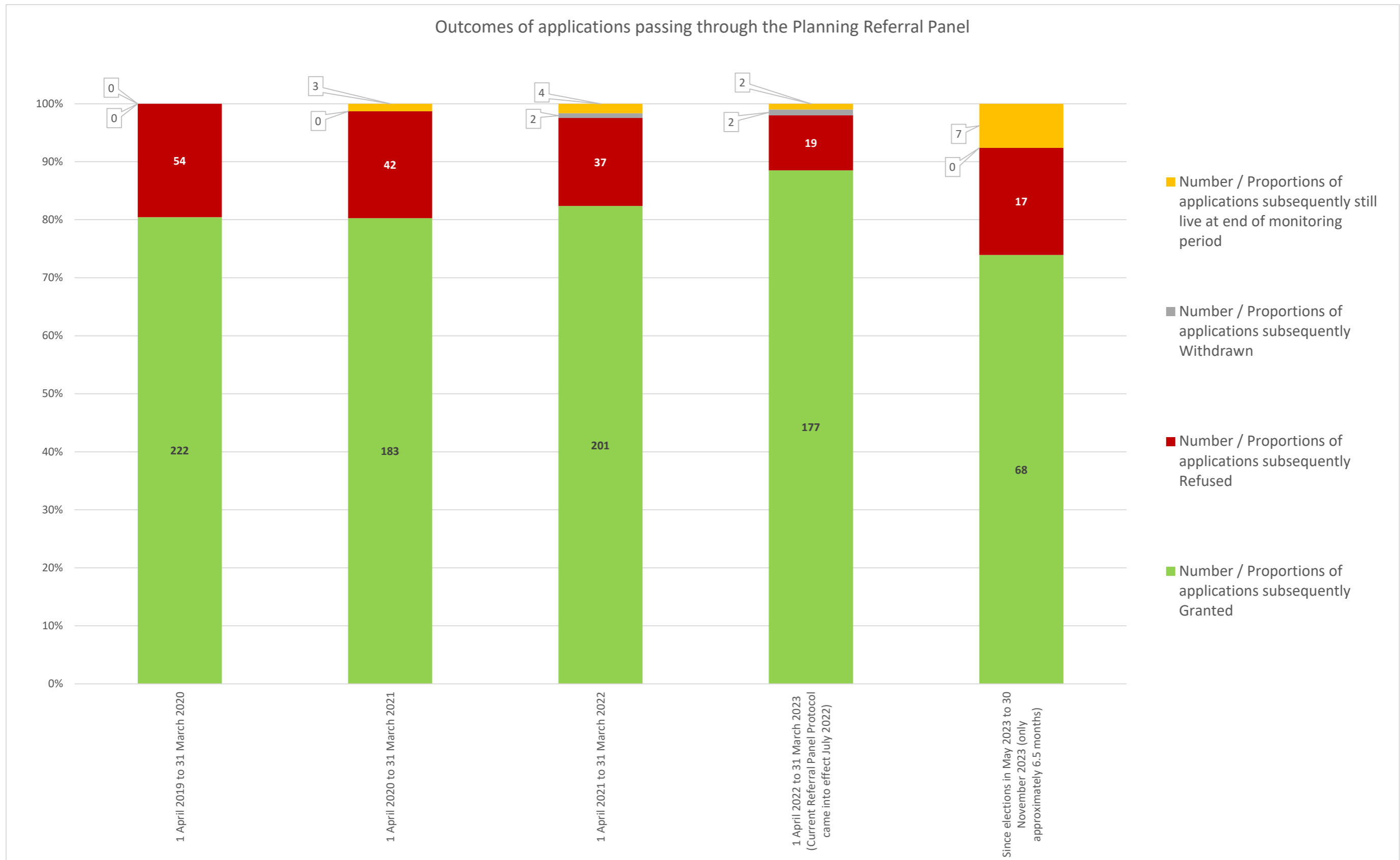


Figure 6: The outcomes of applications that passed through Planning Referral Panel during each financial year 1 April 2019 – 30 November 2023.



KEY FIGURES ON PLANNING COMMITTEES

Table 2: Summary of key data relating to the Planning Committees between 1 April 2019 to 31 October 2023

	1 April 2019 to 31 March 2020	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	Since elections 1 April 2023 to 31 October 2023 (approximately 7 months)
Total Number of items/ applications at Planning Committee	91	112	111	70	34
Proportions of applications at planning committee via Planning Referral Panel or direct call in (by Head of Service or Planning Chairs) or due to an ESC Link	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Via Referral Panel</u> Number = 32 Proportion = 28.83%	<u>Via Referral Panel</u> Number = 37 Proportion = 49.33%	<u>Via Referral Panel</u> Number = 13 Proportion = 44.83%
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Direct call in</u> Number = 38 Proportion = 34.23%	<u>Direct call in</u> Number = 18 Proportion = 24%	<u>Direct call in</u> Number = 2 Proportion = 6.9%
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>ESC connection</u> Number = 41 Proportion = 36.94%	<u>ESC connection</u> Number = 20 Proportion = 26.67%	<u>ESC connection</u> Number = 14 Proportion = 48.28%
Total Number / Proportion of applications at Planning Committee with each type of public speaker in attendance (All applications)	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Town or Parish Council</u> Number = 34 Proportion = 30.63%	<u>Town or Parish Council</u> Number = 18 Proportion = 24%	<u>Town or Parish Council</u> Number = 8 Proportion = 20.51%
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Third Party / Objector</u> Number = 30 Proportion = 28.83%	<u>Third Party / Objector</u> Number = 12 Proportion = 16%	<u>Third Party / Objector</u> Number = 7 Proportion = 24.14%
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Applicant/ Agent</u> Number = 72 Proportion = 63.96%	<u>Applicant/ Agent</u> Number = 38 Proportion = 40%	<u>Applicant/ Agent</u> Number = 20 Proportion = 58.62%
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member</u> Number = 22 Proportion = 19.82%	<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member</u> Number = 18 Proportion = 24%	<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member</u> Number = 8 Proportion = 27.59%
Total Number / Proportion of applications at Planning Committee with each type of public speaker in attendance (applications via referral Panel)	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Town or Parish Council</u> Number = 10 Proportion = 31.25%	<u>Town or Parish Council</u> Number = 9 Proportion = 24.32%	<u>Town or Parish Council</u> Number = 6 Proportion = 46.15%
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Third Party / Objector</u> Number = 11 Proportion = 34.38%	<u>Third Party / Objector</u> Number = 3 Proportion = 8.11%	<u>Third Party / Objector</u> Number = 4 Proportion = 30.77%
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Applicant/ Agent</u> Number = 23 Proportion = 71.88%	<u>Applicant/ Agent</u> Number = 21 Proportion = 56.76%	<u>Applicant/ Agent</u> Number = 11 Proportion = 84.62%

Appendix 1: Key figures on the Planning Referral Panel and Planning Committee

	1 April 2019 to 31 March 2020	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	Since elections 1 April 2023 to 31 October 2023 (approximately 7 months)
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member)</u> Number = 6 Proportion = 18.75%	<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member)</u> Number = 6 Proportion = 16.22%	<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member)</u> Number = 5 Proportion = 38.46%
Total Number / Proportion of applications at Planning Committee with each type of public speaker in attendance (applications there due to direct call in)	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Town or Parish Council</u> Number = 18 Proportion = 47.37%	<u>Town or Parish Council</u> Number = 8 Proportion = 44.4%	<u>Town or Parish Council</u> Number = 0 Proportion = 0
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Third Party / Objector</u> Number = 16 Proportion = 42.11%	<u>Third Party / Objector</u> Number = 7 Proportion = 38.89%	<u>Third Party / Objector</u> Number = 0 Proportion = 0
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Applicant/ Agent</u> Number = 30 Proportion = 78.95%	<u>Applicant/ Agent</u> Number = 16 Proportion = 88.89%	<u>Applicant/ Agent</u> Number = 0 Proportion = 0
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member)</u> Number = 30 Proportion = 78.95%	<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member)</u> Number = 16 Proportion = 88.89%	<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member)</u> Number = 0 Proportion = 0
Total Number / Proportion of applications at Planning Committee with each type of public speaker in attendance (applications there due to an ESC Connection)	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Town or Parish Council</u> Number = 6 Proportion = 14.63%	<u>Town or Parish Council</u> Number = 1 Proportion = 5%	<u>Town or Parish Council</u> Number = 0 Proportion = 0
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Third Party / Objector</u> Number = 3 Proportion = 7.32%	<u>Third Party / Objector</u> Number = 2 Proportion = 10%	<u>Third Party / Objector</u> Number = 1 Proportion = 7.14%
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Applicant/ Agent</u> Number = 19 Proportion = 46.34%	<u>Applicant/ Agent</u> Number = 1 Proportion = 5%	<u>Applicant/ Agent</u> Number = 5 Proportion = 35.71%
	Data not recorded in this format / extracted in the required format for these figures at this time.		<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member)</u> Number = 3 Proportion = 7.32%	<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member)</u> Number = 0 Proportion = 0	<u>Ward Member Ward member(s) specifically mentioned as speaking at committee as the ward member)</u> Number = 0 Proportion = 0%

Figure 7: The number of applications determined at Planning Committee during each financial year 1 April 2019 – 31 October 2023.

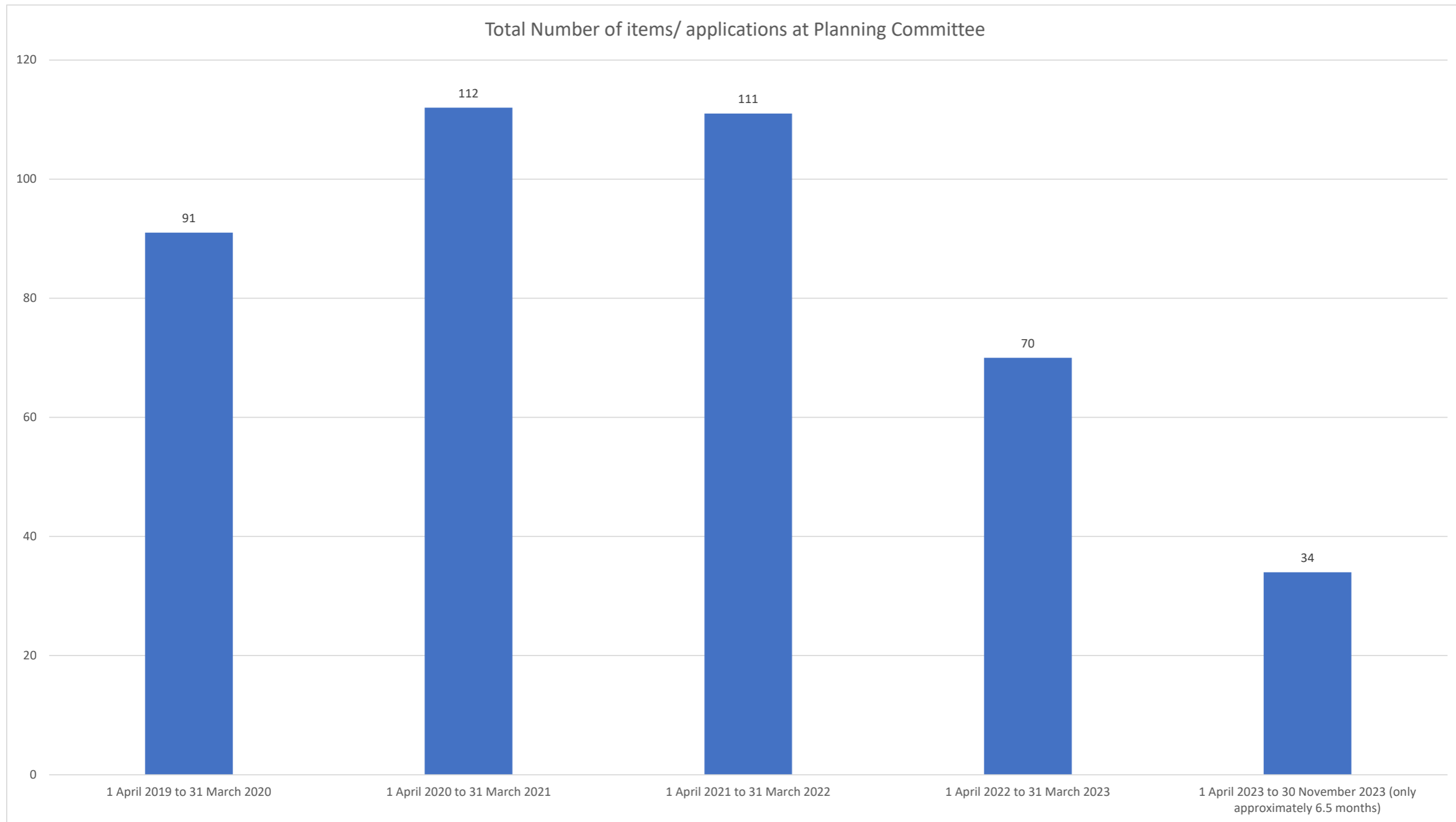


Figure 8: The number of applications at Planning Committee for each trigger reason during each financial year 1 April 2019 – 31 October 2023.

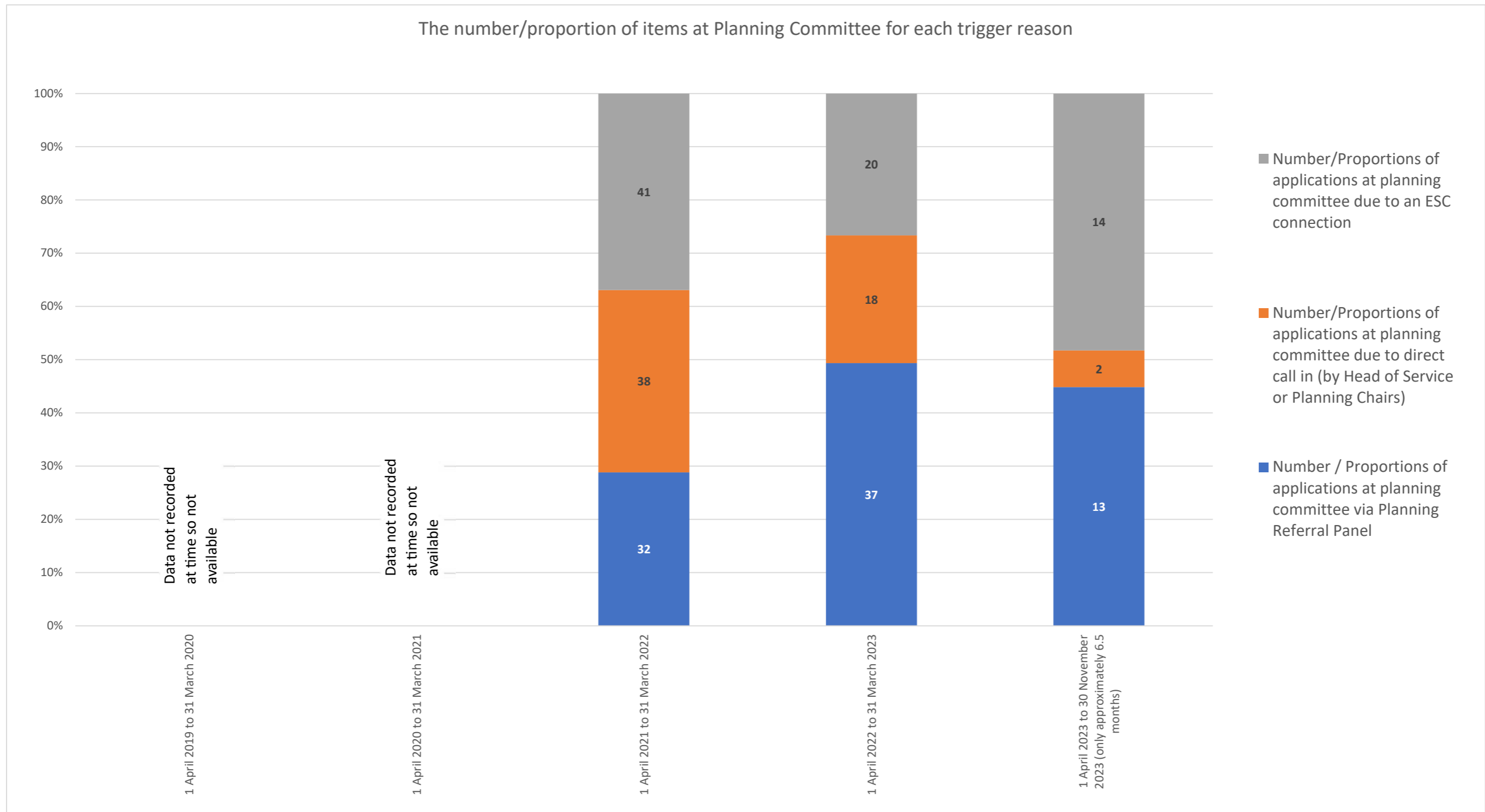


Figure 9: The number of applications on which each type of public speaker spoke at Planning Committee during each financial year 1 April 2019 – 31 October 2023.

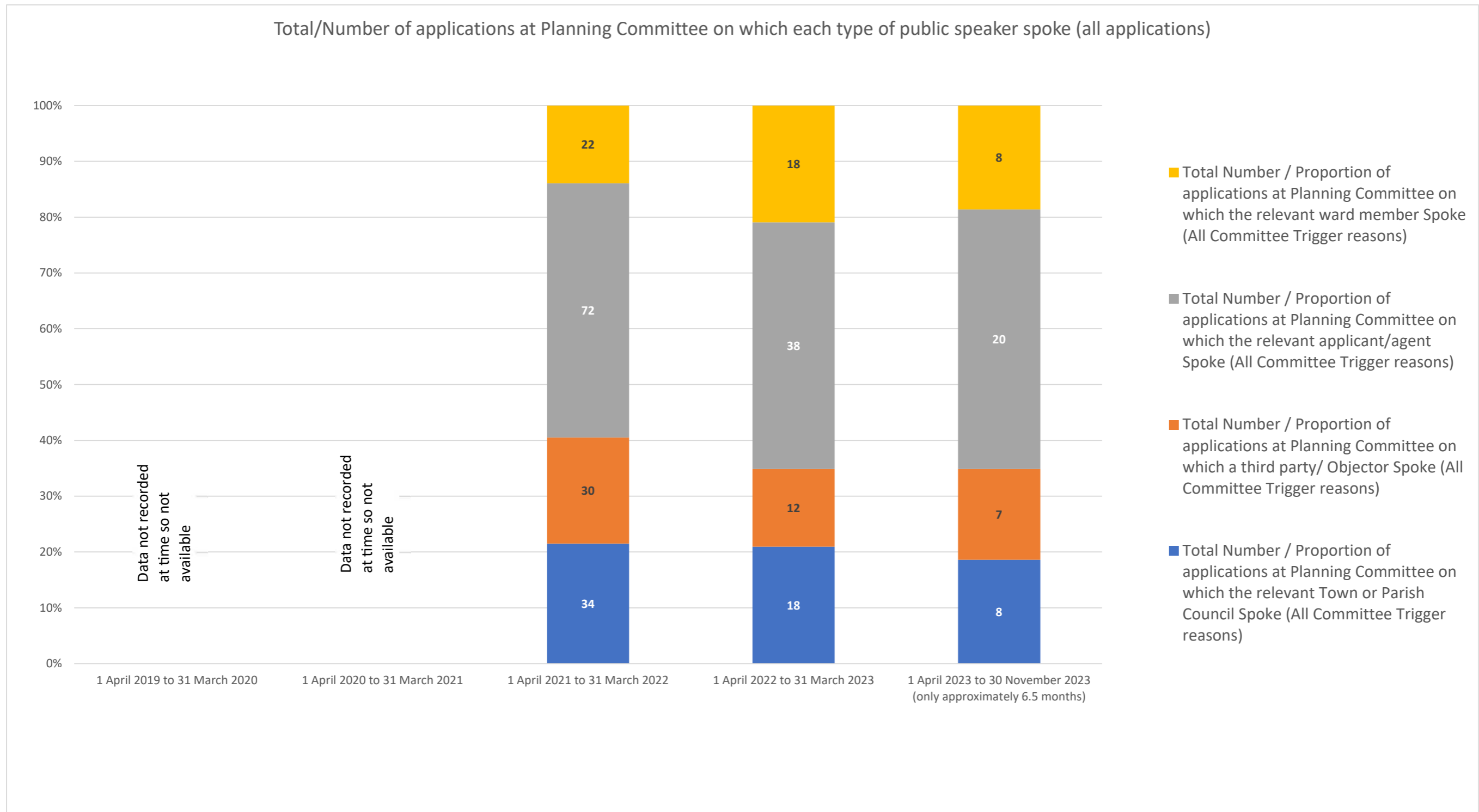


Figure 10: The number of applications on which each type of public speaker spoke at Planning Committee during each financial year 1 April 2019 – 31 October 2023 (applications at Planning Committee due to referral by the Planning Referral Panel).

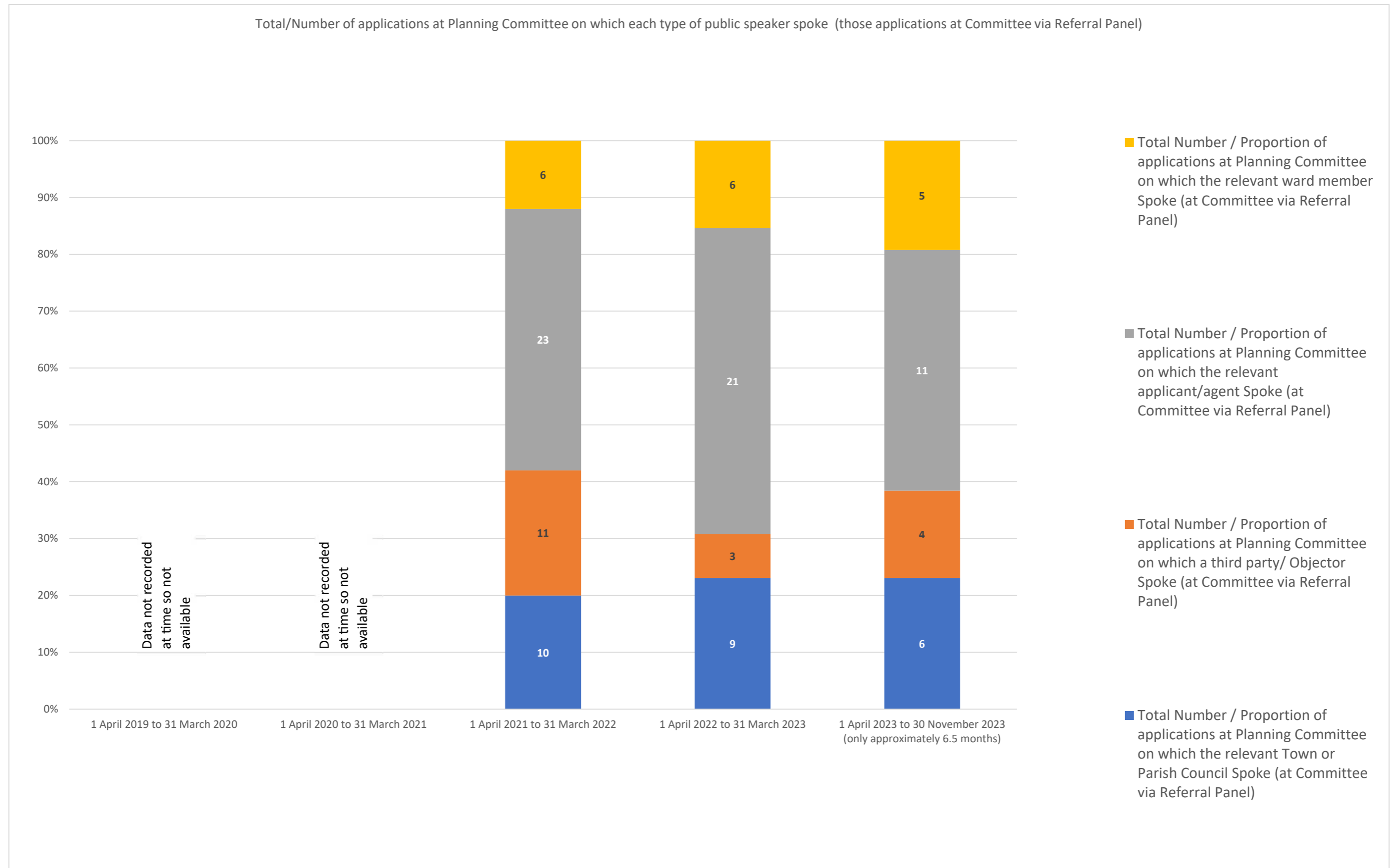


Figure 11: The number of applications on which each type of public speaker spoke at Planning Committee during each financial year 1 April 2019 – 31 October 2023 (applications at Planning Committee due to direct call in by either the Head of Planning Services or the Committee Chair(s)/Vice-Chair(s)).

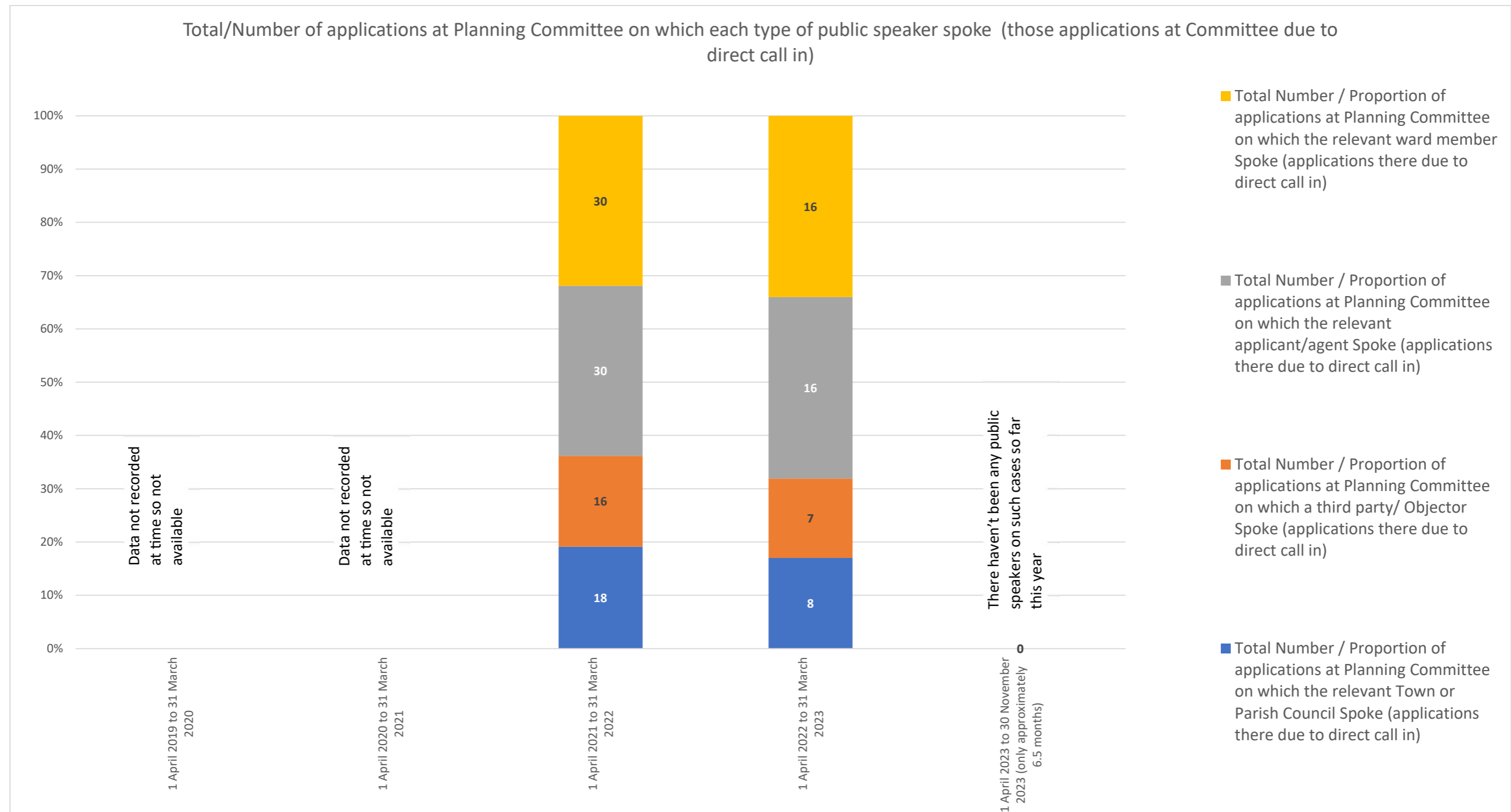
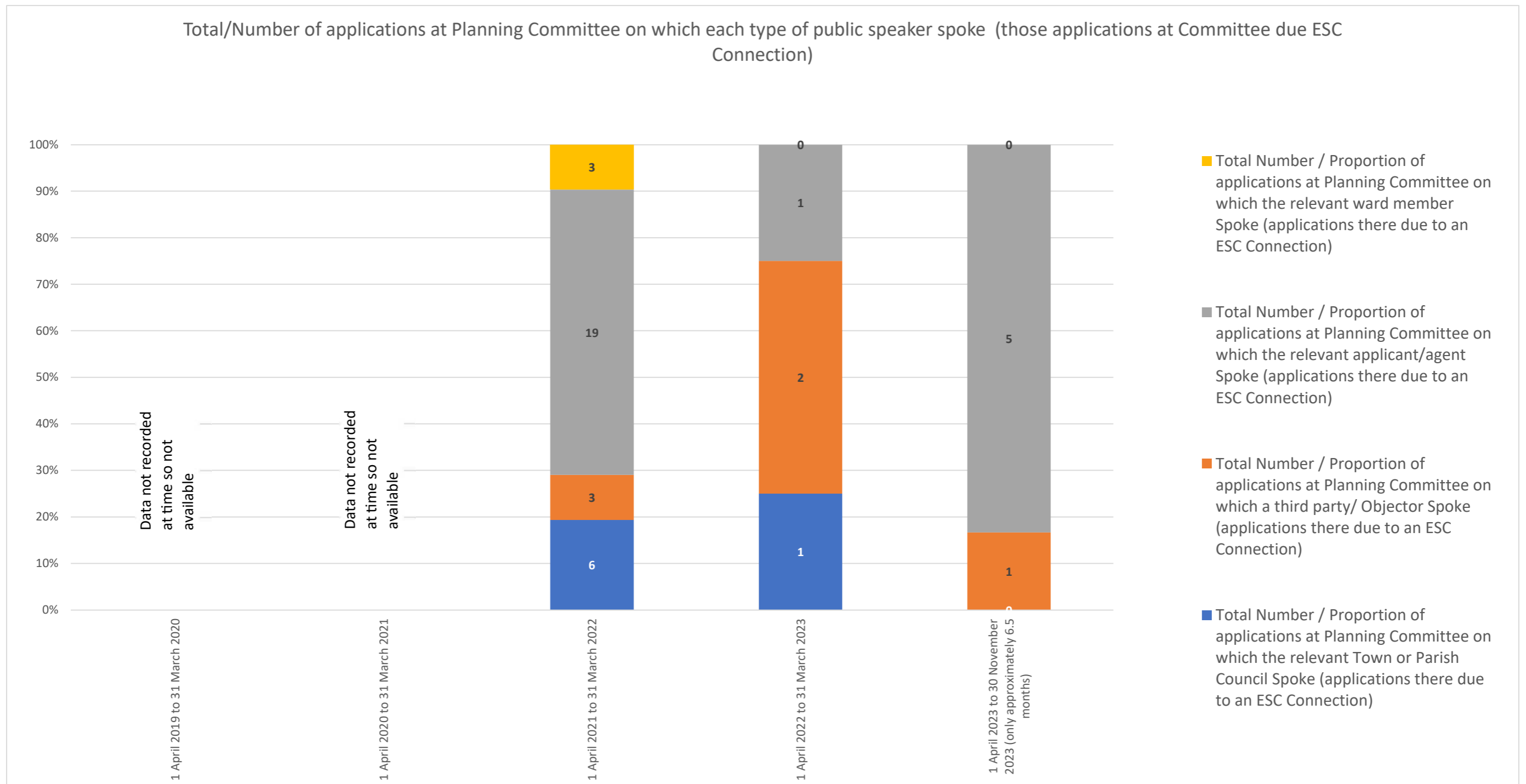


Figure 12: The number of applications on which each type of public speaker spoke at Planning Committee during each financial year 1 April 2019 – 31 October 2023 (applications at Planning Committee due to an East Suffolk Council connection).





AUDIT & GOVERNANCE COMMITTEE
Monday, 11 December 2023

Subject	Proposed Changes to East Suffolk Council’s Constitution
Supporting Councillor	Councillor Dr Anthony Specca Chair of the Council Chair of the Constitution Review Working Group
Report Author(s)	Chris Bing Head of Legal and Democratic Services and Monitoring Officer chris.bing@eastsoffolk.gov.uk
Director	Kate Blakemore Strategic Director kate.blakemore@eastsoffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

This report summarises the work, and interim proposals of, the cross-party Constitution Review Working Group (CRWG), since its first meeting on 7 July 2023. The CRWG was convened by the Chair of Council to carry out a fundamental review of the Constitution to ensure East Suffolk Council's (ESC's) Constitution is complete, accurate, up to date, clear, lawful, fit for purpose and democratically sound.

This report sets out a series of proposed changes to ESC's Constitution which Audit and Governance Committee is asked to consider and recommend to Full Council to adopt, at its meeting on 24 January 2024.

Options:

To recommend to Full Council that the changes to ESC's Constitution, proposed by the CRWG in this report, be adopted.

To not recommend to Full Council that the changes to ESC's Constitution, proposed by the CRWG in this report, be adopted.

Recommendation/s:

That Audit and Governance Committee recommends to Full Council that the substantive changes to East Suffolk Council's (ESC's) Constitution proposed by the Constitution Review Working Group (CRWG), as summarised in this report and as shown at Appendix A Appendix B and Appendix C of this report, be adopted as East Suffolk Council's Constitution pending the CRWG's completion of its full review of the Constitution.

Corporate Impact Assessment

Governance:

The Local Government Act 2000 (the Act) established executive arrangements. ESC has a Leader and Cabinet model of governance. Section 37 of the Act requires the Council to prepare, keep up to date and publicise its Constitution. Section 9P of the Act requires that a Constitution must contain Standing Orders and Procedure Rules, Members' Code of Conduct, such information as the Secretary of State may direct and such other information as the Council considers appropriate. The Local Government Act 2000 (Constitutions) (England) Direction 2000 also lists matters to be included in a Constitution.

Changing the Constitution, other than minor amendments/corrections, is a function reserved to Full Council.

ESC policies and strategies that directly apply to the proposal:

Our Direction 2028

Environmental:

There are no direct impacts from the review of the Constitution.

Equalities and Diversity:

A clear and concise Constitution written in plain English is accessible to a wide readership which supports inclusion.

Financial:

There are no direct impacts from the review of the Constitution.

Human Resources:

There are no direct impacts from the review of the Constitution.

ICT:

There are no direct impacts from the review of the Constitution.

Legal:

Council decisions must be taken in a procedurally complaint manner, pursuant to the relevant requirements of the Constitution, to be lawful and capable of being successfully defended in the event of challenge.

Risk:

Decisions which are procedurally flawed, or ultra vires, are high risk and vulnerable to legal challenge.

External Consultees:	None
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>

T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
How does this proposal support the priorities selected?			
An accessible, fit for purpose and up to date Constitution supports good governance.			

Background and Justification for Recommendation

1	Background facts
1.1	At the Annual Meeting of Full Council on 24 May 2023, Councillor Dr Anthony Specca, in his inaugural address as Chair of the Council, committed to undertake a review of East Suffolk Council's (ESC's) Constitution to ensure that the principles of democracy and fairness underpinned its every letter.
1.2	ESC's Constitution was drafted and adopted in 2019, as part of the creation of the new Council. Since its adoption, the Constitution has been subject to limited amendment. Amendments which have been made over the last four and a half years have principally been made by the Monitoring Officer under their delegated authority to make minor amendments to the Constitution. Therefore, a full review of the Constitution has been appropriate and necessary to ensure the Constitution is complete, accurate, up to date, clear, lawful, fit for purpose and democratically sound. The accessibility of the Constitution, with respect to its size, user friendliness and organisation, has also been considered.
1.3	A Constitution Review Working Group (CRWG) was convened and chaired by the Chair of Council. The CRWG first met on 7 July 2023 and has subsequently met at regular intervals to review the wording and operation of different sections of the Constitution. The CRWG is politically balanced with three GLI group members (Councillor Dr Specca as the Chair of Council, Councillor Fisher as the Vice Chair of Council and Councillor Bennett), a Conservative member (Councillor Starling) and a Labour member (Councillor Byatt). The CRWG is supported in achieving its objectives by the Chief Executive, the Strategic Director for Corporate Services, and the Monitoring Officer. The CRWG has been greatly assisted in reviewing the Scrutiny Procedure rules by the Chair of Scrutiny Committee, Councillor Deacon. The CRWG has also been grateful to Councillor Topping and Councillor Patience for substituting for Councillor Bennett and Councillor Byatt when required.

1.4	Changing the Constitution is a function reserved to Full Council, except for minor amendments and corrections which the Monitoring Officer has the delegated authority to make. The current Constitution requires that substantive changes to the Constitution be considered by the Audit and Governance Committee, which will recommend changes to Full Council. This report proposes that, moving forward, the CRWG be made a standing working group of East Suffolk Council to review the operation of the Constitution and makes future recommendations as to substantive changes to the Constitution direct to Full Council.
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2 Current position

2.1	<p>The wholesale review of the Constitution is a significant undertaking which is progressing well. By December 2023, the CRWG had completed the review, and revision, of:</p> <ul style="list-style-type: none"> • Functions and Responsibilities (save for the Officer Delegation Scheme); • Council Procedure Rules; • Cabinet Procedure Rules; • Committee Procedure Rules; and • Overview and Scrutiny Procedure Rules
2.2	<p>The approach taken by the CRWG in reviewing each section of the Constitution has been to consider and apply six questions:</p> <ul style="list-style-type: none"> • What can come out of the Constitution? • Is it democratically sound? • Is there anything missing? • Is there anything confusing? • Is it up to date? • Is it legally compliant?
2.3	<p>The substantive changes proposed and incorporated in the drafting of sections of the new Constitution so far, after CRWG's in depth review of the corresponding sections in the existing Constitution include, in summary:</p> <p><u>Functions and Responsibilities</u></p> <ul style="list-style-type: none"> • Scrutiny Committee to be renamed Overview and Scrutiny Committee. • The Chair of Overview and Scrutiny Committee to be a member of an opposition group. • Appointments Committee to be convened to appoint the Chief Executive, Strategic Directors and statutory officer posts (Chief Finance Officer and Monitoring Officer) but not Heads of Service. • Create a standing Constitution Review Working Group to regularly monitor and review the Constitution and make recommendations on substantive changes to the Constitution directly to Full Council moving forward, rather than via Audit and Governance Committee. • Moving the Terms of Reference for committees and councillor role descriptions to Appendices.

Council Procedure Rules

- The Chair of Council and the Monitoring will together determine whether questions and motions on notice can be accepted.
- A submitted motion which is accepted will automatically be debated by Full Council, removing the current constitutional requirement for the group leaders to meet in advance of Full Council to discuss whether there is a consensus view as to whether the accepted motion should be debated at Full Council and removing the constitutional requirement that Full Council vote as to whether an accepted motion should be debated that evening.
- Each motion on notice will have a 45 minutes time limit. There will be 90 minutes in total allocated for the debate of motions. If motions are submitted by all groups, a motion will first be considered from the administration, then the second largest group, then the third largest group.
- The procedural distinction between asking a question and participating in debate will be removed but members will only be able to speak once per item, at the discretion of the Chair.
- The criteria a member of the public must satisfy to be eligible to ask a question has been clarified.
- At the Annual Full Council meeting the first item of business on the agenda will be to elect the new Chair of Council.
- Quorum for Full Council will be a third (19 councillors), rather than a quarter (14 councillors).
- The trigger for a recorded vote will be half of quorum rounded up.

Cabinet Procedure Rules

- As with Full Council, the procedural distinction between asking a question and participating in debate to be removed but members will only be able to speak once per item, at the discretion of the Chair.
- It was agreed that Cabinet Members must be present in the room to participate and vote, but visiting members could attend remotely.

Committee Procedure Rules

- Arrangements for the organising of Task Groups has been clarified.
- The trigger for a recorded vote will be half of quorum rounded up.

Scrutiny Procedure Rules

- The Chair of Council and Chair of Overview and Scrutiny Committee must both agree any exemptions to Call-In of Executive decisions.
- It will be made clear that Overview and Scrutiny Committee determines its own work programme.

2.4

In addition to these substantive procedural/technical changes, the wording and formatting of the new Constitution will be made as clear, concise, and accessible as possible. To this end, guidance notes and flow charts will be removed from the Constitution and moved to a Member's Handbook. And any information which is not considered essential to be included in the body of the Constitution will be

	moved to appendices (for example, the full Terms of Reference for committees and Councillor role descriptions).
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3 How to address current situation

3.1	The CRWG wishes to invite Audit and Governance Committee to consider the work of the CRWG to date and to recommend to Full Council, as an interim step, that those sections of the new Constitution, of which the drafting has now been completed by the CRWG, be approved (please see Appendix A). This would enable some important changes to the way the Council operates to be introduced early in the New Year, prior to the completion of the drafting of the entire new East Suffolk Council Constitution in Spring 2024.
3.2	In this interim period, ESC's Constitution will comprise the new Constitution (Appendix A) and the previous Constitution with those parts of the previous Constitution which have been superseded by the new Constitution struck through (Appendix B), so that there is certainty. The Appendices to the Constitution are at Appendix C.
3.3	It is anticipated that the CRWG will have completed its full review of the existing Constitution, and the drafting of East Suffolk Council's complete new Constitution, by ESC's Annual Meeting in May 2024.

4 Reason/s for recommendation

4.1	A clear, streamlined, up to date, democratically sound and accessible Constitution supports good governance.
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Appendices

Appendices:

Appendix A	New Constitution as of November 2023 (which together with Appendix B and Appendix C will form East Suffolk Council's Constitution for an interim period).
Appendix B	Existing Constitution with parts which have been replaced by Appendix A scored out (which together with Appendix A and Appendix C will form East Suffolk Council's Constitution for an interim period).
Appendix C	Appendices to the Constitution

Background reference papers:

None

East Suffolk Council Constitution

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FUNCTIONS AND RESPONSIBILITIES

1. General Principles

- 1.1 Members and Officers must understand how decisions are made, whether they are working alone or in a group or committee.
- 1.2 When making a decision as an individual, due regard should be had as to whether that decision should be made in consultation with another Member and or an Officer. In making any decision the following should apply:
 - Acting in the best interests of the Council
 - Ensuring legislative compliance
 - Ensuring all decisions are made in accordance with the Council's budget and policy framework
 - Basing decisions on all available evidence
- 1.3 Decision making should always be made as transparently as possible. Whilst certain decisions should be recorded and published, decision makers should always assume that any decision may be made available to the public.

2. Decision Making Bodies

- 2.1 Under the Constitution, decisions may be taken by:
 - the full Council
 - the Cabinet collectively
 - individual Cabinet Members
 - Committees and Sub Committees
 - Officers
- 2.2 Under the Constitution the bodies below can only make recommendations or referrals (as appropriate) to the decision-making bodies listed above:
 - Advisory Committees, Panels and Working Groups
 - Appointments Committee
 - and some recommendations of the Overview and Scrutiny Committee
- 2.3 Whichever body or individual is responsible for taking a decision, the decision will be formally minuted and recorded. Unless a decision contains confidential or exempt information, it will be open to public inspection in accordance with the Access to Information Procedure Rules.
- 2.4 Decisions relating to the Statutory Functions of the Council will be made by the Council and not delegated.

3. Key Decisions

3.1 A Key Decision is an executive decision which is likely to:

- result in the Council incurring expenditure, making savings, or receiving income which is significant to the Council's budget for the service or function to which the decision relates; or
- be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the Council's District.

3.2 By the term "significant" the Council means a decision which:

- results in expenditure, savings, income, additional funding or virement of over £250,000 being incurred or achieved; or
- results in an outcome which will have a marked effect on communities living or working in an area comprising two or more wards.

3.3 A decision maker may only make a Key Decision in accordance with the requirements of the Access to Information Procedure Rules.

COMMITTEES

There are various Committees that exist within this Council's Constitutional framework, this section provides an overview of each Committee in alphabetical order, with more detailed terms of reference available in Appendix A.

4. Appointments Committee

4.1 Introduction

4.1.1 The purpose of the Appointments Committee is to oversee the appointment and dismissal of the Council's statutory officers and Strategic Directors.

4.2 Main Functions

- Recommends to Council that it confirms the appointment of the Head of Paid Service, the Chief Finance Officer (also known as the Section 151 Officer) and the Monitoring Officer.
- Appointing Strategic Directors

5. Audit and Governance Committee

5.1 Introduction

5.1.1 The purpose of the Audit and Governance (A and G) Committee is to provide an independent and high-level focus on audit, assurance and reporting arrangements that underpin good governance and financial standards.

5.2 Main Functions

- Provides independent assurance of the adequacy of the risk management framework and the internal control environment.
- Provides independent review of the Council's governance, risk management and control frameworks.
- Oversees the financial reporting and annual governance processes.
- Oversees internal audit and external audit, helping to ensure effective relationships exist and efficient and effective assurance arrangements are in place.

6. Licensing Committee

6.1 Introduction

6.1.1 The purpose of the Licensing Committee is to consider policy issues on licensing matters alongside the hearing and determination of licensing applications in accordance with statutory requirements.

6.2 Main Functions

- Determines policy in relation to licensing matters.
- Delegates to a Licensing Sub Committee comprising of three Members drawn from the wider Committee to determine licenses (for example individual applications made under the Licensing Act 2023 and Gambling Act 2005).

7. Overview and Scrutiny Committee

7.1 Introduction

7.1.1 The purpose of the Overview and Scrutiny Committee is to hold public service decision-makers and providers to account and facilitate the improvement of public services in East Suffolk. Effective scrutiny enhances accountability, ensures transparency of decision-making, contributes to service improvement, and acts as a 'check and balance' on decision-makers.

7.2 Main Functions

- Reviews and/or scrutinises decisions made, or actions taken in connection with the discharge of any of the Cabinet functions.
- Makes reports and/or recommendations to the Full Council or the Cabinet in connection with the discharge of any functions.
- Makes reports or recommendations to the Full Council or the Cabinet with respect to

matters affecting the area or its inhabitants.

8. Planning Committee

8.1 Introduction

8.1.1 East Suffolk Council has two area Planning Committees known as Planning Committee North and Planning Committee South. The purpose of each area Planning Committee is to make decisions as the local planning authority on planning applications, development control and similar regulatory matters.

8.2 Main Functions

- Determine planning applications and/or delegate to Officers in terms of who considers an application.

8.3 Strategic Planning Committee

- There is also a Strategic Planning Committee which covers the whole District.
- The purpose of the Strategic Planning Committee is to consider, advise or determine applications on matters which impact the whole of the district and monitor the work of the area Planning Committees and the Council's planning service.
- The Strategic Planning Committee comprises the ten members from Planning Committee North and Planning Committee South plus the Cabinet Member for Planning and Coastal Management. Quorum is seven.

COUNCIL

9. Introduction

9.1 Full Council is a meeting of all 55 elected Members (apologies can be tabled) where decisions regarding the Council's Budget and Policy Framework are made.

9.2 Full Council has several statutory functions which are laid down within the Local Government Act 2000, the Local Authorities Function and Responsibility Regulations 2000 and the amendment regulation 2008. In addition to these statutory requirements, other functions have also been reserved for Full Council.

9.3 Further information in relation to all Council functions can be found at Appendix B.

9.4 The Chair can set up Task Groups which can make recommendations, but which cannot take decisions.

CABINET

10. Introduction

- 10.1 This Council operates a Leader and Cabinet form of governance. Cabinet is a group of Members collectively responsible for the executive functions of the Council.
- 10.2 The Council will elect its Leader. The Leader will then appoint a Deputy Leader and up to eight other Members to form the Council's Cabinet.
- 10.3 In appointing the Deputy Leader and Cabinet Members the Leader of the Council will delegate a range of services to the Deputy Leader and each Cabinet Member, also known as a portfolio. The Cabinet Member will then be responsible for overseeing the Cabinet's responsibilities in relation to their individual portfolios.
- 10.4 The Leader (on advice from the appropriate Chief Officer) shall resolve any ambiguity as to which Portfolio includes a particular matter or decision.
- 10.5 The Leader may appoint Cabinet Support Members to advise and assist Cabinet Members and cover for them in their absence, although a Cabinet Support Member is not a Member of the Cabinet and may not vote at Cabinet or exercise any function given to a Cabinet Member.
- 10.6 The Leader of the Council will have overall responsibility for the operation of the Cabinet and its decisions.
- 10.7 The Chair and Vice Chair of the Council along with any Members of the Overview and Scrutiny Committee and the Audit and Governance Committee cannot be appointed to the Cabinet.

11. Cabinet Responsibilities

- 11.1 The Cabinet is responsible for any functions that are not functions of the Council and in summary it is responsible for deciding how to implement Council budgets and policies, for monitoring and reviewing the effectiveness of all budgets and policies, joint working, area working and localism arrangements, corporate governance arrangements and all services provided to and by the Council.
- 11.2 The Cabinet is empowered to do anything that it considers necessary or appropriate to deliver the Council's priorities if it does not take any action or adopt any policy which is contrary to the Council's budget and policy framework.
- 11.3 The Cabinet can make recommendations to the relevant body in respect of any matters which are not within its remit, which include any suggested alteration to the Council's budget and policy framework.

11.4 Under the Local Authorities Functions and Responsibility Regulations 2000 there are a number of Cabinet functions that have been agreed in terms of local choice. The details of these local choice functions can be found in Appendix C

11.5 There are also several Outside Bodies the Cabinet can collectively appoint to. Details of which can be found in Appendix E.

12. Discharging of Cabinet Responsibilities

12.1 Whilst Cabinet holds a collective responsibility for the functions outlined above, some functions of Cabinet have been discharged to both Individual Cabinet Members and Officers to ensure that decisions of the Council are taken at the most appropriate level and in a timely manner.

13. Responsibilities Delegated to Individual Cabinet Members

13.1 Each Cabinet Member will be responsible for all types of decisions which sit within their Portfolio unless the decision:

- Relates to a proposal to alter the Council's budget and policy framework.
- Is authorising expenditure more than £250,000.
- Is likely to have significant impact on the operation of the Council.
- Is likely to have significant impact on the Portfolio of another Cabinet Member.

13.2 Cabinet Members should consult with other Cabinet Members if a decision is likely to have an impact on their responsibilities. They should also consult with the relevant Officers, Monitoring Officer, and the Chief Financial Officer.

13.3 The Leader, or Cabinet Member in respect of decisions within their Portfolio, may, prior to the decision being taken, give notice to the Monitoring Officer to the effect that the decision will no longer be taken by an individual Cabinet Member.

14. Responsibilities Delegated to Officers

14.1 Officer delegations are outlined within the Scheme of Delegation to Officers, and in the Finance Procedure Rules and Contract Procedural Rules in terms of limits on the amount of expenditure which Officers of the Council may authorise.

14.2 The Leader, or Cabinet Member in respect of Officer decisions within their portfolio, may, prior to the decision being taken, give notice to the Monitoring Officer to the effect that the decision will no longer be taken by an Officer.

15. Other Arrangements

- 15.1 The Cabinet may arrange for any decision that it is collectively responsible for to be taken by an individual Cabinet Member, a Committee of the Cabinet or under joint arrangements with or by another Authority.

16. Councillor Roles

- 16.1 Several role descriptions have been prepared to further assist Members. These include:

- Generic Elected Member role description
- Leader/Deputy Leader
- Cabinet Member
- Assistant Cabinet Member
- Chair/Vice Chair of the Council
- Chair/Vice Chair of Committee
- Leader/Deputy Leader of an Opposition Party

- 16.2 These role descriptions can be found in Appendix C.

17. Outside Bodies

- Persons appointed by the Council or the Cabinet to serve on Outside Bodies shall be appointed for such time as may be specified or otherwise shall serve until they resign, are dismissed, or their successor is appointed.
- Such persons may continue to serve, subject to any rules of the body on which they serve, notwithstanding that they may or may not have ceased to be Members of the Council.

SCHEME OF DELEGATION TO OFFICERS

18. Introduction

- 18.1 “Officers” is the term used to refer to people employed, retained or appointed by the Council to advise and support Members and implement their decisions. This may include contractors, consultants, and agency staff.
- 18.2 The Council also appoints “Statutory” and “Proper” officers that are required to discharge certain legal duties of the Council.
- 18.3 Several Council functions are delegated to Officers, for example Officers may enter into contracts and incur expenditure but must do so within the financial limits and procedures set out in the Finance Procedure Rules and Contract Procedural Rules.

- 18.4 The Council's approach to decision making is to ensure that its system of delegation enables decisions to be taken at the most appropriate level closest to those who will be affected by the decision in question. Under this system of delegation, most of the Council's decisions and actions will fall into this category of operational day to day decisions taken by its Officers.
- 18.5 Officer's powers have been delegated by means of a standing cascade. That means that there are no long lists in this Constitution of specific powers and who they have been delegated to, except for specific delegations which can be found in Appendix F.
- 18.6 When Officers act under delegated powers, they do so in the name of their Head of Service or Strategic Director who will retain the ultimate responsibility for ensuring the powers are exercised at the appropriate level by suitably competent and qualified Officers.
- 18.7 Officers are not empowered to make decisions in respect of matters that are specifically reserved to Members or which amount to the adoption or implementation of new policy.
- 18.8 Before taking decisions, Officers must be satisfied that they can demonstrate, through appropriate records, that they are duly authorised to act and that they have undertaken all appropriate consultation.
- 18.9 The relationship between Officers and Members is governed by a Protocol for Member/Officer relations, and Members and Officers are also bound by the applicable codes of conduct.

19. Officer Structure

- 19.1 The Chief Executive Officer is the Council's Head of Paid Service and is responsible for the operational management of the Council and works with a Corporate Leadership Team to deliver the Council's services within the budget and policy framework set by Members.
- 19.2 A copy of the current senior management and Council service areas can be found at Appendix G.

20. Statutory Officers

- 20.1 The Council is required to confirm the appointment of certain Officers to undertake Statutory Officer roles, which requires them to discharge specific legal duties to ensure the Council acts within the law and uses its resources wisely. These roles are the Head of Paid Service, The Chief Finance Officer (also known as the section 151 officer) and the Monitoring Officer.

21. Head of Paid Service

- 21.1 The Chief Executive Officer is the Council's Head of Paid Service. The Head of Paid Service reports to Council on how the discharge of Council functions is coordinated, the number and grade of Officers required for the discharge of functions and the organisation of Officers, including Strategic Director and Head of Service positions.
- 21.2 The Head of Paid Service may not be the Monitoring Officer but may hold the post of Section 151 if a qualified accountant.
- 21.3 Where the Chief Executive is going to be absent for a significant period then responsibility for the Chief Executive functions may be allocated to the appropriate Strategic Director.

22. The Chief Finance Officer (Section 151 Officer)

- 22.1 The Chief Finance Officer is the Council's Section 151 Officer and is responsible for the proper administration of the Council's affairs. Their responsibilities include:
- Ensuring lawfulness and financial prudence of decision making.
 - Administration of financial affairs.
 - Contributing to the Corporate Leadership Team.
 - Providing advice.
 - Giving financial information.
- 22.2 The Chief Finance Officer shall, where necessary, and in consultation with the Head of Paid Service and Monitoring Officer, report any compliance issues to the Council, the Cabinet, or the external auditor.

23. The Monitoring Officer

- 23.1 The Monitoring Officer is responsible for ensuring lawfulness and fairness in decision making and matters relating to the conduct of the elected Members. The Monitoring Officer may not hold any other Statutory Officer post.
- 23.2 Their responsibilities include:
- Providing advice to ensure decisions are taken on proper authority, by due process, and in accordance with the Budget and Policy Framework.
 - May report to Council or Cabinet any proposal, decision or omission considered to be unlawful or to amount to maladministration. Such a report will have the effect of stopping the proposal or decision being made until the end of the day after the report has been considered. This can only be done in consultation with the Head of Paid Service and Chief Finance Officer.

- Carrying out the obligations laid down in the Localism Act 2011 in relation to Member conduct and standards and will deal with breaches of the Members Code of Conduct.
- Determining questions as to the interpretation of the Constitution and will be responsible for ensuring the Constitution is kept up to date and is authorised to make minor or consequential amendments to the Constitution.
- Giving advice on the scope of the Council’s powers and authority to take decisions alongside advice on maladministration, financial impropriety, probity and the Budget and Policy Framework.

23.3 All matters in respect to the conduct of legal (or quasi legal) proceedings (including the authentication or execution of documents) are reserved to the Monitoring Officer (also the Head of Legal and Democratic Services), and their duly authorised Officers, who shall be authorised to institute, defend, settle, discontinue or otherwise participate in any such proceedings or take any other action considered necessary to give effect to decisions or protect the interests of the Council.

24. Proper Officers

24.1 There are various laws which require certain functions to be undertaken by the “Proper Officer” of the Council. A list of Proper Officer designations can be found at Appendix H. If a Proper Officer is not listed, then the Proper Officer shall be the Strategic Director with responsibility for the subject matter in question or in the alternative the Head of Paid Service.

24.2 There are also specific delegations that relate to the Head of Planning and Coastal Management, which are also specified in the above list of designations.

25. Conflicts of Interest

25.1 Every Officer is responsible for identifying whether they have a conflict of interest, actual or perceived, in any matter which is under consideration within the Council and notifying the Council (including under section 117 of the Local Government Act 1972) as necessary.

WORKING GROUPS

26. Constitution Review Working Group

26.1 Introduction

26.1.1 The purpose of the Constitution Review Working Group is to monitor and review the Council’s Constitution to ensure that it is complete, accurate, up to date, clear, lawful, fit for purpose and democratically sound.

26.2 Main Functions

- The CRWG can make recommendations but cannot take decisions.
- The CRWG's recommendations as to substantive changes to the Constitution are reported to Full Council. Any changes need to be approved by the Council prior to implementation.

PROCEDURE RULES

2.7 Council Procedure Rules

27.1 Meetings of the Council

- Council will meet at least seven times a year.
- It will meet alternately at East Suffolk House, Melton and Riverside, Lowestoft, or at such other place as the Chair of the Council may agree.
- The Chief Executive will give public notice of the time and place of Council meetings at least five clear working days before the date of the meeting.
- An agenda and accompanying reports as are available, will be sent to every Member.
- The quorum of all Council meetings will be one third of the 55 elected Members rounded up, equating to 19 Councillors.
- If the Chair declares the meeting is not quorate, then the meeting will be adjourned immediately.
- Council meetings last for a maximum of three hours unless a motion to extend the meeting is passed.

27.2 Cancelling a Council Meeting

27.2.1 The Chief Executive may cancel any meeting of the Council following consultation with the Chair and Vice Chair if they are of the opinion that:

- The number of members able to attend due to inclement weather, sickness or an emergency resulting in the meeting likely to be inquorate; or
- There is insufficient business to be transacted to warrant the holding of the meeting.

27.2.2 If a meeting is cancelled the Chair in consultation with the relevant Proper Officer, can fix an alternative date and time for an additional Council meeting if one is required.

27.3 Chair of Meeting

- The Chair presides over the meeting.
- If the Chair is not available, the Vice Chair will preside.
- If both are unavailable, then a temporary Chair will need to be elected.

27.4 Minutes of the Meeting

- Minutes of the meeting should be signed by the Chair at the next suitable meeting.
- The Chair will move that the minutes be signed as a correct record.
- The only part of the minutes that can be discussed are their accuracy.
- Minutes must contain all motions and amendments in the exact form and order they were discussed.

27.5 Exclusion of the Public

27.5.1 Members of the Public and press may be excluded from Council meetings in accordance with the Access to Information Procedure Rules. If the public is excluded under this rule, then any Member for the relevant discussion or Member that has access to the relevant documentation shall not disclose either publicly or to a third party any information of a confidential nature other than the actual decision relating to that confidential matter.

27.6 Disturbance by the Public

27.6.1 If a member of the public interrupts proceedings, the Chair will warn the person concerned. If they continue to interrupt, the Chair will order their removal from the meeting and may adjourn the meeting for as long as they think it is necessary and may reconvene the meeting in another room.

27.6.2 If there is a general disturbance in any part of the meeting room open to the public, the Chair may call for that part to be cleared.

27.7 Members Interests

- Members must register and declare interests at meetings pursuant to the Members' Code of Conduct.
- Where a Member has a Disclosable Pecuniary Interest, Other Registerable Interest or Non-Registerable Interest in a matter to be discussed they shall orally declare that interest at the meeting where the interest is engaged.
- Any such declaration shall be recorded in the minutes of the meeting.

27.7.1 Where a matter to be discussed relates to a Member's Disclosable Pecuniary Interest, they shall not take part in any discussion of the matter and shall withdraw from the room in which the meeting is being held while the matter is being discussed unless:

- A dispensation has been granted to the Member; or
- The matter before the meeting is only as part of the minutes or report and is not in itself the subject of debate.

27.8 Members Conduct

- Members may stand when addressing the Council.
- Only one Member should be standing at any time.
- If the Chair stands, all other Members must sit and remain silent.
- No Member shall use offensive language or expressions.
- The Chair can bring attention to continued irrelevance, repetition, unbecoming language and any breach of order.
- If a Member persistently disagrees with the ruling of the Chair any Member may move a motion for that Member to not be heard further.
- If any issues continue a Member may move a motion for that Member to leave the meeting or adjourn the meeting.
- The Council is committed to the ethos of Debate, not Hate.

28. Council Meetings

28.1 Annual General Council Meetings - Order of Business

28.1.1 Where there is an 'ordinary' election of Councillors, the Annual General Council Meeting will take place within 21 days of the retirement of the outgoing Councillors. In any other year, the Annual Meeting will take place on such Wednesday in May as the Council determines.

- The outgoing Chair will oversee the start of the meeting and lead the election of the new Chair of the Council, who will then preside over the meeting.
- Election of the Vice Chair of the Council. There will then be an opportunity to receive any communications and announcements firstly from the outgoing Chair of the Council, then the new Chair and or Chief Executive.
- Approve the minutes from the last ordinary meeting of the Council.
- Elect the Leader of the Council for a period of four years from the first Annual Meeting after an election to the next post-election Annual Meeting, unless on an earlier date the Leader resigns, is disqualified as a Councillor, or is removed from office by a resolution on notice of the Council.
- Make appointments to all Committees and Sub Committees, including the Chair and Vice Chair as appropriate. This may include reviewing the various Committees and associated terms of reference.
- Make annual appointments to working parties and outside bodies. This may include reviewing the various working groups and outside bodies.
- Approve the date of the next Annual General Meeting and annual schedule of meetings.
- Consider any business required by the Council to determine in addition to the order of business outlined above.

28.2 Ordinary Council Meetings – Order of Business

- Approve the Minutes of the last meeting.

- Deal with any business expressly required by statute.
- Receive declarations of interest from Councillors.
- Receive any announcements from the Chair, Leader of the Council, Members of the Cabinet and or Chief Executive.
- Answer written questions asked.
- Deal with any business from the last Council meeting.
- Receive and consider any reports and recommendations including answering any questions and dealing with any subsequent motions in relation to a report and or recommendation.
- Consider motions of which notice has been given.
- Deal with any other business specified in the agenda for the meeting.

28.3 Extraordinary Council Meetings

28.3.1 Those listed below may request a Chief Executive to call a Council meeting in addition to an ordinary Council meeting:

- The Council, by resolution.
- The Chair of the Council.
- The Monitoring Officer.
- The Section 151 Officer.
- Any five Members of the Council if they have signed a requisition presented to the Chair of the Council and the Chair has refused to ask for a meeting or within seven days of the presentation of the requisition.

28.3.2 No notices on motions or questions from Councillors or members of the public will be taken at an Extraordinary Meeting.

29. Questions for Council

29.1 Questions from the Public

29.1.1 A local government elector may ask the Chair of the Council, Leader of the Council, Members of the Council or Chair of any Committee or Sub Committee a question at Ordinary meetings of the Council.

29.1.2 A local government elector is defined as a person who is:

- An elector on the Electoral Register in East Suffolk.
- A Council taxpayer in East Suffolk.
- A Parish or Town Councillor in East Suffolk.
- A payer of non-domestic rates in East Suffolk.
- A person living in the district.
- The child of any person satisfying the above criteria, where the child is 12 years of age or older (with the permission of, and accompanied to Council by, their parent/guardian for persons aged under 18 years of age).

29.2 Submitting a Question

- A question may only be asked if it has been received in writing or by electronic mail no later than five working days before the publication of the agenda (i.e., midday ten working days before the date of the meeting).
- Each question must give the name and the address of the questioner and must name the Member of the Council to whom it should be put.
- Questions must be addressed to the Council's Monitoring Officer.

29.2.1 The Monitoring Officer and Chair will determine if a question appears on the Council's agenda. A question may be rejected if it:

- Is not about a matter for which the local authority has a responsibility, or which affects the district.
- Is not a topic of general interest and relates to a personal issue or an individual case.
- Is defamatory, frivolous, or offensive.
- Is substantially the same as a question which has been put at a meeting of the Council in the last six months; or
- Requires the disclosure of confidential or exempt information.

29.2.2 The Monitoring Officer may also in consultation with the Chair edit the question as necessary to delete any irrelevant or repetitive matter.

- All questions on notice will be considered by the Chair and Monitoring Officer together.
- Should the Chair and Monitoring Officer agree, the joint decision will be taken.
- Should the Chair disagree with the Monitoring Officer's positive opinion, the Monitoring Officer's opinion will stand unless the Chair is willing to put his/her reasons in writing for the proponent (copied to all Group Leaders), and to invite an edited re-submission.
- Should the Monitoring Officer disagree with the Chair's positive opinion, the Chair's opinion will stand in principle, but the proponent will be required to edit the question with the help of the Monitoring Officer to the satisfaction of the Monitoring Officer and Chair.

29.2.3 The Monitoring Officer will keep a record of questions open for public inspection and send a copy of the question to the Member to whom it is to be put.

29.3 Answering a Question in Council

- Approved questions will appear on the agenda for the Ordinary Council Meeting.
- Questions will be read out at the meeting by the member of public submitting the question or by the Chair at the Chair's discretion.
- There is no provision for any member of the public to ask any supplementary questions.
- A maximum of three minutes shall be allowed for any question that is read out.

29.3.1 The question will be answered by the Member who the question was directed to. This Member may:

- Give a direct oral answer.
- Undertake to provide a written reply within seven days.
- Where a reply cannot be conveniently be given orally, circulate a written answer to the questioner and all Members of the Council.
- Decline to answer, giving reasons why they are unable to answer.

29.3.2 A public question session will be held for a maximum of thirty minutes and any questions that cannot be dealt with within this time limit will be dealt with by way of a written answer. The Chair may decide to extend this time.

29.3.3 Unless the Chair decides otherwise, no discussion will take place on any question, but any Member may move a motion that a matter raised by a question be referred to Cabinet, Committee, or Sub Committee. Once seconded, such a motion will be voted on with no discussion.

29.4 Questions on Notice by Members

29.4.1 A Member may ask the Chair of the Council, Leader of the Council, Member of the Cabinet or Chair of any Committee or Sub Committee a question on any matter in relation to which the Council has powers or duties or which affects East Suffolk Council.

29.4.2 Any such question must be given on notice by delivering the question in writing or by electronic mail to the Monitoring Officer no later than five working days before the publication of the agenda (i.e., midday ten working days before the date of the meeting).

29.4.3 The Monitoring Officer and Chair will determine if a question appears on the Council's agenda and in doing so have regard to the following:

- The matter must not be unlawful, defamatory, or otherwise inappropriate to good governance as determined by the Monitoring Officer.
- The matter must not be about a subject matter on which the public already has common knowledge as determined by the Chair or the Council in consultation with the Monitoring Officer.
- The question must not be written as a motion or require the Council to vote on the issue as determined by the Monitoring Officer.

29.4.4 Questions relating to urgent matters may be submitted to the Monitoring Officer up to 9.30am on the morning of the Ordinary Council meeting if they Member has gained consent from the Chair. In giving any such consent the Chair will have regards to:

- If the issue is of critical importance to the Council and/or East Suffolk area for which an explanation or response is required and not just a public topic of interest and discussion which could be raised at the next meeting, via the Formal Committee process or with the relevant Strategic Director.
- Any decision to allow or not allow a question shall not be the subject of any comment or objection at a Council meeting.
- The member submitting the question will be informed directly as to the reasons why the question was rejected.
- Where any Member's question appears on the agenda, they are required to read the question aloud or in agreement with the Chair, the Chair may read the question on behalf of a Member.
- The Member must be present at the Council meeting for their question to be answered.
- The Monitoring Officer will keep a record of Member Questions for public inspection.

29.4.5 The question will be answered by the Member who the question was directed to. This Member may:

- Provide a direct oral answer.
- Where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- Where the reply cannot be conveniently be given orally, a written answer will be circulated to all Members of the Council.
- The Member asking the question may ask one related supplementary question without notice to the Member to whom the first question is asked.
- A Member cannot ask a supplementary question if they did not themselves ask the original question.
- The supplementary question must arise directly out of the original question or the reply.
- A Member question session will be held for a maximum of thirty minutes and any questions that cannot be dealt with within this time limit will be dealt with by way of a written answer.
- The Chair may decide to extend this time.

30. Petitions

30.1 The Council may receive a petition if it is received by the Chief Executive and or Monitoring Officer in writing or by electronic mail no later than five working days before the publication of the agenda (i.e., midday ten working days before the date of the meeting). The petition must have a least 1200 signatures and comply with the requirements of the Council's Petitions Scheme which can be found in Appendix **XXX**.

31. Motions for Council

31.1 Motion on Notice

31.1.1 A Motion on Notice must be given on notice by delivering the question in writing or by electronic mail to the Monitoring Officer no later than five working days before the publication of the agenda (i.e., midday ten working days before the date of the meeting).

- Any Motion on Notice should be succinct.
- Any Motion on Notice will be available for public inspection upon request.
- Motions must be about matters for which the Council has responsibility, or which affect the East Suffolk District.
- A similar motion must not have been submitted within the previous six months.

31.1.2 The Monitoring Officer and Chair will determine if a motion on notice appears on the Council's agenda. Should the Chair and Monitoring Officer agree, the joint decision will be taken.

31.1.3 Should the Chair disagree with the Monitoring Officer's positive opinion, the Monitoring Officer's opinion will stand unless the Chair is willing to put his/her reasons in writing for the proponent (copied to all Group Leaders), and to invite an edited re-submission to the satisfaction of the Monitoring Officer and Chair.

31.1.4 Should the Monitoring Officer disagree with the Chair's positive opinion, the Chair's opinion will stand in principle, but the proponent will be required to edit the question with the help of the Monitoring Officer to the satisfaction of the Monitoring Officer and Chair.

31.1.5 Any motion (other than a motion to refer a matter to an appropriate body or individual) which would affect the income or expenditure of any Committee to the extent that a summary estimate would be required in terms of the Council's Financial Procedure Rules, shall not be considered until that body or individual shall have had an opportunity to consider the matter in the manner determined by the Financial Procedural Rules.

- Where any Member's motion appears on the agenda, they are required to read the motion aloud or in agreement with the Chair, the Chair may read the motion on behalf of a Member.
- The Member must be present at the Council meeting for their motion is to be answered.
- The Chair may accept clarificatory questions on motions as a Point of Information.
- To facilitate free-flowing debate, Members may ask a question, or debate, during the debate of the motion.
- A member may only speak once.
- After a motion has been proposed and seconded, the Chair will invite each group leader to speak on the motion before recognising other Members.

- The mover of the motion can reply to questions raised during the debate in their right of reply at the end of the debate on the motion, immediately before it is put to the vote.
- There will be a 45 minute maximum time limit allocated per motion with a total of 90 minutes allocated for motions.
- If there are motion received from all political groups a motion would be considered first from the administration then the second largest group, then the third largest group and so forth until the time allocated for motions is reached.
- The Chair may decide to extend this time.

31.2 Rescinding or Amending a Council Decision

31.2.1 To rescind or amend a decision made by Council, a motion on notice must be signed by at least one third of Members of the Council. The same applies if a motion on notice is considering a subject that has previously been considered within the six-month timeframe, noting this does not apply to any policy decision made by Council, which cannot be re-visited, changed, or reaffirmed within six months of the decision being taken, unless required by legislation or other substantial circumstances.

31.3 Motions without Notice

31.3.1 The following motions may be moved without notice:

- To appoint a Chair of the meeting if the nominated Chair or Vice Chair is not present.
- Motions relating to the approval or accuracy of minutes, closure, adjournment of a debate or meeting.
- To refer something to an appropriate body or individual.
- To appoint a Committee or Member to a Committee or other body arising from an item on the agenda for the meeting.
- To receive reports or adoption of recommendations of the Cabinet, Committees or Officers and any resolutions following from them.
- To change the order of business, that an item of business takes precedence, or to proceed to the next business.
- To withdraw or amend a motion.
- That the allocated time periods laid down in the Constitution are extended or that the overall length of a Council meeting be extended past the allocated three hours.
- To suspend a particular Council Procedure Rule.
- To exclude the public and press in accordance with the Access to Information Rules.
- To not hear further from a Member or to exclude them from the meeting if a Member persistently disregards the ruling of the Chair or if a Member continues to behave improperly.
- To give consent of the Council where its consent is required by this Constitution.
- That voting on a question should be by ballot.
- Motions which may be moved while a motion is under discussion.
- Motions to carry out a statutory duty of the Council, which in the opinion of the Chair, is of an urgent nature.

32.4 Rules of Debate

- No speeches may be made after the mover has moved a motion and explained the purpose of it and until the motion has been seconded.
- When seconding a motion or amendment, a Member may reserve their speech until later in the debate.
- No speech may exceed five minutes without the consent of the Council.

32.4.1 A Member who has spoken on a motion may not speak again whilst it is the subject of debate, except:

- To speak once on an amendment moved by another Member.
- To move a further amendment if the motion has been amended since they last spoke.
- If their first speech was on an amendment moved by another Member, to speak on the main issue (whether or not the amendment on which they spoke was carried).
- In exercise of a right of reply.
- On a Point of Order.
- On a Point of Information.
- By way of a personal explanation.
- If they have reserved their speech to later in the debate.
- To move to close a motion.

32.4.2 The mover of a motion has a right to reply at the end of the debate on the motion, immediately before it is put to the vote.

32.5 Amendments to Motions

- An amendment to a motion must be relevant to the motion and will either refer the matter to an appropriate body or individual, leave out words and or insert or add others if the effect is not to negate the motion.
- If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment but may not otherwise speak on it.
- The mover of the amendment has a right of reply to the debate on their amendment, immediately before the amendment is put to vote.
- Only one amendment may be moved and discussed at any one time.
- No further amendment may be moved until the amendment under discussion has been disposed of.
- If an amendment is not carried, other amendments to the original motion may be moved.
- If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.

- After an amendment has been carried, the Chair will read out the amended motion before accepting any further amendments, or if there are none, will put the substantive motion to vote.

32.5.1 The Chair may, if they think fit, sum up the debate before putting a motion or amendment to the vote and if such debate involves questions of a legal, technical, or administrative nature, they may request the appropriate Officer to draw the attention of the Council to any relevant factors.

32.6 Closing a Motion

- A Member may move to close a motion by requesting to move to the next business, to adjourn the debate or adjourn the meeting.
- It will be for the Chair to decide if a motion has been sufficiently discussed and put the procedural motion to the vote, and in doing so the mover of the motion will have a right to reply before the motion is voted on.
- If the Chair agrees that a debate requires adjournment, he will put the procedural motion to vote, noting the mover of the motion will not be able to speak.

32.7 Withdrawing a Motion

- A Member may withdraw a motion that they have moved with the consent of both the Council and seconder.
- The Council's consent will be signified without discussion.
- No Member may speak on the motion after the mover has asked for permission to withdraw it unless the permission is refused.

32.8 Point of Order

- A Member may raise a Point of Order at any time.
- The Chair will hear the Point of Order immediately.
- A Point of Order may only relate to an alleged breach of these Council Rules of Procedure or the law.
- The Member must indicate the Rule of law and the way in which he/she considers it has been broken.
- The ruling of the Chair on the matter will be final.

32.9 Point of Information

- A Member may raise a Point of Information at any time.
- A Point of Information may be a clarificatory question on a motion or relate to some material part of an earlier speech by the Member which may appear to have been misunderstood in the present debate.
- The Point of Information may be given whilst another Member is speaking but only if that Member is willing to give way.
- The ruling of the Chair on the admissibility of a Point of Information will be final.

32.10 Voting

- Unless provided for otherwise in this Constitution, any matter will be decided on by a simple majority.
- If there are equal numbers of votes for and against, the Chair will have the casting vote.
- Voting can take place by a show of hands or via an electronic voting system.

32.10.1A recorded vote will be used if seven Members request it at a Council meeting. The names of each Member present will be read out for a recorded vote and asked if they are for or against the motion or if they abstain.

- The details of the recorded vote will be recorded in the minutes of the meeting.
- A recorded vote will always be required for a budget decision making meeting.
- Any Member can request that their individual vote is recorded in the minutes.

32.11 Voting on Appointments

32.11.1 When voting on appointments, if there are more than two people nominated for any position and there is not a clear majority of votes in favour of one person, then the name of the person with the least votes will be taken off the list and a new vote taken. This process will continue until a decision is made.

32.12 Voting at a Quasi-Judicial Body

32.12.1 To be able to vote at a meeting of a quasi-judicial body (Appointments Committee, Planning Committee and Licensing Committee) a Member shall not be able to vote on an item unless they have been present from the start of that debate and for the totality of that debate.

32.13 Ballots

- Ballots will be used if seven Members request it at a Council meeting.
- Two Officers of the Council will act as tellers.
- The Chair will announce the numerical result of the ballot as soon as it is known.

32.14 Suspension of the Council Procedure Rules

32.14.1 Any suspension of the Council Procedure Rules, except for recorded voting at a budget decision meeting and in accepting minutes from a previous Council meeting, can be agreed by way of a motion. However, the extent and duration of any suspension must be proportionate and cannot have the effect of the Council acting unlawfully.

32.15 Interpretation of Council Procedure Rules

32.15.1 The ruling of the Chair as to the interpretation of these Procedure Rules, or as to any proceedings of the Council, shall be final and no debate shall be permitted upon such decisions.

33. Cabinet Procedure Rules

33.1 Cabinet Meetings

- The Cabinet will meet at least eight times per year, at a time agreed by the Leader.
- It will meet alternatively at East Suffolk House, Melton and Riverside, Lowestoft, or at such other place as the Leader agrees.
- The Leader of the Council will preside over the Cabinet meeting.
- If the Leader of the Council is unavailable to do so, the Deputy Leader will preside.
- If neither the Leader of the Council nor the Deputy Leader are present, then a person appointed to do so by those present shall preside.
- Cabinet Members must attend the meeting venue in person to participate and vote.
- All Members of the Council may attend public meetings of the Cabinet.
- Members of Council who are not members of Cabinet can ask one question or make one contribution to the debate on an agenda item with the permission of the person presiding, before the Cabinet members proceed to debate an agenda item.
- Members of the public may attend all public meetings of the Cabinet, subject to the exceptions in contained in the Access to Information Procedure Rules.
- The Head of Paid Service, the Section 151 Officer and the Monitoring Officer, and their nominees, are entitled to attend any meeting of the Cabinet where a decision is to be made.

33.2 Quorum

- Quorum is five Cabinet Members.
- Substitution of Members may not take place on the Cabinet.

33.3 Public or Private Meetings of the Cabinet

33.3.1 Meetings of the Cabinet at which decisions are made will be held in public unless the meeting is likely to consider exempt or contain confidential information as defined in the Access to Information Procedure Rules and consideration of the information is likely to result in the disclosure of that exempt or confidential information.

33.4 Decisions Taken by the Cabinet

- Executive decisions which have been delegated to the Cabinet will be taken at Cabinet, in accordance with the Access to Information Procedure Rules and the Local

Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

- Where executive decisions are delegated to a Committee of the Cabinet, the rules applying to executive decisions taken by Committee shall be the same as those applying to those taken by the Cabinet.
- Where Cabinet decisions are taken by Cabinet Members exercising delegated powers the rules applying shall be as set out in the Scheme of Delegation.

33.5 Voting

- Any matter will be decided on by a simple majority.
- If there are equal numbers of votes for and against, the Chair will have the casting vote.
- Voting can take place by a show of hands or via an electronic voting system.

33.6 Cabinet Business

33.6.1 At each meeting of the Cabinet the following business will be conducted:

- Consideration of the minutes of the last meeting;
- Declarations of interest, if any;
- Matters referred to the Cabinet (whether by the Overview and Scrutiny Committee or by the Council) for reconsideration by the Cabinet in accordance with the provisions contained in the Overview and Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules;
- Consideration of reports from the Overview and Scrutiny Committee; and
- Matters set out in the agenda for the meeting, and which shall indicate which are Key Decisions and which are not in accordance with the Access to Information Procedure Rules.
- No other business shall be considered at the meeting unless it is included on the agenda.

33.7 Consultation

33.7.1 All reports to the Cabinet from any Member of the Cabinet or an Officer on proposals relating to the Budget and Policy Framework must contain details of the nature and extent of consultation with stakeholders and the Overview and Scrutiny Committee, and the outcome of that consultation.

33.7.2 Reports about other matters will set out the details and outcome of consultation as appropriate. The level of consultation required will be appropriate to the nature of the matter under consideration.

33.8 Who can put items on the Cabinet agenda

- The Leader.
- Any Member of the Cabinet.

- The Chief Executive will make sure that an item is placed on the agenda of the next available meeting of the Cabinet where the Overview and Scrutiny Committee, the Audit and Governance Committee, or the Council has resolved that an item be considered by the Cabinet.
- Any Member of the Council may ask the Leader to put an item on the agenda of a Cabinet meeting for consideration, and if the Leader agrees the item will be considered at the next available meeting of the Cabinet.
- The Monitoring Officer and/or the Chief Financial Officer may include an item for consideration on the agenda of a Cabinet meeting and may require the Chief Executive to call such a meeting in pursuance of their statutory duties.
- In other circumstances, where any two of the Head of Paid Service, Chief Financial Officer and Monitoring Officer are of the opinion that a meeting of the Cabinet needs to be called to consider a matter that requires a decision, they may jointly include an item on the agenda of a Cabinet meeting.
- If there is no meeting of the Cabinet soon enough to deal with the issue in question, then the person(s) entitled to include an item on the agenda may also require that a meeting be convened at which the matter will be considered.

33.9 Task Groups

- Cabinet can create time limited task groups (also referred to as working groups) which can make recommendations back to Cabinet.
- Task Groups cannot take decisions or extend beyond the life of an administration.
- Task Groups will set their own Terms of Reference for approval by Cabinet.

34. Committee Procedure Rules

34.1 Appointments to Committees

- Membership of the Committees of East Suffolk Council is determined under the terms of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990.
- Seats on Committees are allocated by Group Leaders in proportion to the political groups' membership of the Council.

34.2 Appointment of Sub-Committees

- Every Committee may appoint Sub-Committees for such purposes as they think fit and may arrange for a Sub-Committee to discharge any of the functions of the Council which the Committee may discharge.

34.3 Appointment of Substitute Members of Committees

- A Member of a Committee or Sub-Committee who is unable to attend a meeting may arrange for a substitute Member to take their place at the meeting.

- Members must have undertaken any appropriate training relevant to the Committee on which they are substituting.
- Substitute Members will have all the powers and duties of any ordinary Member of the Committee or Sub-Committee.
- Substitute Members may attend meetings only where the ordinary Member will be absent for the whole of the meeting.

34.4 Meetings of Committees and Sub-Committees

- The Council may fix the date of ordinary meetings of Committees and Sub-Committees.
- Committees and Sub-Committees may fix the time or place of their ordinary meetings.
- Evening meetings of Committees and Sub-Committees shall last no longer than three hours or as near as possible thereto unless the chair and a majority of other Members of the Committee or Sub-Committee so agree to conclude the business.

34.5 Quorum

34.5.1 Unless authorised by statute or ordered by the Council, business shall not be transacted at a meeting unless:

- At a meeting of any Committee, there is a quorum of at least five Members present; and
- At a meeting of any Sub-Committee, there is a quorum of at least three Members present.

34.5.2 If during any meeting of a Committee a quorum is not achieved, the meeting shall stand adjourned, and the consideration of any business not then transacted shall be adjourned to the next ordinary meeting of the Committee or to such other time as may be fixed by the Chair of the Committee.

34.5.3 In the case of any Committee where there is a co-opted Member or Members who have voting rights, that co-optee counts towards the total number of Members for the purpose of establishing a quorum.

34.6 Cancellation of Meetings

- For any meeting of a Committee or Sub-Committee, the Chair of the Council or the Chair of the Committee or Sub-Committee may cancel the meeting, other than one requisitioned as an extraordinary meeting.

34.7 Extraordinary Meetings

- The person appointed to preside at meetings of a Committee or Sub-Committee, his/her deputy, or the Chair of the Council may call an extraordinary meeting of the Committee or Sub-Committee at any time.

- If a extraordinary meeting of a Committee or Sub-Committee is convened, notice must be given to the Chief Executive, specifying the business proposed to be transacted. The Chief Executive shall forthwith give notice to all Members of the Committee or Sub-Committee and all persons entitled to receive their papers.

34.8 Order of Business

- The agenda shall set out the business to be considered at a meeting of a Committee and no business other than that set out in the agenda paper or arising in consequence thereof shall be considered.
- The order of business shall be as set out in the agenda paper – provided that, at any time after the minutes have been approved and after an item of business has been disposed of, the chair, or in their absence the person chosen to preside, or the Committee may vary the order of any remaining business where this is considered necessary or desirable.

34.9 Chair of Committees/Sub-Committees

- The Chair and Vice-Chair of all Committees of Council shall be appointed by Full Council at the Annual Council Meeting.
- The Chair or Vice Chair of a Committee shall hold office until their successor is appointed unless they resign or cease to be a Member of the Committee

34.10 Rules of Debate

- The general provisions of the Council Procedure Rules as to rules of debate shall, with all necessary changes having been made, apply to all meetings of Committees and Sub-Committees except those parts of such procedure rule which relate to standing and to speaking more than once.

34.11 Who Can Ask a Question at Committee?

- A Member of a Committee may ask the Chair of that Committee a question on any matter in relation to which the Council has powers or duties or which affect the East Suffolk Council, and which falls within the terms of reference of that Committee.

34.12 Voting

- Except as provided in the Council Procedure Rules, all matters shall be determined by a show of hands or via an electronic voting system, except where, by motion moved, seconded and duly carried before the matter is voted upon, the Committee decide that voting shall be by ballot.
- Any matter will be decided on by a simple majority.
- If there are equal numbers of votes for and against, the Chair will have a casting vote.

34.13 Recorded Vote

- Before a vote is taken, if half of quorum (rounded up) request that the voting on the matter be recorded, there will be a recorded vote to show how each Member present and voting gave their vote.
- The record shall be entered in the minutes of the meeting together with a record of any Member present but not voting.

34.14 Task Groups

- Committees can create time limited task groups (also referred to as working groups) which can make recommendations back to the Committee.
- Task Groups cannot take decisions or extend beyond the life of an administration.
- Task Groups will set their own Terms of Reference for approval by the Committee.

35. Overview and Scrutiny Committee Procedure Rules

35.1 Arrangements for the Overview and Scrutiny Committee

- The Overview and Scrutiny Committee has priority of esteem with Cabinet.
- Its membership shall be politically balanced.
- The Overview and Scrutiny Committee can convene their meetings at the Council's offices or any other venue within the district.

35.2 Who May Sit on an Overview and Scrutiny Committee?

- All Councillors, except Members of the Cabinet, may be a Member of the Overview and Scrutiny Committee. However, no Member may be involved in scrutinising a decision which they have been directly involved in. Assistant Cabinet Members are precluded from examining matters related to their Cabinet Member's portfolio.

35.3 Who Chairs the Overview and Scrutiny Committee Meetings?

- The Chair of the Overview and Scrutiny Committee must be a member of the opposition.
- The Chair and the Vice-Chair of the Overview and Scrutiny Committee shall be elected by the Full Council at its Annual Meeting.

35.4 Work Programme

- The Overview and Scrutiny Committee will, subject to any requests from the Council or Cabinet or as a result of a 'call-in', be responsible for setting its own work programme.
- If the Council or the Cabinet require the Overview and Scrutiny Committee to undertake a piece of work then the Committee shall accommodate that request.

- The Overview and Scrutiny Committee will report at least annually to Council on its workings.

35.5 Who May Give Notice to the Chair of Overview and Scrutiny Committee for an Item to be Included on the Agenda?

- Any Member of the Overview and Scrutiny Committee.
- Any three Members of the Council who are not Members of the Overview and Scrutiny Committee.

35.6 Reports and Recommendations of the Overview and Scrutiny Committee

- Where the Overview and Scrutiny Committee makes a report or recommendation to the Council or the Cabinet, except in relation to a crime and disorder matter, they may publish the report or recommendations, and must by notice in writing require the Council or Cabinet:
 - a. To consider the report or recommendation.
 - b. To respond to the Committee indicating what (if any) action the Council or Cabinet proposes to take.
 - c. If the Committee has published the report or recommendation to publish the response.
 - d. If the Committee provided a copy of the report or recommendation to a Member to provide the Member with the response.
 - e. To do all of the above within two months of receiving the report or recommendations
- It is the duty of the Council or Cabinet to which a notice is given to comply with the requirements specified in the notice.

35.7 Reports and Recommendations – Other Public Bodies

- The Overview and Scrutiny Committee may review and scrutinise the performance of other public bodies in the area.
- The Overview and Scrutiny Committee may by notice in writing to the relevant public body (accompanied by the report/recommendations) request that the public body has regard to the report or recommendations in the exercising of their functions.

35.8 Recommendations to Cabinet

- Once it has formed recommendations the Overview and Scrutiny Committee will prepare a formal report and submit it to the Monitoring Officer for consideration by the Cabinet.
- If the proposals are consistent with the existing budgetary and/or Policy Framework, the Cabinet may make a decision on any recommendations. If any recommendation would require a departure from or a change to the existing Budget and Policy Framework then that recommendation must be referred by the Cabinet to the Council with or without a further recommendation from the Cabinet.

- The agenda for each Cabinet meeting shall include an item entitled “Reports from the Overview and Scrutiny Committee”.
- Any report of the Overview and Scrutiny Committee so referred to Cabinet shall be considered (and if possible, a decision made thereon) within 2 months of the Overview and Scrutiny Committee completing that report and making any relevant recommendations applicable to that report.
- The Chair of the Overview and Scrutiny Committee (or their nominated representative) will be entitled to attend any meeting of the Cabinet and speak (but not vote) on any report from the Committee that is being considered by the Cabinet.
- If following careful and proper consideration by the Cabinet of any report (or reports) from the Overview and Scrutiny Committee:
 - a. The Cabinet is unable to agree in whole or in part with any recommendations in the report (or majority report if there be also a minority report) and proposes a decision at variance in whole or in part with any recommendations; or
 - b. The Cabinet in agreeing with any recommendations in the report (or majority report) is thereby supporting proposals that would require in whole or in part a departure from or change to the Council’s existing Budgetary and/or Policy Framework. The recommendations in the report (or majority report) of the Overview and Scrutiny Committee and the recommendations of the Cabinet, shall stand referred to the next available meeting of the Council for further consideration.
- The Monitoring Officer shall ensure that the item is placed in the agenda for the next Council meeting. After due consideration of the Council the decision of the Council shall be final.

35.9 Call-In

- When a decision is made by the Cabinet, a Committee of the Cabinet, an individual Cabinet Member exercising delegated powers, under joint arrangements, or a Key Decision is made by an Officer, the decision shall be published, including where possible by electronic means, and shall be available at the main offices of the Council normally within 2 working days of being made.
- All Members of the Overview and Scrutiny Committee will be sent copies of the records of all such decisions within the same timescale, by the person responsible for publishing the decision.
- That notice will bear the date on which it is published and will specify that the decision will come into force, and may then be implemented, on the expiry of 5 working days after the date of publication of the decision, unless it is ‘called in’ by the Overview and Scrutiny Committee.
- Within five working days of the date of publication of a decision any two (2) Members of the Overview and Scrutiny Committee or any five (5) Members of the Council may ‘call-in’ the matter for review of the decision by the Overview and Scrutiny Committee.
- On receipt of a ‘call-in’ request, the Chair of the Overview and Scrutiny Committee will determine the most appropriate arrangements for consideration of the matter. The relevant Cabinet Member(s), all the signatories to the ‘call-in’, the relevant

Strategic Director(s), Head(s) of Service and report author of the 'call-in' will immediately be notified of the 'call-in' arrangements. All action to implement the decision which is the subject of the 'call-in' shall be suspended.

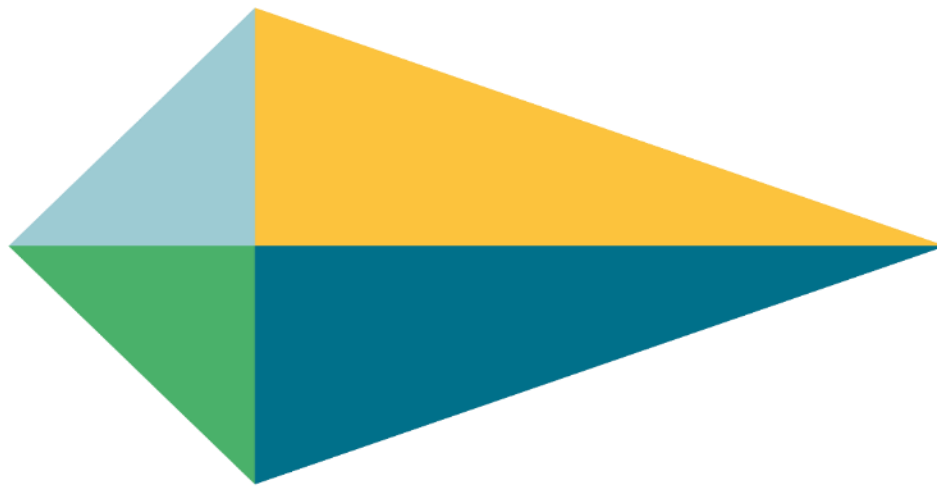
- Following the meeting of the Overview and Scrutiny Committee to consider the call-in, all Members of the Council, relevant Officers and stakeholders will be notified as soon as possible of the outcome of the meeting (including any recommendations from the Committee).
- Having considered the 'call in' the Overview and Scrutiny Committee may refer the decision back to the Cabinet for reconsideration, setting out in writing the nature of its concerns.
- If so referred the Cabinet shall then reconsider the decision within 10 working days, amending the decision or not, before proposing a final decision.
- The Chair or any other Member of the Overview and Scrutiny Committee shall be entitled to attend the Cabinet meeting and speak to the matter, but not vote.
- If the Cabinet's proposed final decision is consistent with the views of the Overview and Scrutiny Committee then that decision, once taken, is released for immediate implementation and cannot be subject to further 'call-in'.
- If the Cabinet is unable to agree in whole or in part with the conclusions of any recommendations of the Overview and Scrutiny Committee, the original Overview and Scrutiny report and the Cabinet report shall stand referred to the next available meeting of the Council for further consideration and decision.
- In reaching a decision the Council shall pay careful regard to the extent to which in whole or in part the proposed decision accords with the Council's existing budgetary and/or Policy Framework. The decision of the Council shall be final.

35.10 Call-in and Urgency

- The call-in procedure set out above shall not apply where the decision being taken by the Cabinet is urgent.
- A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public interest.
- The record of the decision, and notice by which it is made public, shall state whether, in the opinion of the decision-making person or body, the decision is an urgent one, and therefore not subject to call-in.
- The Chair of the Council and the Chair of Overview and Scrutiny Committee must both agree that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. In the absence of the Chair(s), the Vice-Chair(s) consent shall be required. In the absence of both, the Head of Paid Service or their nominee's consent shall be required.
- Decisions taken as a matter of urgency must be reported to the next available meeting of the Council, together with the reasons for urgency. (This procedure shall not prevent the principle of the decision being subject to review even though, because of urgency it may have been implemented.)
- The operation of the provisions relating to call-in and urgency shall be monitored annually, and a report submitted to Council with proposals for review if necessary.

35.11 The Party Whip in Relation to the Overview and Scrutiny Committee

- The Council will adopt the convention that there will be no application of any party whip on any Member of the Overview and Scrutiny Committee when sitting on this Committee.



EASTSUFFOLK
C O U N C I L

CONSTITUTION

Version dated: 27 October 2023

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PART 1 – SUMMARY AND EXPLANATION

1. The Council's Constitution

- 1.1 East Suffolk Council has a Constitution which sets out how the Council operates, how decisions are made, and the procedures which are followed to ensure that decisions are efficient, transparent, and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose.
- 1.2 The purpose of the Constitution is to ensure that the Council's decision-making and governance arrangements help the Council to achieve its aims, objectives and priorities effectively and efficiently. It also ensures that the Council meets its legal duties.
- 1.3 The Council has chosen a Leader and Cabinet model of governance. This is explained below.

2. Corporate objectives and values

- 2.1 The Council's current objectives and priorities are set out in its Strategic Plan. This is available on the Council's website www.eastsuffolk.gov.uk.

3. What's in the Constitution?

- 3.1 The Constitution is divided in five parts that govern how the Council operates.
- 3.2 This part provides a summary and explanation of how the Council operates. More detail on this is contained within the rest of the Constitution. If a Member of the public requires further details they should contact [Democratic Services](#) who will try to assist. [Part 2](#) sets out the Council's Functions and Responsibilities, including the Scheme of Delegation to committees, Officers and through the Cabinet. [Part 3](#) sets out the Rules and Procedures through which the Council operates. [Part 4](#) covers the Relevant Codes and Protocols. [Part 5](#) sets out the Scheme of Members' Allowances.

4. How the Council operates

- 4.1 The Council consists of 55 Councillors (known as "Members") who are elected for a four-year term. There may be a by-election at any time if a Council seat becomes vacant during a Councillor's term of office.
- 4.2 Councillors must be over 18 years old and must live or work in the District. They are democratically accountable to residents of their ward. There are between 1 and 3 Councillors for each ward. The overriding duty of Councillors is to the whole community of East Suffolk, but they have a special duty to their constituents, including those who did not vote for them.
- 4.3 All Councillors meet as the Council and this is often called "full Council". Members of the public are welcome to attend Council meetings except where exempt or confidential matters are being discussed (see [Access to Information Procedure Rules](#) in Part 3). There are some decisions which can only be taken by the full Council. The Council is responsible for setting the [Budget and Policy Framework](#). The Budget and Policy Framework sets out the Council's key policies and agreed budget for each year. All decisions must be taken in accordance with these agreed documents. Only Council

can change the Budget and Policy Framework. Details of the functions and responsibilities of Council are in [Part 2](#).

- 4.4 The Council is responsible for electing (and can remove) the Leader, who in turn will appoint a Deputy Leader and a Cabinet. The Council (mainly through the Scrutiny Committee process and call-in of decisions) is ultimately responsible for holding the Cabinet to account.
- 4.5 Councillors have to follow a [Code of Conduct](#) to ensure high standards in the way they undertake their duties. The Audit and Governance Committee promotes and maintains high standards of behaviour and has responsibility for considering complaints against Councillors.

5. The Chairman of the Council

- 5.1 The Chairman is elected by the Council at their Annual meeting each year. The Council also elects a Vice Chairman.
- 5.2 The Chairman undertakes civic and ceremonial roles on behalf of the Council and represents the Council at such events. They promote public involvement in the Council's activities and act as the conscience of the Council.
- 5.3 The Chairman presides over meetings of the full Council to ensure that business is carried out effectively and has responsibility for upholding and interpreting the Constitution.
- 5.4 If the Chairman is not available, the Vice Chairman undertakes the role.
- 5.5 Neither the Chairman nor the Vice Chairman can be the Leader or a Member of the Cabinet

6. Calendar of business and schedule of meetings

- 6.1 At its Annual Meeting (usually in May) the Council will approve its planned Calendar of Business and Schedule of Meetings, but nothing prevents amendments being made to the Calendar of Business and Schedule of Meetings.
- 6.2 There are three types of Council meeting:
 - a) the Annual Meeting
 - b) ordinary meetings
 - c) extraordinary meetingsand they are conducted in accordance with the [Council Procedure Rules](#) in Part 3 of this Constitution.

7. Interpretation

- 7.1 The ruling of the Chairman as to the interpretation or application of this Constitution or as to any proceedings of the Council cannot be challenged at any meeting of the Council. Such interpretation has to have regard to the purposes of this Constitution and must be reasonable.

8. Principles of decision making

- 8.1 All decisions taken by the Council, unless they are delegated to a single Member or to an Officer, are taken by a simple majority vote of the Members who are present. If there is a tie, the Chairman of the council, or of the meeting, has a casting vote. The

- [Functions and Responsibilities](#) and Scheme of Delegation in Part 2 gives details of responsibility for decision making.
- 8.2 The Council has decided to adopt a Leader and Cabinet form of governance for its executive system. The Leader is a Member who has been elected by a resolution of the Council and the Leader can be removed by a resolution of the Council.
- 8.3 The executive is a group of Councillors who are known as the Cabinet and who are responsible collectively for the executive functions of the Council. The law defines what functions of the Council are the responsibility of its executive or Cabinet and what functions of the Council are non-executive and so are functions of the Council (which can be delegated to Council Committees or Officers). Individual Members of the Cabinet have responsibility for specific executive functions delegated to them by the Leader. Details are set out in [Part 2 Section D - Cabinet](#). Most of the decisions taken by the Authority are executive decisions. The Leader also delegates many executive decisions to Officers to take.
- 8.4 The Cabinet is responsible for developing the policies and strategies of the Council and takes most of the decisions on service provision. The Cabinet is made up of the Leader (chosen by a vote of the Council), a Deputy Leader and up to eight other Cabinet Members who are all chosen and appointed by the Leader. The Leader may also appoint Cabinet Support Members to assist Cabinet Members in their roles, but these do not have a vote in Cabinet. The Cabinet does not have to be politically balanced.
- 8.5 When major decisions are to be discussed or made, these are published in the Cabinet's Forward Plan of Key Decisions which is available on the [Council's website](#), insofar as they can be anticipated. Key decisions are those which have a significant impact on the Council or where there will be spending or savings of over £250,000 within agreed budgets. If these major decisions are to be discussed at a meeting of the Cabinet, this will generally be open for the public to attend except where exempt or confidential matters are being discussed. The Cabinet can only make decisions which are in line with the Council's overall policies and budget. If it wishes to make a decision which is outside the [Budget and Policy Framework](#), this must be referred to the full Council to decide.
- 8.6 The Constitution also enables the Council to:
- a) Provide clear leadership to the community in partnership with local people, communities, businesses and other organisations;
 - b) Support the active involvement of local people and local communities in the process of local authority decision making;
 - c) Help Councillors represent their constituents more effectively;
 - d) Create a powerful and effective means of holding decision makers to public account;
 - e) Ensure that no one will review or scrutinise a decision in which they were directly involved;
 - f) Be clear about who is responsible for making specific decisions and that they explain the reasons for decisions; and
 - g) Provide a means of improving the delivery of services to the community.
- 8.7 When taking decisions the Council will observe these principles.

9. Scrutiny

- 9.1 The Scrutiny Committee supports and challenges the work of the Cabinet and the Council as a whole. Cabinet Members cannot sit on the Scrutiny Committee. They also

hold inquiries into matters of local concern in which citizens often take part. These sometimes lead to reports and recommendations which advise the Cabinet, the Council as a whole, and, in some cases, outside agencies, on policies, budgets, and service delivery.

- 9.2 The Scrutiny Committee monitors the decisions of the Cabinet. Non-Cabinet Members can 'call-in' a decision which has been made by the Cabinet, but not yet implemented. The Scrutiny Committee then considers whether the decision is appropriate before the decision is implemented. It may recommend that the Cabinet reconsider the decision or ask Council to consider it before it is referred back to Cabinet.
- 9.3 The Scrutiny Committee may also be consulted by the Cabinet or the Council on forthcoming decisions and the development of policy.

10. Regulatory and other Council committees

- 10.1 Where something is the responsibility of the Council and not the Cabinet, and the Council does not have, or want, to decide it at full Council, it is delegated to a Council committee. Some decisions are also delegated to Officers. Details of these delegations are set out in [Part 2](#).
- 10.2 The Council has established two Planning Committees and a Strategic Planning Committee to deal with planning matters; and a Licensing Committee to deal with a range of functions relating to licensing.
- 10.3 The Audit and Governance Committee looks after finance and audit. It promotes and maintains high standards of behaviour by Councillors and deals with any allegations of a breach of the [Code of Conduct](#). It also has responsibility to advise the Council on substantive changes to the Constitution.
- 10.4 The Southwold Harbour Management Committee is an Executive Advisory Committee.
- 10.5 In addition, Members take part when required in the Appointments Committee.
- 10.6 Council committees are politically balanced.
- 10.7 There is also an Independent Remuneration Panel to advise on Members' allowances.
- 10.8 The Council has appointed two Independent Persons with whom the Monitoring Officer consults, when consider complaints that Councillors may have breached the Code of Conduct.
- 10.9 All these Committees are explained in more detail in [Part 2 Section C - Committees](#).

11. Roles of all Councillors

- 11.1 All Councillors will:
 - a) collectively be the ultimate policymakers and carry out strategic and corporate management functions;
 - b) contribute to the good governance of the District and actively encourage community participation and citizen involvement in decision making;
 - c) effectively represent the interests of the communities of the District in their own ward;
 - d) respond to constituents' enquiries and representations, fairly and impartially;
 - e) participate in the governance and management of the Council;
 - f) maintain the highest standards of conduct and ethics and observe the Code of Conduct and the other Codes and Protocols adopted by the Council and set out in [Part 4](#) of this Constitution;
 - g) be available to represent the Council on other bodies; and

- h) attend meetings of bodies to which they are appointed or, if they are unable to attend, present their apologies.
- 11.2 Councillors will be entitled to receive allowances in accordance with the Members' Allowances Scheme set out in [Part 5](#) of this Constitution.

12. The Council's employees

- 12.1 The Council has people working for it (called 'Officers') to give advice, implement decisions and carry out the day-to-day delivery of its services. Some Officers such as the Head of Paid Service, the Monitoring Officer and the Chief Finance or Section 151 Officer, have specific duties to undertake. They are the 'Statutory Officers' and they ensure that the Council acts within the law and uses its resources wisely. The Council's [Management Structure](#) is set out in Part 2 Section E.
- 12.2 Officers must comply with a [Code of Conduct](#) which is set out in Part 4.
- 12.3 The recruitment, selection and dismissal of Officers will always comply with the [Officer Employment Procedure Rules](#) set out in Part 3 of this Constitution.
- 12.4 Officers are paid in accordance with the Council's Pay Policy.

13. Partnership working

- 13.1 The Council works with existing partners and creates new partnerships that will assist the Council in fulfilling its vision and objectives. In addition, the way in which the Council delivers some of its services and functions to citizens and businesses will continuously change to ensure value for money is delivered.
- 13.2 As part of this the Council may establish up to eight Community Partnerships which cover the district.

14. Joint arrangements

- 14.1 The Council or the Cabinet may exercise their functions in a number of ways, for example:
- a) enter into arrangements or agreements with any person or body to deliver a service;
 - b) establish joint arrangements including a joint committee with one or more local authorities to exercise functions;
 - c) co-operate with, or facilitate or co-ordinate the activities of, any person or body;
 - d) exercise on behalf of that person or body any functions of that person or body;
 - e) delegate functions to another local authority.

15. Contracts and contracting out

- 15.1 Every contract entered into by the Council must comply with the [Contract Procedure Rules](#) and [Financial Procedure Rules](#) set out in Part 3 of this Constitution.
- 15.2 The Council (for non-executive functions) and the Cabinet (for executive functions) may contract out functions within law, but the Council retains ultimate responsibility for the function.

16. Citizens' rights

- 16.1 The Council welcomes the participation of citizens in its work.

- 16.2 Citizens have a number of rights in their dealings with the Council. Some of these are legal rights, whilst others depend on the Council's own processes. The local Citizens' Advice can advise on individuals' legal rights.
- 16.3 Where Members of the public use specific Council services these are not covered in this Constitution, please see the [Council's website](#) for information on specific services.
- 16.4 Citizens have the right to:
- a) Vote at local elections if they are registered;
 - b) Contact their local Councillor about any matters of concern to them in their ward;
 - c) Contact the appropriate Cabinet Member about any matters of concern that relate to that Cabinet Member's Portfolio;
 - d) Have access to the Constitution;
 - e) Attend all meetings of the Council, Cabinet, Scrutiny Committee, and other Committees except where exempt or confidential matters are being discussed (see [Access to Information Procedure Rules](#) in Part 3);
 - f) Petition the Council on any matter;
 - g) Find out what major decisions are to be discussed by the Cabinet, individual Cabinet Members and Officers, and which decisions are likely to be taken by Cabinet in private (where they relate to confidential/exempt decisions) and when;
 - h) See reports and background papers, and any record of decisions made by the Council, Cabinet, Scrutiny, and other Committees, also individual Cabinet Members and executive decisions made by Officers (except exempt and confidential information);
 - i) Complain to the Council about something which, in their opinion, the Council should have done that it has not done, something it should have done differently, or something it has done that it should not have, through its complaints process;
 - j) Complain to the [Local Government and Social Care Ombudsman](#) if they think the Council has not followed its procedures properly. However, they should only do this after going through the Council's own complaints process;
 - k) Complain to the [Housing Ombudsman Service](#) if they think the Council has not followed procedures or acted properly with regards to housing services;
 - l) Compliment the Council where the service they have received has been exceptionally good or speedy and which could help spread good practice across the Council;
 - m) Complain to the Council's Monitoring Officer if they have evidence which they think shows that a Councillor has not followed the Council's [Code of Conduct](#);
 - n) Complain to the Council about any Officers' actions or attitude;
 - o) Inspect the Council's accounts during the limited period of the audit each year and make their views known to the external auditor. The period when accounts are open to inspection is publicised in advance.

17. Member and Officer expectations

- 17.1 Members and Officers have the right not to be subjected to violent, abusive, or threatening behaviour.

18. Changes to the Constitution

- 18.1 The Constitution has been formally adopted by the Council. The Council will monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect.
- 18.2 The Monitoring Officer has authority to make minor amendments and corrections to the Constitution. The Leader may change Cabinet Portfolios and delegations.
- ~~18.3 Any substantive changes to the Council's decision-making arrangements and committee structure will be considered by the Audit and Governance Committee who will recommend changes to the Council. Any changes will need to be approved by the Council prior to implementation.~~

19. Publication

- 19.1 The Monitoring Officer will make available a printed copy of this Constitution for Councillors if requested, but every Councillor has access to this Constitution online, which ensures it is always the most up to date version.
- 19.2 The Monitoring Officer will ensure this Constitution is available for inspection on the [Council's website](#) and at Council offices. Printed copies can be purchased by the local press and the public on payment of a reasonable fee.
- 19.3 The Monitoring Officer will ensure that the summary of the Constitution is made widely available within the Council's area and is updated as necessary.

PART 2 – FUNCTIONS AND RESPONSIBILITIES (including the scheme of delegation)

Section A – General Principles

~~1. Principles of Decision Making~~

- ~~1.1 There are a number of controls and principles which must be followed whenever powers are exercised or decisions are made by the Council. These controls and principles are set out below and apply to all Members and Officers regardless of whether they are acting alone or in a group or committee.~~
- ~~1.2 It is the responsibility of every Member and Officer to familiarise themselves with these controls and principles and to be satisfied that they are complying with them every time they make a decision.~~
- ~~1.3 The first consideration in all decision making is whether the decision is being made by the most appropriate person or body with an aim to make the process efficient, transparent and accountable.~~
- ~~1.4 Part 2 Sections B, C and D of this Constitution set out the matters that Council has decided must be determined either by itself, its committees, or by the Cabinet. Everything else stands delegated to Officers in accordance with [Part 2 Section E](#) of this Scheme of Delegation.~~
- ~~Any decision making will be governed by these parts of the Constitution and the following additional arrangements:~~
- ~~a) The [Council](#), [Committee](#) and [Cabinet](#) Procedure Rules in Part 3 of this Constitution;~~
 - ~~b) The [Contract Procedure Rules](#) and [Finance Procedure Rules](#) in Part 3;~~
 - ~~c) [Member](#) and [Officer](#) Codes of Conduct in Part 4;~~
 - ~~d) The Principles of Decision Making set out in this section;~~
 - ~~e) Internal Service schemes of financial delegation;~~
 - ~~f) Any Service specific operational guidance on the Scheme of Delegation to Officers, as published by the Council from time to time.~~
- ~~1.5 Any ambiguity that may arise as to whether a decision maker is authorised to take any particular decision is to be resolved by reference back up through the hierarchy of the chain of delegations, and legal advice should be taken if need be.~~
- ~~1.6 There should, however, be a presumption against referring (or calling) decisions back up the chain unless it is absolutely necessary to do so. Members and Officers are to take responsibility for making all decisions commensurate with their position and role at the Council.~~

~~2. Particular considerations for individual decision makers~~

- ~~2.1 Cabinet Members or Officers making decisions should pay particular regard to potential (or perceived) conflicts of interest and the rules on pre-determination, bias, interests, gifts and hospitality set out in the applicable Codes of Conduct in [Part 4](#).~~
- ~~2.2 Individual decision makers should consider whether it would, in all the circumstances, be prudent for a decision which would otherwise fall to be taken by them to instead be taken (or ratified) by:~~
- ~~a) in the case of a Cabinet Member, by the Cabinet collectively;~~

- b) in the case of an Officer, by their manager or another Officer with equivalent authority; or, in the case of a Cabinet decision, by a Portfolio Holder or the Cabinet collectively or, in the case of a Council decision, by an appropriate committee or sub-committee;
- c) in the case of a decision maker under a specific delegation, by the person or body who made that delegation.

2.3 Individual decision makers should also have particular regard as to whether a decision should be made in consultation with any Officer or Member and of the need to consult and take advice as appropriate.

3. Best interests of the Council

3.1 All Members and Officers must act in the best interests of the Council at all times. Decision makers should always act in accordance with best practice, take the option that will deliver the best value for money and will result in the most effective and efficient use of resources.

4. Compliance with law, guidance and codes of practice

4.1 All decisions must be made in accordance with statutory requirements and codes of practice including any professional standards that apply to decision makers who are affiliated to professional associations that operate codes of conduct for their Members.

5. The Council's Budget and Policy Framework

5.1 All decisions must be taken in accordance with the [Budget and Policy Framework](#) set by the Council. This includes Service Area budgets, business plans and any other policies, arrangements, procedures, rules, practices or protocols in force from time to time. It also includes various Procedure Rules which set out the processes to be followed where certain types of decisions are being taken, specifically the [Council](#), [Committee](#) and [Cabinet](#) Procedure Rules set out in Part 3 of this Constitution.

5.2 If any decision taker proposes to take a decision which is (or which the Monitoring Officer or Chief Financial Officer advise is) not in accordance with the Budget and Policy Framework, that decision must (unless any exceptions set out by Council apply) be referred to the Council. More information on the Budget and Policy Framework and taking urgent decisions which are not in accordance with the Framework is contained in Part 3 of this Constitution ([Access to Information Procedure Rules](#)).

5.3 The powers of the Scrutiny Committee in relation to decision making are set out in [Part 2 Section C – Scrutiny Committee](#) Terms of Reference.

5.4 The [Finance Procedure Rules](#) and [Contract Procedure Rules](#) in Part 3 of this Constitution also control who can take decisions with financial implications and how those decisions are to be taken.

6. Considering options and impacts

6.1 All decision makers must be clear about the desired aims and outcomes of the decision process. This means that before any decision is made, they will need to be clear on what needs to be achieved and gather and use all the information that is reasonably available to them to identify and evaluate all their options. They will need to assess the likely impacts of each option, with particular regard to human rights, equality, diversity,

and sustainability issues. Ultimately, decision makers need to be satisfied that actions taken are proportionate to the desired outcome.

~~6.2 Decisions must be made with regard to all relevant considerations and ignoring all irrelevant considerations.~~

~~7. Consultation~~

~~7.1 In order to be able to properly evaluate options and the potential impact of decisions, all decision makers should consider very carefully whether there is a need to consult those who may be affected by their decisions, local Members, committee Chairmen, or Cabinet Members. They also need to consider whether they need to take any professional or specialist advice or guidance from relevant Officers, particularly legal or financial advice. The body or individual taking the decision should have regard to the outcome(s) of such consultation.~~

~~8. Transparency – meeting in public~~

~~8.1 Most meetings where decisions are made will be held in public. Further information on meetings that are held in public and meetings that are not is contained in the [Council, Committee, Cabinet](#) and the [Access to Information Procedure Rules](#) in Part 3. Decision makers need to understand and comply with these requirements.~~

~~8.2 A very large number of decisions are not made in meetings but are taken by individual Cabinet Members or by an Officer. All decision makers need to ensure that the processes they follow are as transparent as possible, particularly when decisions are made by individuals or in meetings that are not open to the public. This means ensuring that it will be clear to outside observers, through the keeping of clear records, what the aims, outcomes, options and assessed impacts were, who was consulted (and when and how they were consulted), what information was taken into account and giving reasons for decisions made. Decisions shall be taken and recorded in accordance with the [Access to Information Procedure Rules](#) in Part 3.~~

~~9. Transparency – notice of decisions and meetings and record keeping~~

~~9.1 An important part of ensuring transparency in decision making is making sure that appropriate notice is given that decisions are going to be made, and that appropriate records are kept of decisions made and the reasons for them, in accordance with the [Access to Information Procedure Rules](#) in Part 3. Decision takers should assume that all decisions may be made available to the public.~~

~~9.2 The nature of any notice or decision record required will depend on the type of decision in question and is, in most cases, a matter of judgement for the decision maker. There are however particular requirements for certain types of decisions including urgent decisions (see [Access to Information Procedure Rules](#)), [Cabinet](#) decisions, and decisions outside of the [Budget and Policy Framework](#).~~

~~10. Transparency – decision reports~~

~~10.1 Formal report templates will be used to draft reports on which Key Decisions, and all decisions taken by Council, Committees, the Cabinet and individual Cabinet Members will be based. These templates contain prompts to ensure all the relevant matters discussed above are addressed.~~

- ~~10.2 Every such report will list those documents (called background papers) relating to the subject matter of the report which: (a) disclose any facts or matters on which the report or an important part of the report is based; and (b) which have been relied on to a material extent in preparing the report. Background papers will be made available (unless exempt) in accordance with the [Access to Information Procedure Rules](#).~~
- ~~10.3 In addition, all reports to the Cabinet on proposals relating to the Budget and Policy Framework must contain details of the nature and extent of consultation with stakeholders and the relevant Scrutiny Committees, and the outcome of that consultation.~~
- ~~10.4 Reports about other matters will set out the details and outcome of consultation as appropriate. The level of consultation required will be appropriate to the nature of the matter under consideration.~~
- ~~10.5 The Chief Executive, Strategic Directors and Heads of Service may initiate reports on any matter where they believe the Council, Cabinet, committee or sub-committee should make a decision or should be informed.~~
- ~~10.6 Where such a report affects another Service, the appropriate Strategic Director and Head of Service must be consulted. The appropriate Cabinet Member shall be consulted prior to the publication of a Cabinet report which concerns their Portfolio.~~
- ~~10.7 Reports shall communicate all relevant factual information and professional opinions, together with appropriate recommendations. The Cabinet Member may make suggestions as to the content and timing of the report.~~

11. Types of decision

- ~~11.1 Under the Constitution, decisions may be taken by:~~
- ~~• the full Council~~
 - ~~• the Cabinet collectively~~
 - ~~• individual Cabinet Members~~
 - ~~• Committees and sub-committees~~
 - ~~• Officers~~
- ~~11.2 Under the Constitution, decisions taken by:~~
- ~~• Advisory Committees, Panels and Working Groups~~
 - ~~• Appointments Panel~~
 - ~~• and some decisions of the Scrutiny Committee~~
- ~~will form recommendations or referrals (as appropriate) to the decision-making bodies listed above in paragraph 11.1, subject to the remainder of this paragraph 11.~~
- ~~11.3 The Appointments Committee shall appoint Heads of Services and members of the Strategic Management Team with reference to some of the decision-making bodies listed in paragraph 11.1 above, as appropriate, and in accordance with the Officer Employment Procedure Rules in Part 3 of this Constitution.~~
- ~~11.4 Whichever body or individual is responsible for taking a decision, the decision will be formally minuted and recorded and unless it contains confidential or exempt information, will be open to public inspection in accordance with the [Access to Information Procedure Rules](#) in Part 3.~~
- ~~11.5 Decisions relating to the functions listed in [Part 2 Section B](#) will be made by the Council and not delegated.~~

12. Key decisions

~~12.1 A Key Decision is an executive decision which is likely to:~~

- ~~a) result in the Council incurring expenditure, making savings or receiving income which is/are significant having regard to the Council's budget for the Service or function to which the decision relates; or~~
- ~~b) be significant in terms of its effects on communities living or working in an area comprising 2 or more wards in the area of the Council's District;~~

~~12.2 By the term "significant" the Council means a decision which in the case of either revenue expenditure or a capital scheme:~~

- ~~a) results in expenditure, savings, income, additional funding or virement of over £250,000 being incurred or achieved; or~~
- ~~b) results in an outcome which will have a marked effect on communities living or working in an area comprising two or more wards.~~

~~12.3 A decision maker may only make a Key Decision in accordance with the requirements of the [Access to Information Procedure Rules](#) set out in Part 3 of this Constitution.~~

13. Decision making by Council bodies and Individuals

~~13.1 Council meetings will follow the [Council Procedure Rules](#) set out in Part 3 of the Constitution when considering any matter.~~

~~13.2 The Cabinet and Cabinet Members will follow the [Cabinet Procedure Rules](#) set out in Part 3 of the Constitution when considering any matter.~~

~~13.3 Other Council committees and sub-committees will follow those parts of the Council Procedures Rules or committee specific procedure rules set out in the Constitution which apply to them.~~

14. Decision making by Council bodies acting as tribunals

~~14.1 Decision takers acting in a judicial capacity, for instance when determining appeals, must pay particular regard to the requirements of this Section to ensure that principles of "natural justice" are observed.~~

~~14.2 Natural justice requires that a fair, reasonable and transparent decision-making procedure is followed which affords all involved a fair opportunity to make representations. Procedures followed should eradicate any bias or conflict of interests (as far as possible) and full reasons for decisions should be given and recorded. Decision makers must ensure that they take all relevant information, considerations or circumstances into account and disregard any information, considerations or circumstances that are not relevant to the matter that is to be decided.~~

Section B – Council

1. Statutory functions

1.1 The ~~Local Government Act 2000~~ and associated guidance and regulations give the Council responsibility for approving the Budget and Policy Framework.

1.2 The ~~Local Authorities Functions and Responsibilities Regulations 2000~~ and the ~~amendment regulation 2008~~ set out statutory functions of a Council in Schedule One of the regulations. The following table shows where the responsibility lies for those functions (where these are shown in the table to be delegated to committees, refer to the relevant committee’s ‘Terms of Reference’ for further information):

	Function	Responsibility
A	Town and Country Planning and Development Control	Council delegated to Planning Committee
B	Licensing and Registration functions	Council delegated to Licensing Committee
C	Health and Safety at work	Council delegated to Licensing Committee
D	Functions relating to elections	Council
E	Functions relating to the name and status of areas and individuals	Council
EA	Functions relating to Community Governance	Council
F	Power to make, amend, revoke or re-enact bye-laws	Council
G	Power to promote or oppose local or personal Bills	Council
H	Functions relating to pensions etc.	Council
I	Miscellaneous functions as set out in Schedule One	Council delegated to Licensing Committee

2. East Suffolk Council specific functions

2.1 In addition to the Statutory Functions above, the following functions are reserved for Council:

- a) ~~Changing this Constitution;~~
- b) ~~Adopting and making any changes to the Council’s Codes of Conduct and arrangements;~~
- c) ~~Changing the Policy Framework;~~
- d) ~~Setting the Capital Programme, Revenue Budget, Budget and Council Tax;~~
- e) ~~Making decisions which would be contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget;~~
- f) ~~Electing the Chairman and Vice Chairman of the Council each year at the annual meeting of the Council;~~
- g) ~~Electing the Leader of the Council every four years at the Council’s Annual Meeting;~~
- h) ~~Resolving to remove the Leader;~~
- i) ~~Changing the terms of reference of the Council’s Committees and deciding on their composition and making appointments to them;~~
- j) ~~Appointing to any working groups established by the Council;~~

- ~~k) — Appointing representatives to outside bodies unless the appointment is a Cabinet function or has been delegated by the Council;~~
- ~~l) — Adopting a Members Allowances Scheme (having regard to the recommendations of an independent remuneration panel);~~
- ~~m) — Approving the appointment or dismissal of the Head of the Paid Service, the Monitoring Officer or the Section 151 Officer;~~
- ~~n) — Power to make standing orders including in relation to contracts;~~
- ~~o) — Power to agree and set the Budget for the Council's establishment;~~
- ~~p) — Power to appoint Independent Persons in terms of Code of Conduct issues;~~
- ~~q) — Power to appoint Officers for particular purposes (i.e. Proper Officers);~~
- ~~r) — Consideration and approval of Neighbourhood Plans;~~
- ~~s) — Authorising the making of payments or other benefits in cases of maladministration;~~
- ~~t) — Any other matter which, by law, must be reserved to the Council that has not been delegated elsewhere;~~
- ~~u) — Anything conducive or incidental to a Council function.~~

3. Budget and Policy Framework

- ~~3.1 — The process for the approval of the Budget and Policy Framework by the Council is as set out in Part 3 ([Budget and Policy Framework Procedure Rules](#)).~~
- ~~3.2 — All plans and strategies will be in accordance with the [Human Rights Act 1998](#), the [Data Protection Act 2018](#), the [Equality Act 2010](#) and other legislation in force from time to time.~~
- ~~3.3 — When relevant budget provision is in place, all policies not within the Policy Framework will be formulated by Cabinet. If there is an unresolved issue between Cabinet and the Scrutiny Committee regarding any proposed policy then the matter will be referred for resolution to Council.~~
- ~~3.4 — Where relevant budget provision is in place and any proposed action is in accordance with the relevant policy, the exercise of any function not reserved for Council shall be properly discharged by Cabinet.~~
- ~~3.5 — Documents included within the Budget and Policy Framework (showing the route for approval, unless agreed otherwise):~~

Community Safety Strategy	Cabinet	Council
Plans and strategies which together comprise the Development Plan	Strategic Planning Committee / Scrutiny / Cabinet	Council
Licensing Act statement of policy	Licensing Committee	Council
Gambling Act statement of policy	Licensing Committee	Council
Investment Strategy	Audit & Governance / Cabinet	Council
Code of Conduct arrangements	Audit & Governance Committee	Council
Constitution	Audit & Governance Committee	Council
Strategic Plan	Scrutiny / Cabinet	Council
Food Health and Safety Plan	Scrutiny / Cabinet	Council
Pay Policy	Scrutiny / Cabinet	Council

Section C – Committees

~~1. SCRUTINY COMMITTEE – Terms of Reference~~

~~Form and Composition~~

~~1.1 The Council will appoint 13 Councillors to a Scrutiny Committee to discharge the functions conferred on the Council by Section 21 of the [Local Government Act 2000](#), and any relevant regulations. No Member of the Scrutiny Committee may be a Member of the Cabinet. Proceedings of the Scrutiny Committee shall take place in accordance with the Scrutiny Procedure Rules.~~

~~1.2 The Scrutiny Committee exercises overall responsibility for the finances made available to it.~~

~~General Role of the Scrutiny Committee~~

~~1.3 Within its terms of reference, the Scrutiny Committee may:~~

- ~~a) Review or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions.~~
- ~~b) Make reports or recommendations to the Council or the Cabinet or any policy, joint or area committee in connection with the discharge of any functions.~~
- ~~c) Consider any matter affecting the Council area.~~
- ~~d) Consider petitions which have attracted over 600 and up to 1199 signatures and make recommendations to the Council or Cabinet.~~
- ~~e) Exercise the right to call in, for reconsideration, decisions made but not yet implemented by the Cabinet or Cabinet Members exercising delegated powers.~~
- ~~f) Create any Task & Finish or Research Groups as required in connection with any functions that are the responsibility of the Scrutiny Committee.~~
- ~~g) Consider matters referred under s21A of the [Local Government Act 2000](#) (Councillor Call for Action).~~
- ~~h) Be the Council's designated Crime & Disorder Committee for the purposes of the [Police & Justice Act 2006](#).~~

~~Specific Functions of the Scrutiny Committee~~

~~1.4 Overview~~

- ~~a) Assist the Council and the Cabinet in the development of its Budget and Policy Framework where appropriate by in-depth analysis of policy issues.~~
- ~~b) Conduct community research and other consultation in the analysis of policy issues and possible options.~~
- ~~c) Consider and implement mechanisms to encourage and enhance community participation in the development of policy options.~~
- ~~d) Question Members of the Cabinet or Committees or Chief Officers about their views on issues and proposals affecting the district.~~
- ~~e) Liaise with external organisations, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working.~~

~~1.5 Scrutiny~~

- ~~a) Review and scrutinise the decisions made by Cabinet and Cabinet Members exercising delegated powers, and the performance of Council Officers in relation to the impact of individual decisions on the performance of a Council service.~~

- ~~b) — Review and scrutinise the performance of the Council and the Cabinet in relation to its policy objectives, performance targets or particular service areas.~~
- ~~c) — Question Members of the Cabinet or Committees and Chief Officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects.~~
- ~~d) — Make recommendations to the Cabinet or appropriate Committee or Council arising from the outcome of the scrutiny process.~~
- ~~e) — Review and scrutinise the performance of other public bodies in the Council's area and invite reports from them by requesting them to address the Scrutiny Committee about their activities and performance.~~
- ~~f) — Question and gather evidence from any person (with their consent).~~

~~2. — AUDIT AND GOVERNANCE COMMITTEE – Terms of Reference~~

~~Introduction~~

- ~~2.1 — The Audit and Governance (A&G) Committee is independent of Cabinet. No Member of the A&G Committee (or their designated substitute) should be a Member of the Cabinet. Membership shall be in accordance with the political balance rules. The A&G Committee will consist of nine Councillors.~~
- ~~2.2 — The A&G Committee shall meet at least four times each municipal year, with the authority to convene additional meetings as circumstances require.~~

~~Purpose~~

- ~~2.3 — The A&G Committee is a key component of the Council's governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.~~
- ~~2.4 — The purpose of the A&G Committee is to provide independent assurance to the Members of the Council as to the adequacy of the risk management framework and the Council's internal controls. It provides independent review of the Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees Internal Audit and External Audit, helping to ensure efficient and effective assurance arrangements are in place.~~

~~Responsibilities~~

- ~~2.5 — The A&G Committee will have various responsibilities in the following areas:~~
 - ~~**a) — Financial Management**~~
 - ~~i. — Review the Annual Statement of Accounts and consider if they reflect appropriate accounting principles.~~
 - ~~ii. — Review significant accounting and reporting issues, including complex or unusual transactions and judgements made in connection with the preparation of the Annual Statement of Accounts.~~
 - ~~iii. — To consider the External Auditor's report, including any difficulties encountered.~~
 - ~~iv. — To review and monitor the Council's treasury management policies and practices.~~
 - ~~**b) — Internal control, governance and risk management**~~
 - ~~i. — To consider the effectiveness of the Council's internal control system, including information technology security and control.~~

- ~~ii. To understand the scope of Internal and External Auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.~~
- ~~iii. To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.~~
- ~~iv. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the Corporate Risk Register, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.~~
- ~~v. To monitor the effective development and operation of risk management within the Council.~~
- ~~vi. To monitor progress in addressing risk-related issues reported to the A&G Committee.~~
- ~~vii. To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.~~
- ~~viii. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow up of any instances of non-compliance.~~
- ~~ix. Review the findings of any reports provided by regulatory agencies, and any auditor.~~

~~c) Internal Audit~~

- ~~i. To review and approve the Internal Audit Charter to ensure that it is appropriate to the needs of the organisation.~~
- ~~ii. To review and approve the annual internal audit plan and any major changes to it.~~
- ~~iii. To ensure that Internal Audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its function and is equipped to perform in accordance with appropriate professional standards for internal auditors.~~
- ~~iv. To consider the effectiveness of Internal Audit.~~
- ~~v. To consider reports from the Head of Internal Audit on Internal Audit's performance during the year. These will include:
 - ~~— Updates on the work of Internal Audit including key findings, issues of concern and actions taken by management as a result of Internal Audit work.~~
 - ~~— Regular reports on the Quality Assurance Improvement Programme.~~
 - ~~— Reports on instances where the Internal Audit function does not conform to the [Public Sector Internal Audit Standards](#) and Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards (April 2013) ('Application Note'), considering whether non-conformance is significant enough that it must be included in the Annual Governance Statement.~~~~
- ~~vi. To consider the Head of Internal Audit's Annual Report:
 - ~~— The statement of the level of conformance with the Public Sector Internal Audit Standards and Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement.~~
 - ~~— The opinion of the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the~~~~

summary of work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement.

- ~~vii. To receive reports outlining the action taken where the Head of Internal Audit has concluded that Officers have accepted a level of risk that may be unacceptable or there are concerns about progress with the implementation of agreed actions.~~
- ~~viii. To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.~~
- ~~ix. To receive as a standing agenda item, the status of internal audit recommendations, with accompanying Officer's responses.~~
- ~~x. Review the assessment of fraud risks and potential harm to East Suffolk Council from fraud and corruption.~~
- ~~xi. Monitor the counter fraud strategy, activity and resources.~~
- ~~xii. Review the Council's Whistleblowing Policy.~~
- ~~xiii. Review the Council's Anti Money Laundering Policy.~~
- ~~xiv. To support the development of effective communication with the Head of Internal Audit.~~
- ~~xv. To ensure the Head of Internal Audit has free and confidential access to the Chairman of the A&G Committee.~~
- ~~xvi. Meet with the Head of Internal Audit at least once a year without the presence of other Officers.~~

~~**d) External Audit**~~

- ~~i. To review the performance of the External Auditors and consider the appointment or discharge of the External Auditors.~~
- ~~ii. To review the External Auditor's proposed scope and approach, including coordination of audit effort with Internal Audit.~~
- ~~iii. To consider the External Auditor's Annual Audit Letter, relevant reports, and the report to those charged with governance.~~
- ~~iv. Review and monitor Officer's responsiveness to External Audit's findings and recommendations.~~
- ~~v. Review and confirm the independence of External Audit by obtaining statements from the auditors on relationships between the auditors and the Council, including non-audit services.~~

~~**e) Standards Functions**~~

- ~~i. Make recommendations to the Council on the adoption or revision of the Officers' Code of Conduct and Member/Officer Protocol.~~
- ~~ii. Review the Council's protocols for Councillors dealing with planning and rights of way matters.~~
- ~~iii. Consider appeals against the Monitoring Officer's refusal to grant a written application made by a Member of the Council for a dispensation under s33 of the [Localism Act 2011](#).~~
- ~~iv. Receive reports summarising the results of the allegations made and investigations conducted into possible breaches of the Members' Code of Conduct and to determine those cases referred to it by the Council's Monitoring Officer.~~
- ~~v. Receive reports on declarations of interests made and gifts or hospitality received by Members and Officers.~~

~~**f) Reporting Responsibilities**~~

- i. ~~To report to those charged with governance on the A&G Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and Internal Audit and External Audit functions.~~
- ii. ~~To report to Council on a regular basis on the A&G Committee's performance in relation to the terms of reference of the Committee in meeting its purpose.~~

~~3. PLANNING COMMITTEE – Terms of Reference~~

~~Introduction~~

- ~~3.1 There are two area Planning Committees known as the Planning Committee North and the Planning Committee South.~~
- ~~3.2 There is also a Strategic Planning Committee which covers the whole of the district.~~

~~General delegations~~

- ~~3.1 There will be a pool of at least 25 of its Members nominated by the political groups, according to the political balance of the Council, to be available to serve on the area Planning Committees, from which 9 Members will be drawn, also according to the political balance of the Council, to serve on each of the area Planning Committees.~~
- ~~3.2 The Terms of Reference for the area Planning Committees shall be subject to any restrictions set out in this Constitution including matters reserved for Council or for Officers of the Council.~~
- ~~3.3 Each Planning Committee has responsibility for the delegated functions set out in these Terms of Reference within its designated area, provided that the Planning Referral Panel can decide that a specific Planning Committee can determine an application or matter which is outside of its designated area, because of the location or impact of that application or matter, including those that may be referred to the Strategic Planning Committee due to their impact on a wider area.~~
- ~~3.4 The Strategic Planning Committee may at any time review and make changes to the allocation of parishes within the North and South Planning Committee areas.~~

~~Strategic Planning Committee~~

- ~~3.5 The Strategic Planning Committee will be made up from the two area Planning Committees and should also include the Cabinet Member who is the holder of the Portfolio for Planning.~~
- ~~3.6 The quorum will be seven.~~
- ~~3.7 Strategic Planning Meetings will be held quarterly or as necessary.~~
- ~~3.8 The functions of the Strategic Planning Committee are:~~
 - ~~a) To consider and advise the Council and Cabinet where appropriate on planning matters impacting the whole of the district, including NSIP applications.~~
 - ~~b) (Where an application has been referred to the Strategic Planning Committee by the Planning Referral Panel due to its impact on a wider area) to determine and advise the Council on planning and development management applications and any local development proposals and other applications under the [Town & County Planning Act 1990](#), Town & Country Planning Development Orders and all subordinate legislation (including the [Town & Country Planning Act \(Public Path Orders\) Regulations 1993](#)) and other~~

~~associated legislation relating to planning, development and building control, including local plans and the [National Planning Policy Framework](#), and including applications in relation to advertisements, listed buildings and any other notices, orders, certificates demands, permissions, consents and grants under any such legislation.~~

- ~~c) To review the performance of the Council's planning and rights of way services.~~
- ~~d) To carry out an annual monitoring role in relation to the work of the Planning Committees.~~
- ~~e) To consider the annual report by Officers of the Council on any planning obligations or conditions which are required by the Council, including a summary of progress in the receipt and use of financial sums or development in kind received in accordance with a planning obligation.~~
- ~~f) To consider and advise the Council on responses to Central Government consultations.~~
- ~~g) To approve, adopt, review, amend and revise codes of best practice and procedure for planning and other matters, including the [Planning and Rights of Way Code of Practice](#), within its terms of reference and to make the same publicly available.~~
- ~~h) To guide the Council in setting its planning policy objectives and priorities.~~
- ~~i) To determine fees and charges which are relevant to planning and related matters.~~
- ~~j) To review and monitor the operational impact of planning and development control and other policies and to recommend proposals for new initiatives and policy developments including new legislation or central government guidance and initiatives.~~
- ~~k) To consider any recommendations made by reports from the [Local Government and Social Care Ombudsman](#).~~
- ~~l) To consider and advise on Planning Appeals.~~
- ~~m) To review the training in planning matters undertaken by Members and the provision of information to Members who are appointed to the Planning Committees.~~
- ~~n) To deal with matters relating to the review, designation and management of conservation areas.~~
- ~~o) To deal with the confirmation of Article 4 directions.~~

Planning Committee North and Planning Committee South

~~3.9 The quorum for each area Planning Committee will be five.~~

~~3.10 Details of the parishes which fall into each area Planning Committee can be found on the [Council's website](#).~~

~~3.11 Each area Planning Committee shall meet at least monthly; Planning Committee North shall meet on the second Tuesday of each month and Planning Committee South shall meet on the fourth Tuesday of each month, with additional meetings being called as necessary.~~

~~3.12 The functions of the two area Planning Committees are:~~

- ~~a) To determine and advise the Council on all planning and development management applications and any local development proposals and other applications under the [Town & County Planning Act 1990](#), Town & Country Planning Development Orders and all subordinate legislation (including the [Town](#)~~

~~& Country Planning Act (Public Path Orders) Regulations 1993) and other associated legislation relating to planning, development and building control, including local plans and the [National Planning Policy Framework](#), and including applications in relation to advertisements, listed buildings and any other notices, orders, certificates demands, permissions, consents and grants under any such legislation.~~

- ~~b) To carry out the duties and powers of the Council as the local planning authority under the [Town and Country Planning Act 1990](#), and its duties and powers under the [Listed Buildings and Conservation Areas Act 1990](#), the [Building Act 1984](#), Building Regulations and other subordinate legislation.~~
- ~~c) To exercise the powers and duties of the local planning authority in relation to the planning of sustainable development within the policies of the local development documents; local development monitoring reports and neighbourhood planning.~~
- ~~d) To deal with applications for grants for repair or maintenance of buildings of architectural or historic interest and matters in connection with the acquisition, restoration and disposal of buildings (excluding terms for the acquisition or disposal of land and property) or materials for conservation purposes.~~
- ~~e) To deal with matters relating to tree preservation orders and consents to all work affecting protected trees, statutory notices, highways, hedgerows, reclamation of derelict land, enforcement, structures used for unauthorised display, unauthorised advertisements, defacement of premises, removal of signs at the request of the owner or occupier of premises, deposited plans under the [Health & Safety at Work Act 1974](#), [Building Act 1984](#) and Building Regulations or other subordinate legislation, public rights of way including stopping up and diversions, registration of common land and town/village greens, the creation, stopping up and diversion of highways and other related matters, including without limitation those specified in Schedule 1, Part 1A of the [Local Authorities \(Functions & Responsibilities\) \(England\) Regulations 2000](#) relating to town and country planning and development control functions.~~
- ~~f) To represent the Council in any appeal against determination of a planning application or matter.~~
- ~~g) To delegate these functions, where appropriate, to employees of the Council or any sub-committee.~~

~~3.13 Each Planning Committee has:~~

- ~~a) The power to impose any condition limitation or other restriction on any approval consent licence permission or registration granted in the exercise of those functions and the power to determine any other terms to which any such approval consent licence permission or registration is subject.~~
- ~~b) The power to determine whether, and in what manner, to enforce any failure to comply with any approval consent licence permission or registration granted or any failure to comply with the condition limitation or term to which a such approval consent licence permission or registration is subject or any other contravention in relation to a matter with regard to which the function has been exercised.~~
- ~~c) The power to amend modify or vary any such approval consent licence permission or registration or any condition limitation or term to which it is subject and the power to revoke any such approval consent licence permission or registration~~

~~3.14 Each of the area Planning Committees shall have the power to decide to take enforcement action and to institute, defend, and conduct legal proceedings in furtherance of or arising from the discharge of functions delegated to it except where specific functions have been delegated to an employee of the Council.~~

Special Provisions as to Membership

~~3.15 Only Members who have undertaken the appropriate training in accordance with the [Planning and Rights of Way Code of Practice](#) may be appointed to any of the Planning committees.~~

Substitutes

~~3.16 Substitutions are allowed to any of the Planning Committees, subject to being in receipt of appropriate training in accordance with the [Planning and Rights of Way Code of Practice](#).~~

4. LICENSING COMMITTEE - Terms of Reference

~~4.1 The Licensing Committee will consist of 15 Councillors. Members of the public have the right to address the Licensing Committee on any application in which they have an interest.~~

~~4.2 The Licensing Committee has the power to/responsibility for:~~

- ~~a) License hackney carriages and private hire vehicles~~
- ~~b) License drivers of hackney carriages and private hire vehicles~~
- ~~c) License operators of hackney carriages and private hire vehicles~~
- ~~d) License sex shops, sexual entertainment venues and sex cinemas~~
- ~~e) License performances of hypnotism~~
- ~~f) Register premises and persons for acupuncture, tattooing micropigmentation/ semi permanent makeup, cosmetic piercing (including ear piercing) and electrolysis~~
- ~~g) License pleasure boats and pleasure vessels~~
- ~~h) License market and street trading~~
- ~~i) License scrap yards~~
- ~~j) License premises for the breeding of dogs~~
- ~~k) License pet shops~~
- ~~l) License horse riding establishments~~
- ~~m) License animal boarding establishments~~
- ~~n) License zoos~~
- ~~o) License dangerous wild animals~~
- ~~p) License persons to collect for charitable and other causes~~
- ~~q) Approve food establishments~~
- ~~r) Keeping a register of food business establishments~~
- ~~s) Register food business premises~~
- ~~t) Discharge the licensing functions under the [Gambling Act 2005](#)~~
- ~~u) Discharge the licensing functions under the [Licensing Act 2003](#)~~
- ~~v) Control of pollution, statutory nuisances and other environmental protection where they involve:~~

- ~~i. Clearance of properties and the making of demolition orders and prohibition orders; and~~
 - ~~ii. Regulation and enforcement of the opening hours of shops~~
 - ~~w) The formation and review of licensing policy in accordance with the provisions of the [Licensing Act 2003](#) and the [Gambling Act 2005](#).~~
 - ~~x) The formation and review of licensing policies in relation to all licensing functions (with delegated authority being given to the Head of Legal and Democratic Services to make minor changes to the licensing policies arising from legislative changes, having first consulted with the Chairman of the Licensing Committee).~~
- ~~4.3 Hearing and determination of applications in accordance with statutory requirements in respect of the [Licensing Act 2003](#), [Gambling Act 2005](#), [The Local Government \(Miscellaneous Provisions\) Act 1976, Part II](#) and [The Local Government \(Miscellaneous Provisions\) Act 1982](#) as amended by Section 27 of the [Policing and Crime Act 2009](#) are delegated to be heard and determined by a sub-committee of three Members drawn from a pool of the 15 Members from time to time sitting on the Licensing Committee. A substitute Member will also be nominated for each hearing but will only take part in the proceedings should one of the three Members be unable to take part.~~

~~Licensing sub-committee~~

- ~~4.4 The Licensing sub-committee will consist of three Members of the Licensing Committee. A substitute will also be invited to attend each meeting. Members of the public have the right to address the Licensing Sub-Committee on any application in which they have an interest.~~
- ~~4.5 The Licensing sub-committee shall be responsible for functions in connection with other environmental protection where they involve:~~
- ~~a) Determining an application from a person for a licence, approval, consent, permission or registration;~~
 - ~~b) Direct regulation of a person; or~~
 - ~~c) Enforcement of any such licence, approval, consents, permission or direct regulation.~~
- ~~4.6 The Licensing sub-committee shall exercise on behalf of the Council the issue, renewal or revocation or suspension of licences and the registration of persons and premises for public control purposes.~~

~~5. APPOINTMENTS COMMITTEE – Terms of Reference~~

~~Appointment/dismissal of Strategic Management Team and Heads of Service~~

~~5.1 The Appointments Committee will recommend to Council that it confirms the appointment of the Head of Paid Service, the Chief Finance Officer (also known as the Section 151 Officer), and the Monitoring Officer, and will appoint other members of Strategic Management Team and Heads of Service. That committee or sub-committee must include at least one Member of the Cabinet.~~

~~5.2 For the consideration of and advice to Council regarding the dismissal of the Head of Paid Service, Monitoring Officer and Chief Finance Officer, the Appointments Committee~~

~~will co-opt two independent persons and then will constitute 'the Panel' for the purposes of the Local Authorities (Standing Orders) (England) Regulations 2015 and will act accordingly.~~

~~5.3 The Committee will be comprised of three Members (politically balanced).~~

~~5.4 Membership would normally comprise:~~

- ~~• Leader or Deputy Leader of the Council in their absence.~~
- ~~• Cabinet Member for the Service Area concerned or another Cabinet Member in their absence.~~
- ~~• One Member of the Opposition (or nominated substitute in their absence).~~

~~5.5 Each of the three Members of the Appointments Committee will have one vote and the Chairman will be the Leader/Deputy Leader of the Council.~~

~~5.6 Any Member appointed to the Appointments Committee will be asked to undertake refresher training regarding the interview process, prior to sitting on the Appointments Committee, in accordance with good practice and to ensure that the recruitment process is fair and robust.~~

~~5.7 Where External Stakeholder Panels form part of the recruitment process, the Leader may invite other Members to participate in the informal part of the process.~~

Section D—Cabinet

1.—Introduction

- 1.1 ~~As set out in the Summary of this Constitution, the Council has adopted a Leader and Cabinet form of governance. The Cabinet is a group of Members responsible collectively for the executive functions of the Council. The Cabinet is responsible for making proposals to the Council about what its priorities should be and how it should use its resources. Once approved by the Council, these proposals become the Council’s [Budget and Policy Framework](#).~~
- 1.2 ~~The Cabinet is responsible for making all of the necessary arrangements to ensure that the priorities identified by the Council are delivered within the [Budget and Policy Framework](#) set by the Council.~~

2.—Appointing the Cabinet

- 2.1 ~~The Council elects the Leader who appoints a Deputy Leader and up to eight other Members; together with the Leader these Members form the Cabinet. Cabinet Members, including the Deputy Leader, are appointed at the Annual Meeting of the Council at which the Leader is appointed. The Chairman and Vice Chairman of the Council cannot be appointed to the Cabinet. In addition, no Member of the Cabinet can be a Member of the Scrutiny Committee or the Audit and Governance Committee.~~
- 2.2 ~~The Leader shall hold office for a period of four years unless:~~
- ~~a) They resign from the office;~~
 - ~~b) They cease to be a Member;~~
 - ~~c) They are removed from office by resolution of the Council.~~
- ~~If the Council removes a Leader from office by resolution, it must elect a new Leader at the same meeting or a subsequent meeting.~~
- 2.3 ~~The Deputy Leader shall deputise for the Leader and carry out the functions delegated to the Leader in periods of their incapacity or absence. The Deputy Leader shall hold office for a period of four years from the date of appointment by the Leader or until:~~
- ~~a) They resign from the office;~~
 - ~~b) They cease to be a Member;~~
 - ~~c) They are removed from office by the Leader.~~
- 2.4 ~~Other Cabinet Members shall hold office until:~~
- ~~a) They resign from office;~~
 - ~~b) They cease to be a Member;~~
 - ~~c) They are removed from office by the Leader.~~
- 2.5 ~~Proceedings of Cabinet shall take place in accordance with the [Cabinet Procedure Rules](#) in Part 3.~~
- 2.6 ~~The Leader will delegate a range of Services (or “Portfolio”) to each Member appointed to the Cabinet. Each Cabinet Member will be responsible for overseeing the Cabinet’s responsibilities in relation to the Services and functions within their Portfolio.~~
- 2.7 ~~Determination of individual Portfolio responsibilities is at the sole discretion of the Leader of the Council. The Leader of the Council will have overall responsibility for the operation of the Cabinet and its decisions.~~
- 2.8 ~~The Leader of the Council shall report to Council no less frequently than once per annum on the range of responsibilities held by specific Cabinet Members, and, in any event, as soon as reasonably practicable after any change in these responsibilities.~~

- ~~2.9 The Leader of the Council will maintain a list setting out which individual Members of the Cabinet are responsible for the exercise of particular Cabinet functions.~~
- ~~2.10 The Leader may appoint Cabinet Support Members from among the Members of the Council to advise and assist Cabinet Members and to cover for them in their absence provided that:~~
- ~~a) The Leader shall notify the Council as soon as possible of such an appointment;~~
 - ~~b) Cabinet Support Members may attend meetings of the Cabinet on behalf of an absent Cabinet Member but are not Members of the Cabinet and may not vote at Cabinet or exercise any function given to a Cabinet Member.~~

~~3. Cabinet Responsibilities~~

- ~~3.1 [Part 2 Section B](#) of the Constitution sets out which functions of the Council are not Cabinet functions. All other functions of the Council will be carried out by Cabinet.~~
- ~~3.2 The [Local Authorities Functions and Responsibilities Regulations 2000](#) sets out functions which may be the responsibility of Cabinet under Schedule Two of the regulations. The following table shows where the responsibility lies for those local choice functions:~~

Function	Responsibility
Any function under a local Act other than a function specified or referred to in regulation 2 or Schedule 1	Cabinet
The determination of an appeal against any decision made by or on behalf of the authority	Cabinet
Any function relating to contaminated land	Cabinet
The discharge of any function relating to the control of pollution or the management of air quality	Cabinet
The service of an abatement notice in respect of a statutory nuisance	Cabinet
The passing of a resolution that Schedule 2 to the Noise and Statutory Nuisance Act 1993 should apply in the authority's area	Cabinet
The inspection of the authority's area to detect any statutory nuisance	Cabinet
The investigation of any complaint as to the existence of a statutory nuisance	Cabinet
The obtaining of information under section 330 of the Town and Country Planning Act 1990 as to interests in land	Cabinet
The obtaining of particulars of persons interested in land under section 16 of the Local Government (Miscellaneous Provisions) Act 1976	Cabinet
The appointment of any individual a) to any office other than an office in which he is employed by the authority; b) to any body other than i) the authority; ii) a joint committee of two or more authorities; or c) to any committee or sub-committee of such a body, and the revocation of any such appointment	Cabinet
The making of agreements with other local authorities for the placing of staff at the disposal of those authorities	Cabinet

Any function of the local authority as a harbour authority (to the extent it does not fall within the first function in this table above.	Cabinet
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~~3.3 The Cabinet is responsible for deciding how to implement Council budgets and policies, for monitoring and reviewing the effectiveness of all budgets and policies, joint working, area working and localism arrangements, corporate governance arrangements and all Services provided to and by the Council.~~

~~3.4 The Cabinet is empowered to do anything that it considers necessary or appropriate to deliver the Council’s priorities so long as it does not take any action or adopt any policy which is contrary to the Council’s [Budget and Policy Framework](#). The Cabinet will make recommendations to the relevant body in respect of any matters which are not within its remit, which include any suggested alternations to the Council’s Budget and Policy Framework.~~

~~4. Appointment to Outside Bodies~~

~~4.1 The Council has decided that the Cabinet will collectively appoint to the following outside bodies:~~

~~[Appointments to Outside Bodies \(Executive Functions\)](#)~~

~~5. Discharging Cabinet Functions~~

~~5.1 Discharge by Officers~~

~~So that the Council can ensure that decisions of the Council are taken at the most appropriate level and in a timely manner, unless a function or power is expressly reserved to Members under this Constitution or by operation of law, it will be delegated to Officers in accordance with the Scheme of Delegation to Officers in [Part 2 Section E](#) of this Constitution.~~

~~5.2 The [Finance Procedure Rules](#) and [Contract Procedure Rules](#) set out in Part 3 of this Constitution impose limits on the amount of expenditure which Officers of the Council may authorise.~~

~~5.3 The Leader, or a Cabinet Member in respect of decisions within their Portfolio, may, prior to the decision being taken, give notice to the Monitoring Officer to the effect that the decision will no longer be taken by an Officer.~~

~~5.4 Discharge by Individual Cabinet Members~~

~~Each Cabinet Member will be responsible for all of those types of decisions which sit with their Portfolio unless the decision:~~

- ~~a) Relates to a proposal to alter the Council’s budget and policy framework;~~
- ~~b) Is to authorise expenditure in excess of £250,000~~
- ~~c) Is likely to have a significant impact on the operation of the Council;~~
- ~~d) Is likely to have a significant impact on the Portfolio of another Cabinet Member.~~

~~5.5 The Leader (on advice from the appropriate Chief Officer) shall resolve any ambiguity as to which Portfolio includes a particular decision or matter.~~

~~5.6 Where a matter or decision is likely to have an impact upon the responsibilities contained within the Portfolio of another Cabinet Member, but this impact is not considered to be significant as set out in paragraph 5.4 above, then the Cabinet Member holding the lead Portfolio may make the decision following consultation with the Cabinet Member(s) holding the other relevant Portfolios.~~

~~5.7 Cabinet Members should consult relevant Officers, the Monitoring Officer and the Chief Financial Officer prior to making any decisions. Where a Chief Officer, the Monitoring~~

~~Officer, or the Chief Financial Officer, prior to the making of a decision, provides written advice to the effect that one of the exceptions in paragraph 5.4 above applies, then the decision in question will stand deferred until the next Cabinet meeting.~~

~~5.8 The Leader, or a Cabinet Member in respect of decisions within their Portfolio, may, prior to the decision being taken, give notice to the Monitoring Officer to the effect that the decision will no longer be taken by an individual Cabinet Member.~~

~~5.9 **Discharge by full Cabinet**~~

~~All Cabinet decisions which are not delegated to Officers or Cabinet Members holding a particular Portfolio in the manner set out above will be taken by full Cabinet.~~

~~5.10 **Other Arrangements**~~

~~The Cabinet may arrange for any decision that it is collectively responsible for to be taken by an individual Cabinet Member, a committee of the Cabinet or under joint arrangements with or by another authority.~~

~~5.11 **Cabinet Procedure Rules**~~

~~The Cabinet and individual Cabinet Members will comply with the requirements of the [Cabinet Procedure Rules](#) in Part 3 of the Constitution in discharging Cabinet functions.~~

CABINET PORTFOLIOS

PORTFOLIO	KEY RESPONSIBILITIES
Leader of the Council	Community Partnerships – Implementation Council Policy and Strategic Finance Council performance Communications Member Development Consultation and Parish Liaison Legal and Democratic Services
Deputy Leader and Housing	Housing Stock Tenant Services Building Services Housing Development Private Sector Housing Travellers Homelessness
Communities, Leisure, and Tourism	Communities Tourism Young People / Apprentices / Youth Council Leisure Sport Theatre and arts
Community Health	Health and wellbeing Licensing Food and safety Port Health Health promotion / NHS

	<p>Emergency planning Community Safety</p>
<p>Corporate Services –Digital, Customer Services, HR & Assets</p>	<p>Customer services Customer access Channel Shift Complaints Commercial partnerships IT and digital transformation</p>
<p>Planning and Coastal Management</p>	<p>Development Management Building Control Local Plan Conservation and Design Planning Policy Coastal Management Coastal Partnership East</p>
<p>Resources and Value for Money</p>	<p>Value for Money Financial Compliance and Planning Medium Term Financial Strategy Council Tax and Business Rates Payables and Purchasing Capital Programme Treasury Management External Audit Welfare Reforms (Universal Credit) Anglia Revenues Partnership (ARP) Audit and Risk Management Counter Fraud Data Protection -</p>
<p>The Environment</p>	<p>Environment protection Pollution control Waste management Joint Environmental Sustainability Policy Green agenda Countryside management Environmental Partnerships</p>
<p>Energy and Climate Change</p>	<p>Energy Joint Environmental Sustainability Policy Green agenda</p>
<p>Economic Development and Transport</p>	<p>Transport and infrastructure Car Parks Rights of Way</p>

	<p>Economic Development</p> <p>Regeneration</p> <p>Growth and Skills</p> <p>Enterprise Zones</p> <p>Energy</p> <p>Assets and property services</p>
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SERVICES AND FUNCTIONS WITHIN CABINET RESPONSIBILITIES

- 1) Making proposals on the Policy Framework to the Council
- 2) Preparation and recommendation to Council of the Budgets and Council Tax
- 3) Preparation and recommendation to Council of the Capital Programme
- 4) Agreeing strategies and plans at a level below the Policy Framework
- 5) Preparation of a rolling Forward Plan and submission of quarterly report to Council
- 6) Receipt of reports on liaison meetings with town and parish councils and with business interests
- 7) Any function of a local authority in their capacity as a harbour authority
- 8) Economic, environmental or social well-being
- 9) Community Health and Community Safety
- 10) Community Liaison and Development
- 11) Theatres, arts and cultural development
- 12) Economic Development and European issues
- 13) Leisure and Sports
- 14) Recreation and associated Services
- 15) Tourism services and tourism development
- 16) Emergency planning
- 17) Car parks
- 18) Travel concessions
- 19) Public health and safety, environmental services, public conveniences, health service liaison
- 20) Food Safety
- 21) Health and Safety
- 22) Port Health
- 23) Cemeteries and closed churchyards
- 24) Waste management and recycling including; household, commercial and industrial waste reduction, refuse, collection, recycling and disposal, septic tank and cesspool service, abandoned vehicles, pest control and dog warden services
- 25) Implementation of the Environmental Policy
- 26) Housing
- 27) Private sector housing matters
- 28) Estates management
- 29) Travellers, Gypsies and Houseboats
- 30) Treasury and debt management

- ~~31) — Asset management~~
- ~~32) — Revenues and Benefits~~
- ~~33) — Rating matters~~
- ~~34) — All residual finance matters (including the administration of the Council's Capital Grants Scheme and the allocation of Revenue Grants)~~
- ~~35) — The powers, duties and functions of the Council as Local Planning Authority (insofar as these relate to planning policy, positive planning, and conservation)~~
- ~~36) — Building Control (insofar as this relates to policy and the performance of the service)~~
- ~~37) — Town Centre Management~~
- ~~38) — The maintenance and lighting of highways and footways (residual or agency functions)~~
- ~~39) — Coast protection~~
- ~~40) — Land drainage~~
- ~~41) — Transportation~~
- ~~42) — Local Land Charges~~
- ~~43) — Major Project Co-ordination~~
- ~~44) — Human Resources (insofar as this relates to policies on recruitment, training, terms of employment, remuneration, employee relations, equal opportunities, health, safety and welfare, and the achievement of the Council's objectives)~~
- ~~45) — Corporate information and promotion functions~~
- ~~46) — Procurement and contracts management~~
- ~~47) — ICT operations and digital strategy~~
- ~~48) — Industrial relations~~
- ~~49) — Public Relations (PR) and communications~~
- ~~50) — Burial of the poor~~
- ~~51) — Energy conservation~~
- ~~52) — Grants~~

SOUTHWOLD HARBOUR MANAGEMENT COMMITTEE – TERMS OF REFERENCE

1. Introduction

- 1.1. The Council is the Owner and Statutory Harbour Authority for Southwold Harbour (the 'Harbour').
- 1.2. Under the Constitution, any function of the Council as Harbour Authority is a Cabinet responsibility.
- 1.3. The Cabinet has resolved to dissolve the existing Southwold Harbour Lands Joint Committee and replace it with the Harbour Management Committee (the 'Committee') to manage the Harbour. The Committee functions as an Executive Advisory Committee pursuant to s102(4) of the Local Government Act 1972, making recommendations to the Leader of the Council or Cabinet.
- 1.4. The Committee will manage the Harbour in accordance with the provisions of the Harbours Act 1964, the Southwold Harbour Order 1933 and the Harbour Docks and Piers Clauses Act 1847 (as incorporated), as amended from time to time (the

‘Harbour Legislation’).

- 1.5. The Southwold Harbour Order 1933 includes protective provisions in relation to any sale of the harbour undertaking and the revenue from the harbour undertaking. Further, the Council has endorsed the recommendations made by the Southwold Harbour Lands Joint Committee on 6 March 2019 [and 3 February 2020], including the recommendations that:
 - 1.5.1. the Committee should be established to replace the Southwold Harbour Lands Joint Committee, enable short-term governance improvements and design proposals for long-term improvements, including an application for a Harbour Revision Order to update the Southwold Harbour Order 1933;
 - 1.5.2. when designing these long-term improvements, by applying for a Harbour Revision Order or otherwise:
 - 1.5.2.1. specific safeguards should, subject to legal advice and the requirements of stakeholders, be included to protect income from the Harbour and preserve the Harbour in the ownership of the Council; and
 - 1.5.2.2. the Committee should consider whether any appropriate additional powers should be sought, including powers of general direction and/or to carry out or fund works to the Blyth estuary, outside the Harbour, for the protection of the Harbour.

2. Purpose of the Committee

- 2.1. To, in respect of the Harbour, make recommendations to the Leader of the Council or Cabinet, whose consent to the Committee’s recommendations shall not *be unreasonably withheld* or delayed, on functions:
 - 2.1.1. within the definition of a Harbour Authority in Section 57(1) of the Harbours Act 1964 and the Southwold Harbour Order 1933 and the Harbour Docks and Piers Clauses Act 1847 (as incorporated), as amended from time to time; and
 - 2.1.2. arising out of any Byelaws made by the Council under the above legislation.
- 2.2. The Committee shall not make recommendations to the Leader of the Council or Cabinet to incur any expenditure, enter into any obligations or take any other action except:
 - 2.2.1. within the budget determined by the Council in accordance with the following provisions; and
 - 2.2.2. as set out in the harbour business plan approved by the Cabinet in accordance with the following provisions (the ‘Harbour Business Plan’).

- 2.3. The Committee shall make recommendations to the Leader of the Council or Cabinet regarding the management, acquisition and disposal of assets in accordance with the Council's acquisitions and disposals policy, financial procedure rules and contract procedures rules.
- 2.4. The Committee shall not make recommendations to the Leader of the Council or Cabinet on the disposal or acquisition of property assets unless:
 - 2.4.1. the recommendations accord with the provisions of the Harbour Legislation and Council's plans, policies and strategies and in particular the Harbour Business Plan; and
 - 2.4.2. the Cabinet of the Council has not requested that the decision(s) be referred to the Council for consideration and decision;
- 2.5. The Committee will review and then recommend an annual budget, (including rental charges and central re-charges to the Council) and an annual schedule of charges and dues for the Harbour and these will be determined by the Cabinet.
- 2.6. The Committee will monitor performance against approved budgets and take appropriate action where this is required.
- 2.7. The Committee will make a six monthly and annual report to the Cabinet reporting on performance against budget.
- 2.8. The Committee will publish a Harbour Business Plan and any other plan required from time to time following approval from the Cabinet.
- 2.9. The Harbour Business Plan and other plans should promote the Harbour to be financially self-sustainable in the long term, reducing the risk of the need to call upon the Council's General Fund.

3. Form and Composition

- 3.1. The Committee will be comprised of nine members (9), five (5) members will be appointed by the Cabinet and four (4) non-elected members will be co-opted onto the Committee following an appointment process to assess the skills and expertise that they can bring to the Committee.
- 3.2. The Chair and Vice Chair of the Committee shall be elected members of the Cabinet.
- 3.3. The co-opted members will be recommended to the Leader of the Council or Cabinet for appointment and their appointment is subject to ratification by the Leader of the Council or Cabinet. Co-opted members will serve the Committee in accordance with the following arrangements:-
 - 3.3.1. Co-opted Membership for the first term of the Committee shall be as follows:

- 1 Co-opted Member will sit for only 1 year
 - 2 Co-opted Members will sit for only 2 years
 - 1 Co-opted Member will sit for a full term of 3 years
- 3.4. Co-opted Members who sit for only one or two years in the first term may be appointed for one or two subsequent three-year terms without further competition being required.
- 3.5. Following this transition period, terms for Co-opted Members will remain at three years from appointment.
- 3.6. A Co-opted Member may be appointed to a second three-year term without recourse to open competition, subject to the agreement of both the Chairman and the Co-opted Member, and the Committee's assessment that the Member has performed satisfactorily during the first term (all Membership of the Committee is subject to ratification by the Leader of the Council or Cabinet).
- 3.7. Re-appointment of a Co-opted Member for a third term shall involve competition with other candidates.

4. Meetings

- 4.1. The Committee shall meet at least 6 times a year and be governed by the Cabinet Procedure Rules as set out in the Council's Constitution.
- 4.2. All members of the Committee shall abide by the Council's Code of Conduct;
- 4.3. The quorum for meetings of the Committee shall be 5 save that at no time shall there be less than 3 East Suffolk Councillors present at the meeting.
- 4.4. The Committee shall consider the following business:
- 4.4.1. Approval of the Minutes of the previous meeting;
 - 4.4.2. Declarations of Interest, if any;
 - 4.4.3. Report and feedback from any Stakeholder Forum(s);
 - 4.4.4. The business otherwise set out on the Agenda for the meeting;
- 4.5. An Annual Meeting of the Committee will take place during the year. This will be an informal meeting and include invitation to all members of Stakeholder Forums.

SHAREHOLDER REFERENCE GROUP – TERMS OF REFERENCE

1. Introduction and Overview

- 1.1 The purpose of the Shareholder Reference Group (“SRG”), as a committee of Cabinet, is to:
 - 1.1.1 perform the Council’s role as shareholder/ultimate owner of its group of companies and exercise the Council’s rights under the Articles of each company and under the Shareholder Agreement, except for any rights which the Cabinet or Leader reserves to itself/himself from time to time or which can only be exercised by Full Council.
 - 1.1.2 oversee the Council's strategic objectives across its group of companies (together the “Companies”, and each a “Company”) and support the development of these companies.
 - 1.1.3 provide strategic oversight of the Council’s companies and provide assurance to the Cabinet that these companies are compliant with the Council’s Constitution, rules and procedures including achieving best value and that they are fit for purpose.
- 1.2 The SRG will not have operational control over the Council’s companies. The day-to-day operation of each company is the responsibility of the Directors of each company. The SRG will provide overarching oversight including business case sign off in line with the relevant company constitutional governance. Operational liaison with the Council’s companies will be between the client service of the Council and the managing Director of each company.

2. Composition

- 2.1. The SRG will comprise the Leader of the Council and 4 other Cabinet Members. The first such members are the Deputy Leader and Cabinet Member with responsibility for Economic Development, the Cabinet Member with responsibility for Customer Experience, ICT and Commercial Partnerships, the Cabinet Member for Resources and the Cabinet Member for the Environment.
- 2.2 The Leader of the Council shall be the Chairman of the SRG. If the Leader of the Council is present, they will preside. If the Leader of the Council is unavailable to do so, the Deputy Leader will preside. If neither the Leader of the Council nor the Deputy Leader are present, then a person appointed to do so by those present shall preside.

- 2.3 Each Member will be in post for a term of 4 years. Where an individual Member ceases to hold the relevant role during their allotted term, their replacement in that role, or such role as the Leader may identify as its replacement, will also take over the role of Member of the Shareholder Reference Group for the remainder of the term or such other term as the Leader may specify.
- 2.4 All Members of the Council may attend public meetings of the SRG and may ask questions with the permission of the person presiding. Members of the public may attend all public meetings of the SRG, subject to the exceptions in contained in the Access to Information Procedure Rules. The Head of Paid Service, the Section 151 Officer and the Monitoring Officer, and their nominees, are entitled to attend any meeting of the SRG where a decision is to be made.

Quorum

- 2.5 The SRG quorum will be 3, which must include the Leader and/or Deputy Leader of the Council.

Substitute Members

- 2.6 Members of the SRG may appoint substitute members from within the Cabinet.

3. Functions and rights of SRG

- 3.1. The SRG has the right to access all books, records, accounts and documents relating to the business and the affairs of each Company (collectively Relevant Information) and is entitled to make any copies of that Relevant Information as they consider appropriate to keep the Council properly informed about the business and affairs of each Company or to protect the Council's interests as ultimate owner of each Company.
- 3.2 The SRG will consider and approve, approve with conditions or refuse applications by the Directors of any Company in relation to matters which are reserved to the Council Cabinet by virtue of the shareholder agreement between the Council and its group companies ("Reserved Matters"). These Reserved Matters may be varied from time to time by the Council Cabinet in accordance with the procedures set out in the shareholder agreement. The SRG's role will also be subject to any matters which the Cabinet may periodically reserve to itself. The Table below sets out the current list of Reserved Matters, identifying those which are reserved to the Council's Cabinet and are therefore within the remit of the SRG. It should be noted that on 6 September 2022, Cabinet reserved to itself the approval of the Consolidated Business Case which is to be produced by the Council's Holding Company on an annual basis (this will accordingly be a matter which is not within the delegated authority of the SRG).

		Trading Companies (non-Teckal) Matter referred to -	Teckal Companies Matter referred to -
1.	Approve amendments or updates to these Reserved Matters without requiring a variation of this Agreement.	Council Cabinet	Council Cabinet
2.	Amend the Articles.	HoldCo Board (in relation to each SPV) Council Cabinet (in relation to HoldCo)	Council Cabinet
3.	Appoint or remove any Director (including terms of any settlement, compromise or severance).	HoldCo Board (other than in relation to a Council Director or where Council exercises its right to appoint or remove under the Articles)	Council Cabinet
4.	Introduce for the benefit of any current or former director or employee any incentive scheme or arrangement.	HoldCo Board	HoldCo Board
5.	Adopt or amend its Business Plan for the forthcoming three Financial Years.	HoldCo Board	Council Cabinet
6.	Make a material change to the nature or scope of its business as set out in the relevant Business Plan.	HoldCo Board	Council Cabinet
7.	Alter its name or registered office.	HoldCo Board	Council Cabinet
8.	Become resident for tax purposes, or establish a permanent establishment, in a jurisdiction other than the United Kingdom.	Council Cabinet	Council Cabinet
9.	Directly or indirectly acquire shares or any other interest in any other company or business undertaking.	Council Cabinet	Council Cabinet
10.	Amalgamate or merge with any other company or business undertaking.	Council Cabinet	Council Cabinet
11.	Form or acquire any subsidiary.	Council Cabinet	Council Cabinet

		Trading Companies (non-Teckal) Matter referred to -	Teckal Companies Matter referred to -
12.	Incur any borrowings (other than from the Council), raise finance or issue any loan capital.	HoldCo Board If above £100,000 (any one transaction) or £250,000 (annual aggregate per Financial Year)	Council Cabinet If above £50,000 (any one transaction) or £100,000 (annual aggregate per Financial Year)
13.	Create any Encumbrance over the whole or any part of its business, undertaking or assets or over any of its shares (other than any such Encumbrance in favour of the Council).	HoldCo Board	Council Cabinet
14.	Allot, or agree to allot, or permit the registration (upon subscription or transfer) of any person as a shareholder/member of any Company.	Council Cabinet	Council Cabinet
15.	Issue or withdraw, or agree to issue or withdraw, any shares or other securities.	Council Cabinet	Council Cabinet
16.	Grant, or agree to grant, any rights to subscribe for, or to convert any security into, any shares or any other securities.	Council Cabinet	Council Cabinet
17.	Increase or reduce the amount of its issued share capital, grant any option or other interest over or in its share capital, redeem or purchase any of its own shares or otherwise alter, or effect any reorganisation of, its share capital.	Council Cabinet	Council Cabinet
18.	Alter any of the rights attaching to the shares in its issued share capital from time to time.	Council Cabinet	Council Cabinet
19.	Directly or indirectly participate in any partnership, consortium or joint venture.	HoldCo Board	Council Cabinet
20.	Dispose of any business or any shares.	HoldCo Board	Council Cabinet
21.	Enter into any arrangement, contract or transaction: <ul style="list-style-type: none"> • not provided for in the relevant Business Plan; • which is outside the normal course of its business; or 	HoldCo Board If above £100,000 (any one transaction) or above £250,000	Council Cabinet If above £50,000 (any one transaction) or above £100,000

		Trading Companies (non-Teckal) Matter referred to -	Teckal Companies Matter referred to -
	<ul style="list-style-type: none"> which is otherwise than on arm's length terms. 	(annual aggregate per Financial Year)	(annual aggregate per Financial Year)
22.	Make any loan (other than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit (other than in the normal course of trading) or give any guarantee (other than in the normal course of trading).	HoldCo Board If above £20,000 (any one transaction) or above £250,000 (annual aggregate per Financial Year)	Council Cabinet If above £10,000 (any one transaction) or above £100,000 (annual aggregate per Financial Year)
23.	Apply for the listing or trading of any shares or debt securities on any stock exchange or market.	Council Cabinet	Council Cabinet
24.	Pass any resolution for its winding up or present any petition for its administration (unless it has become insolvent).	HoldCo Board	Council Cabinet
25.	Appoint any agent or intermediary to conduct the whole or any part of its business.	HoldCo Board	HoldCo Board
26.	Declare any dividend.	HoldCo Board	Council Cabinet
27.	Conduct any litigation material to the Company (involving a contingent liability in excess of £50,000 save for: <ul style="list-style-type: none"> the collection of debts arising in the ordinary course of business carried on by the Company; and any application for an interim injunction or other application or action (including interim defence) which is urgently required in the best interests of the Company in circumstances in which it is not reasonably practicable to obtain prior consent. 	HoldCo Board	Council Cabinet

3.3 In respect of any Teckal Company which does work (or has a subsidiary which does work) for any external customers, the SRG will:

3.3.1 monitor Teckal compliance at least annually.

3.3.2 ensure the Business Plan of the Teckal Company is aligned to the corporate objectives of the Council.

4. Shareholder Representative

4.1 The Shareholder Representative (SR) shall be the Chairman of the SRG and will act with delegated authority on behalf of the SRG to:

- act as a two-way channel of communication between the Companies' Directors and the SRG.
- ensure that any decisions made by the Companies Directors that require approval by the SRG are expedited in an agile manner.

Section E – Officers

SCHEME OF DELEGATION TO OFFICERS

Summary

This section of the Constitution explains the role of the Council's Officers in general and the role of certain key and "Statutory" or "Proper" Officers. It sets out the Officer management structure and explains how the Council's functions are grouped together under Service Areas

This section also contains the specific delegations to Officers, setting out how Council has delegated powers to Officers and how Officers are to use those powers. In summary, with the exception of matters that are specifically reserved to Members by law or in this Constitution, such as adopting strategic policy and taking certain types of regulatory decisions, all of the other functions of the Council are delegated to Officers. Officers may enter into contracts and incur expenditure but must do so within financial limits and procedures set out in the [Finance Procedure Rules](#) and [Contract Procedure Rules](#).

1. Introduction

- 1.1 "Officers" is the term used to refer to the people employed, retained or appointed by the Council to advise and support Members and implement their decisions. The term "Officers" in this Constitution includes all the people who operate in this capacity under an agreement with the Council whether or not they are directly employed by the Council. This may include contractors, consultants, and agency staff.
- 1.2 This Council's approach to decision making is to ensure that its system of delegation enables decisions to be taken at the most appropriate level closest to those who will be affected by the decision in question. Under this system of delegation, the vast majority of the Council's decisions and actions will fall into the category of operational day to day decisions taken by its Officers.
- 1.3 In order to ensure the smooth functioning of the Council and the efficient delivery of Services, the Council and its Cabinet have delegated to Officers all of the powers that they need to carry out their role.
- 1.4 Some Officers have specific legal duties to ensure that the Council acts within the law and uses its resources wisely. These Officers are known as "Statutory" or "Proper" Officers, and some have specific legal titles in addition to their job titles. A summary of who these Officers are and what they are responsible for can be found below.
- 1.5 The relationship between Officers and Members is governed by a [Protocol for Member/Officer relations](#), and Members and Officers are also bound by the applicable Codes of Conduct, which are set out in [Part 4](#) of this Constitution.

2. Officer Management Structure

- 2.1 The Council's Services are delivered through different departments, known as "Service Areas" each under the control of an Officer who is known as a Head of Service. Services are grouped together under the control of a Strategic Director. Each Head of Service reports to their relevant Strategic Director.
- 2.2 Strategic Directors are responsible for all of the Services within their area and they report to the Chief Executive. The Chief Executive is ultimately responsible for the operational management of the Council, its Officers, and for the delivery of all the Council's Services within the budget and policy framework set by Members.

- 2.3 The Chief Executive and Strategic Directors form the Council's Strategic Management Team (SMT).
- 2.4 The Chief Executive, Strategic Directors and Heads of Service form the Council's Corporate Leadership Team (CLT).
- 2.5 The way the Council structures its Services changes from time to time to reflect changes in Service delivery and best practice. [Appendix 2](#) to this section shows Council's Management Structure and the [Council's website](#) will show relevant contacts for different services.

3. Statutory or Proper Officers

- 3.1. The Council is required to confirm the appointment of certain Officers to undertake the "Statutory Officer" roles which require them to discharge specific legal duties to ensure that the Council acts within the law and uses its resources wisely. Those roles are the Head of Paid Service, the Chief Finance Officer (also known as the Section 151 Officer), and the Monitoring Officer.

- 3.2. The Council is responsible for ensuring that these Officers have the resources they require to discharge their roles effectively.

3.3. The Head of Paid Service

The Chief Executive is the Council's Head of Paid Service. The Head of Paid Service reports to Council on how the discharge of the Council's functions is coordinated, the number and grade of Officers required for the discharge of functions and the organisation of Officers, including Head of Service positions.

- 3.4. The Head of the Paid Service will report to the Council on the manner in which the discharge of the Council's functions is coordinated, the number and grade of Officers required for the discharge of functions and the organisation of Officers.

- 3.5. The Head of the Paid Service may not be the Monitoring Officer but may hold the post of Section 151 Officer if a qualified accountant.

3.6. The Chief Finance (Section 151) Officer

The Chief Finance Officer is the Council's Section 151 Officer and is responsible for the proper administration of the financial affairs of the Council.

- 3.7. The Chief Financial Officer's responsibilities include:

- a) **Ensuring lawfulness and financial prudence of decision making.** After consulting with the Head of the Paid Service and the Monitoring Officer, the Chief Finance Officer will report to the Council or to the Cabinet in relation to an executive function and to the Council's external auditor if they consider that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.

- b) **Administration of financial affairs.** Responsibility for the administration of the financial affairs of the Council.

- c) **Contributing to Corporate Management.** They will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.

- d) **Providing advice.** They will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all Members and will support and advise Members and Officers in their respective roles.

- e) **Give financial information.** They will provide financial information to the media, members of the public and the community.
- 3.8. The Chief Finance Officer will contribute to the corporate management of the Council by providing professional advice and assistance to Officers and Members in respect of matters of financial propriety, compliance, and due process in the formation and implementation of the budget and policy framework.
- 3.9. The Chief Finance Officer shall, where necessary, and in consultation with the Head of Paid Service and Monitoring Officer, report any compliance issues to the Council, the Cabinet or the external auditor.
- 3.10. **The Monitoring Officer**
The Monitoring Officer is the Head of Legal and Democratic Services and is responsible for ensuring lawfulness and fairness in decision making and matters relating to the conduct of elected Members. The Monitoring Officer cannot be the Head of Paid Service or the Section 151 Officer.
- 3.11. The Monitoring Officer will provide advice to ensure that decisions are taken on proper authority, by due process, and in accordance with the Budget and Policy Framework. The Monitoring Officer will ensure that Cabinet decisions, together with the reasons for those decisions and relevant Officer reports and background papers are made publicly available as soon as possible.
- 3.12. The Monitoring Officer shall, where necessary, and in consultation with the Head of Paid Service and the Chief Financial Officer, report any proposal, decision or omission considered to be unlawful or to amount to maladministration to the Council or the Cabinet. Such a report will have the effect of stopping the proposal or decision being implemented until the end of the day after the report has been considered.
- 3.13. The Monitoring Officer will carry out the obligations set out in the [Localism Act 2011](#) in relation to Member conduct and standards and will deal with breaches of the Members' Code of Conduct in accordance with the arrangements which the Council has put in place for this.
- 3.14. The Monitoring Officer will determine questions as to the interpretation of the Constitution and will be responsible for ensuring that it is kept up to date.
- 3.15. The Monitoring Officer is authorised to make minor or consequential amendments to the Constitution for the purpose of keeping it up to date, clarifying its content or interpretation, correcting any errors or omissions or otherwise giving effect to the decisions of the Council and Cabinet.
- 3.16. The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through the provision of support to the Audit and Governance Committee.
- 3.17. The Monitoring Officer will provide advice on the scope of the Council's powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all Members.

4. Proper Officers

- 4.1. There are various laws which require certain functions to be undertaken by the "Proper Officer" of the Council. The following is a list of designated Proper Officers in East Suffolk. In the event that a Proper Officer is not listed then the Proper Officer shall be the Strategic Director with responsibility for the subject matter in question or in the alternative the Head of Paid Service.

4.2. "Proper Officer" functions may be discharged by other Officers duly authorised to act in the name of the "Proper Officer" concerned.

Local Government Act 1972

Section of the Act	Duty or function involving appointment of an Officer of the Council	The Proper Officer for the functions referred to and the Officer to act in the absence for any reason of the first named Officer
13(3)	The Officer to act as a Parish Trustee with the Chairman of a parish meeting	Chief Executive
39	The Registration Officer for any constituency or part of a constituency coterminous with or contained in the district	Chief Executive
41(1)	The Returning Officer for the elections of councillors of the district and of councillors of parishes or committees within the district	Chief Executive Head of Legal and Democratic Services
83	Declaration of acceptance of office by chairman, vice-chairman or councillor of the district	Chief Executive Head of Legal and Democratic Services
84	Receipt of written notice of resignation of office by person elected to that office	Chief Executive Head of Legal and Democratic Services
88(2)	Convening of meeting of Council to fill casual vacancy in office of Chairman of the Council	Chief Executive Head of Legal and Democratic Services
89(1)(b)	Receipt of a notice in writing given by two local government electors for the district of a casual vacancy occurring in the office of councillor	Chief Executive Head of Legal and Democratic Services
96(1) & (2)	The Officer to whom a Member of the Council shall give written notice of interests in contracts	Chief Executive Head of Legal and Democratic Services
100B(7)(c)	Supply of documents to press	Head of Legal and Democratic Services Democratic Services Manager
100C(2)	Written summary of exempt proceedings	Head of Legal and Democratic Services Democratic Services Manager
100D(1)(a)	Compilation of list of and inspection of background papers	Head of Legal and Democratic Services Democratic Services Manager
100F(2)	Exclusion of document containing exempt information	Head of Legal and Democratic Services Democratic Services Manager
115(2)	Receipt of money due from Officers	S151 Officer

146(1)(a) and (b)	Declarations and certificates with regard to securities	S151 Officer
151	Arrangements for proper administration of Council's financial affairs	S151 Officer
191(2)	Functions with respect to ordnance survey	Head of Planning and Coastal Management
204(3)	Receipt of notice of application for justices' licence under Schedule 2 Licensing Act 1964	Chief Executive Head of Legal and Democratic Services
210	Charity functions of predecessor authorities transferred to the Council	Chief Executive Head of Legal and Democratic Services
212	The Officer to act as local registrar for local land charges	Head of Planning and Coastal Management
223(1)	Appearance of Council in legal proceedings	Head of Legal and Democratic Services
225(1)	Deposit of documents	Chief Executive Head of Legal and Democratic Services
228(3)	Accounts to be open to inspection	S151 Officer
229(5)	Certification of photographic copies of documents	Chief Executive Head of Legal and Democratic Services
234(1) and (2)	The Officer to sign any such notice, order or other document which the Council are authorised or required by or under any enactment to give, make or issue	Chief Executive Head of Legal and Democratic Services
236(9)(10)	To send copies of byelaws to Parish Councils	Head of Legal and Democratic Services Democratic Services Manager
238	Certification of byelaws	Head of Legal and Democratic Services Democratic Services Manager
248(2)	Keeping of Roll of Freeman	Chief Executive Head of Legal and Democratic Services
Schedule 6 Para 1	The Officer capable of deputizing for the registration Officer for carrying out his registration duties	Head of Legal and Democratic Services
Schedule 12 para 3(2), 4(2)(b)	Signature of summons to council Meeting	Chief Executive Head of Legal and Democratic Services
Schedule 12 para 4(3)	Receipt of notices regarding address to which summons to meeting is to be sent	Chief Executive Head of Legal and Democratic Services

Schedule 14, para 13	Taking action under s152(1), s157, s158(1), and s163(1) of the Public Health Act 1936	Head of Environmental Services and Port Health
Schedule 14 para 15	s162(1) of the Public Health Act 1936	Head of Environmental Services and Port Health
Schedule 14 para 25(7)	The Officer to certify in writing a true copy of resolution of the Council applying or disapplying provisions of the Public Health Acts 1875-1924	Head of Legal and Democratic Services Head of Environmental Services and Port Health
Schedule 14 para 38(1)(2)	Issuing of written certificates for the purposes of ss38(1) and (2) of the Public Health Acts 1875-1924	The Registered medical practitioner appointed by the Council for the purpose
Schedule 14 para 47(1)(2)	Issuing of written certificates for the purposes of the Health Services and Public Health Act 1968 Section (1) and (2)	The Registered medical practitioner appointed by the Council for the purpose
Schedule 16 para 28	The Officer to receive on deposit lists of buildings of special architectural or historic interest	Head of Planning and Coastal Management Head of Legal and Democratic Services
Schedule 22	The Officer for the purposes of s166(1) and (2) of the Housing Act 1957	Chief Executive Head of Legal and Democratic Services
Schedule 29 para 4(1)(a) and (c)	The Officer referred to as the Clerk of a Council or the Town Clerk of a Borough in any enactment passed before or during the 1971/72 Session of Parliament, other than the Local Government Act 1972, or in any instrument made before 26 October 1972 and in any local statutory provisions	Chief Executive Head of Legal and Democratic Services

Representation of the People Act 1983

8(1) and (2) (a)	Appointment of electoral registration Officer	
35(1)	Appointment of returning Officer	

Local Government Finance Act 1988

114	Officer responsible as regards Reports Reports	
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Local Government and Housing Act 1989

2(4)	Deposit of list of politically restricted posts	
4	Head of Paid Service	
5	Monitoring Officer	
15-17	Receipt of various notices relating to political groups under relevant Regulations	

19(1) and (4)	Receipt of notice of direct and indirect pecuniary interests	
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Local Government Act 2000

The Officer to receive written notice from the Leader of the removal from the Cabinet of an individual Cabinet Member	Head of Legal and Democratic Services Democratic Services Manager
The Officer to call in a decision for scrutiny by the Scrutiny Committee in accordance with the Scrutiny Procedure Rules	Head of Legal and Democratic Services Democratic Services Manager
The Officer to receive reasonable notice that the Cabinet is to meet to make a decision	Head of Legal and Democratic Services Democratic Services Manager
The Officer to ensure that an item requires by a Cabinet Member is placed on the agenda for the next available meeting of the Cabinet	Head of Legal and Democratic Services Democratic Services Manager
The Office to ensure that an item requested by the Scrutiny Committee or by Council is placed on the agenda for the next available meeting of the Cabinet	Head of Legal and Democratic Services Democratic Services Manager
The Officer to call a meeting of the Cabinet requested by the Head of Paid Service, the Chief Finance Officer or the Monitoring Officer in pursuance of their statutory duty	Head of Legal and Democratic Services Democratic Services Manager
The Office responsible for the recording and publicising of decisions made at private meetings of the Cabinet	Head of Legal and Democratic Services Democratic Services Manager
The Officer to receive notice from a member of the Scrutiny Committee that they wish an item to be placed on the agenda for the next available meeting of the Scrutiny Committee and to ensure that such item is included on the next agenda	Head of Legal and Democratic Services Democratic Services Manager
The Officer to receive written notice from the requisite number of members of the Council who are not members of the Scrutiny Committee that they wish an item to be included on the agenda of the Scrutiny Committee and to ensure that such item is included on the next agenda	Head of Legal and Democratic Services Democratic Services Manager
The Officer to receive the report of the Scrutiny Committee and to allocate such report to either both Cabinet appropriate regulatory committee or Council	Head of Legal and Democratic Services Democratic Services Manager
The Office to inform in writing a Member or Officer required to attend the Scrutiny Committee of that requirement	Head of Legal and Democratic Services Democratic Services Manager

Functions under the Local Authorities (Executive Arrangements) (Access to Head of Information)(England) Regulations 2000	Legal and Democratic Services Democratic Services Manager
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Countryside and Rights of Way Act 2000

1	Access to the Countryside (Maps in Draft Form) (England) Regulations	Head of Planning and Coastal Management
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The Local Authorities (Standing Orders) (England) Regulations 2001

All sections	Giving notice to Cabinet in respect of chief Officer appointments	HR Manager
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The Magistrates' Courts

To represent the Council in the Magistrates' Court in respect of Council Tax and Non-Domestic rates matters	Nigel Adams Jade Ellis Caroline Greig Gillian Juby Kieran Kingston-Mills Thereza Lawson Jak Miller Steven Oxborough Arthur Roberts Peter Seeley Feria Siblun Lucy Talbot Lesley Walker
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The Health and Safety at Work Act 1974

S19(1)	To carry out enforcement	Head of Environmental Services & Port Health Food & Safety Manager Health & Safety Manager Lead Food Officer Food & Safety Officer
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ALL OTHER PROPER OFFICER FUNCTIONS

The Chief Executive or such other officer as may from time to time be so designated by them.

5. Powers of Officers

5.1 Officers are appointed to undertake particular roles. Those roles may be established by the terms of their appointment, job or role description, their position in the organisation, or from a specific instruction or the allocation of specific responsibilities by their manager. Officers' roles may vary from time to time to reflect changes in Service delivery.

- 5.2 To ensure the smooth functioning of the Council and the efficient delivery of the Services that it is responsible for, the Council and the Cabinet delegate to Officers all of the powers that they need to do whatever their role requires of them from time to time.
- 5.3 All powers and functions not specifically reserved to Members in this Constitution or by statute stand delegated to Officers in accordance with the cascade principle set out below.

6. Cascade of Powers

- 6.1 Officers' powers have been delegated by means of a standing cascade. That means that there are no long lists in this constitution of specific powers and who they have been delegated and sub-delegated to, with the exception of the specific delegations in [Appendix 1](#) to this Scheme of Delegation to Officers.
 - 6.2 Instead, there is a standing delegation of all necessary powers from the Council and the Cabinet (and their committees) to the Chief Executive and from there to each Strategic Director and the Heads of Service. The cascade continues down through the Heads of Service to team managers and relevant Officers in each Service.
 - 6.3 In each case the powers delegated are the full range and extent of powers vested in the Council as necessary in order to discharge functions, implement decisions, and undertake the efficient operational management of the Services that the Strategic Directors and Heads of Service are responsible for.
 - 6.4 This includes the power to do anything ancillary or incidental to, arising from, or necessary to give effect to or facilitate the exercise of powers and the discharge of functions delegated to Officers.
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- 7.1. When Officers act under delegated powers, they do so in the name of their Head of Service or Strategic Director who will retain ultimate responsibility for ensuring that powers are exercised at the appropriate level by suitably competent and qualified Officers.
 - 7.2. It is for the Chief Executive, Strategic Directors and Heads of Service, to determine, record and keep under review the extent to which Officers in their Service are authorised to exercise delegated powers in their name. They shall do this by ensuring that there is clarity in setting out their Service and team structures and defining the respective roles of their Officers.
 - 7.3. It is the responsibility of each Officer in the chain of delegations to ensure that powers are being exercised at the most appropriate level by suitably competent and qualified Officers. They shall at all times have due regard for the nature, subject matter, and likely impact of any decision and liaise closely with those above them in the chain of delegations, including relevant Members, especially where a matter has potentially significant strategic, policy or operational implications.
 - 7.4. Any ambiguity that may arise as to whether or not a particular Officer is, by reference to the terms of their appointment, job or role description, or their position in the organisation, authorised in respect of any particular function is to be resolved by reference back up through the chain of delegations to Heads of Service, Strategic Directors or ultimately to the Chief Executive as appropriate who shall, where necessary, give written confirmation of the allocation of any given responsibility.
 - 7.5. In exceptional circumstances, and with the agreement of those above them in the chain of delegations, Officers may decline to exercise powers which rest with them

where it is considered, in all the circumstances, that it would be more appropriate for another Officer or for Members to exercise the power instead.

- 7.6. Unless specifically prohibited by the terms of any authorisation, Officers may arrange for any power which rests with them to be discharged by another suitably competent and qualified Officer, but they remain responsible for any powers so exercised.
- 7.7. Officers may direct that certain types of decisions, or decisions on particular matters, be reserved to them (or to another Officer) notwithstanding that they would ordinarily be taken at a point further along the chain of cascade.
- 7.8. Where the duly empowered Officer is unavailable or unable to act then, subject to any specific arrangements that may have been put in place, a suitably qualified and competent Officer who is most proximate to the absent Officer in the chain of delegations is empowered to act in place of that Officer. This will usually follow the chain of delegations or line of management back up through team managers and Heads of Service to the Chief Executive.

- 8.1. Officers are not empowered to make decisions in respect of matters that are specifically reserved to Members or which amount to the adoption or implementation of new policy.
- 8.2. Officers are only empowered to act in respect of matters which fall within their Service area, suite of responsibilities and sphere of competence.
- 8.3. Officers who propose to exercise powers in respect of any matter that is not wholly within their Service area, suite of responsibilities or sphere of competence shall be obliged to act in consultation with and take appropriate advice from those Officers with the relevant responsibilities and expertise and particularly from the Chief Financial Officer and the Head of Legal and Democratic Services in respect of financial and legal considerations.
- 8.4. Before taking decisions, Officers must be satisfied that they can demonstrate, through appropriate records, that they are duly authorised to act and that they have undertaken all appropriate consultation.
- 8.5. Officers must at all times observe and abide by the principles and controls governing decision making set out in [Section A](#).

9. Notices, Authorisations, Determinations, Orders, Licences, Agreements, and Consents

- 9.1 For the avoidance of doubt the delegation of authority through the Officer structure includes the power to take all action necessary in connection with or ancillary to the following, subject always to powers reserved for exercise by the Council, Cabinet and Cabinet Member, and any committees established by the Council and to the framework set out in the [Financial Procedure Rules](#) and [Contract Procedure Rules](#) in Part 4:
 - a) the instruction of the Monitoring Officer in respect of legal (or quasi legal) proceedings.
 - b) the authorisation of Officers as may be required by statute (whether as "Proper Officers" or otherwise) to undertake certain roles, or to exercise or discharge any powers, duties or functions including investigatory or regulatory functions and affecting entry to land or premises;
 - c) the issuing, service, variation, or withdrawal of any notice, direction, determination, requisition, ultimatum or demand;

- d) the making, confirmation, variation or withdrawal of any order or regulation;
- e) the formation, variation or termination of any contract or agreement;
- f) the grant, variation, withdrawal, suspension or termination of any permission, authorisation, licence or consent.

10. Authorising Expenditure and Signing and Sealing Agreements

- 10.1 The [Finance Procedure Rules](#) and [Contract Procedure Rules](#) (Part 3 of this Constitution) and individual Service schemes of financial delegation sets out the financial limits that Officers must work within and procedures that they must follow when authorising expenditure. In the absence of any requirement to the contrary, Officers may:
- a) authorise expenditure of up to £30,000;
 - b) in consultation with the Cabinet Member for the Portfolio to which the expenditure relates, authorise expenditure of up to £250,000.
- 10.2 The [Finance Procedure Rules](#) and [Contract Procedure Rules](#) set out which documents can be signed by Officers within individual Services and which documents must be signed or sealed by the Head of Legal and Democratic Services.

11. Legal Proceedings and Protecting the Council's Interests

- 11.1 All matters in respect of the conduct of legal (or quasi legal) proceedings (including the authentication or execution of documents) are reserved to the Head of Legal and Democratic Services (and their duly authorised Officers) who shall be authorised to institute, defend, settle, discontinue or otherwise participate in any such proceedings or take any other action considered necessary to give effect to decisions or protect the interests of the Council.

12. Conflicts of Interest

- 12.1 Every Officer is responsible for identifying whether they have a conflict of interest in any matter which is under consideration, actual or perceived, within the Council, and notifying the Council (including under section 117 of the [Local Government Act 1972](#)) is necessary.
- 12.2 Where an Officer has a conflict of interest in any matter, they shall not participate in that matter in their capacity as an Officer except with the prior approval of the Monitoring Officer or the Chief Executive.
- 12.3 Where the Chief Executive is unable to act on a matter because of a conflict of interest, the matter shall be discharged by the appropriate Strategic Director or Head of Service, where the appropriate Strategic Director or Head of Service is unable to act the matter shall be discharged by the CMT collectively, or by such Officer as they shall determine for this purpose.
- 12.4 Where a Head of Service is unable to act on a matter because of a conflict of interest, the Chief Executive shall discharge the matter themselves or allocate the matter to another Officer.
- 12.5 Where the Monitoring Officer is unable to act on a matter in their statutory capacity under section 5 of the [Local Government and Housing Act 1989](#), the matter shall be discharged by the Officer designated by the Monitoring Officer as Deputy Monitoring Officer.

- 12.6 Where the Monitoring Officer is unable to act on a matter in relation of Member conduct, the matter shall be discharged by the person appointed by the Monitoring Officer for this purpose under section 82A of the [Local Government Act 2000](#).
- 12.7 Where any other Officer is unable to act on a matter that Officer's line manager or the Chief Executive may discharge the matter or may arrange for another Officer to discharge the matter.
- 12.8 No Officer other than the Head of Legal and Democratic Services shall authorise or institute any legal proceedings or process or instruct legal agents or Counsel without the prior written consent of the Head of Legal and Democratic Services unless the Head of Legal and democratic Services is absent or conflicted in which case the Chief Executive may discharge the matter or arrange for another officer to discharge the matter.
- 12.9 The Chief Executive may allocate or re-allocate responsibility for functions between Officers as necessary for the effective discharge of those functions or to cover absence of particular Officers.
- 12.10 Where an Officer is going to be absent for a period, they or their line manager may re-allocate responsibility for that Officer's functions as necessary to ensure the effective discharge of those functions during the Officer's absence. Where the Chief Executive is going to be absent for a period then responsibility for the Chief Executive's functions as necessary to ensure the effective discharge of those functions during the Chief Executive's absence shall be allocated to the appropriate Strategic Directors or Heads of Service, unless otherwise allocated by the Chief Executive.
- 12.11 Where a function is delegated to an Officer it shall also be exercisable by their Head of Service. Where a function is delegated to a Head of Service it shall also be exercisable by the Chief Executive, except for the functions of Monitoring Officer and Section 151 Officer. Where a function is stated to be specifically delegated to a particular Officer, that function shall not be exercised by any other Officer, except in accordance with this Scheme. Staff exercising delegated powers shall do so with regard to Section A (Principles of Decision Making).

13. Specific Delegations

- 13.1 Specific delegations to Officers are set out in [Appendix 1](#) to this Scheme of Delegation to Officers.

Section E - APPENDIX 1

REGISTER OF SPECIFIC OFFICER FUNCTIONS

Head of Planning and Coastal Management

All planning application decisions including decisions concerning Environmental Impact Assessment (EIA) decisions or considerations requiring Habitat Impact Assessments (HRA) are delegated to the Head of Planning and Coastal Management UNLESS:

1. The Planning Application is, in the opinion of the Head of Planning and Coastal Management or the Chairman/Vice Chairman of the Planning Committee, of significant public interest; would have a significant impact on the environment; or should otherwise be referred to Members due to its significance in some other respect; or
2. The applicant or landowner is East Suffolk Council; or
3. The applicant, or agent, is an East Suffolk Councillor or an East Suffolk Council employee, or the applicant, or agent, is a close relative of an East Suffolk Councillor or East Suffolk Council employee; or
4. The 'minded to' decision of the Planning Officer is contrary to either:
 - a. The comments received from the Town or Parish Council within the 21-day consultation period; or
 - b. The comments received from the Ward Member within the 21-day consultation period; or
 - c. The comments received from a statutory consultee within the 21-day consultation period.

In which case, if item 4 is invoked, the Planning Application will be referred to the Planning Referral Panel – the panel will discuss with the Head of Planning and Coastal Management (based on planning grounds) to either refer the application to Planning Committee for decision or remain delegated to the Head of Planning and Coastal Management.

Planning Referral Panel

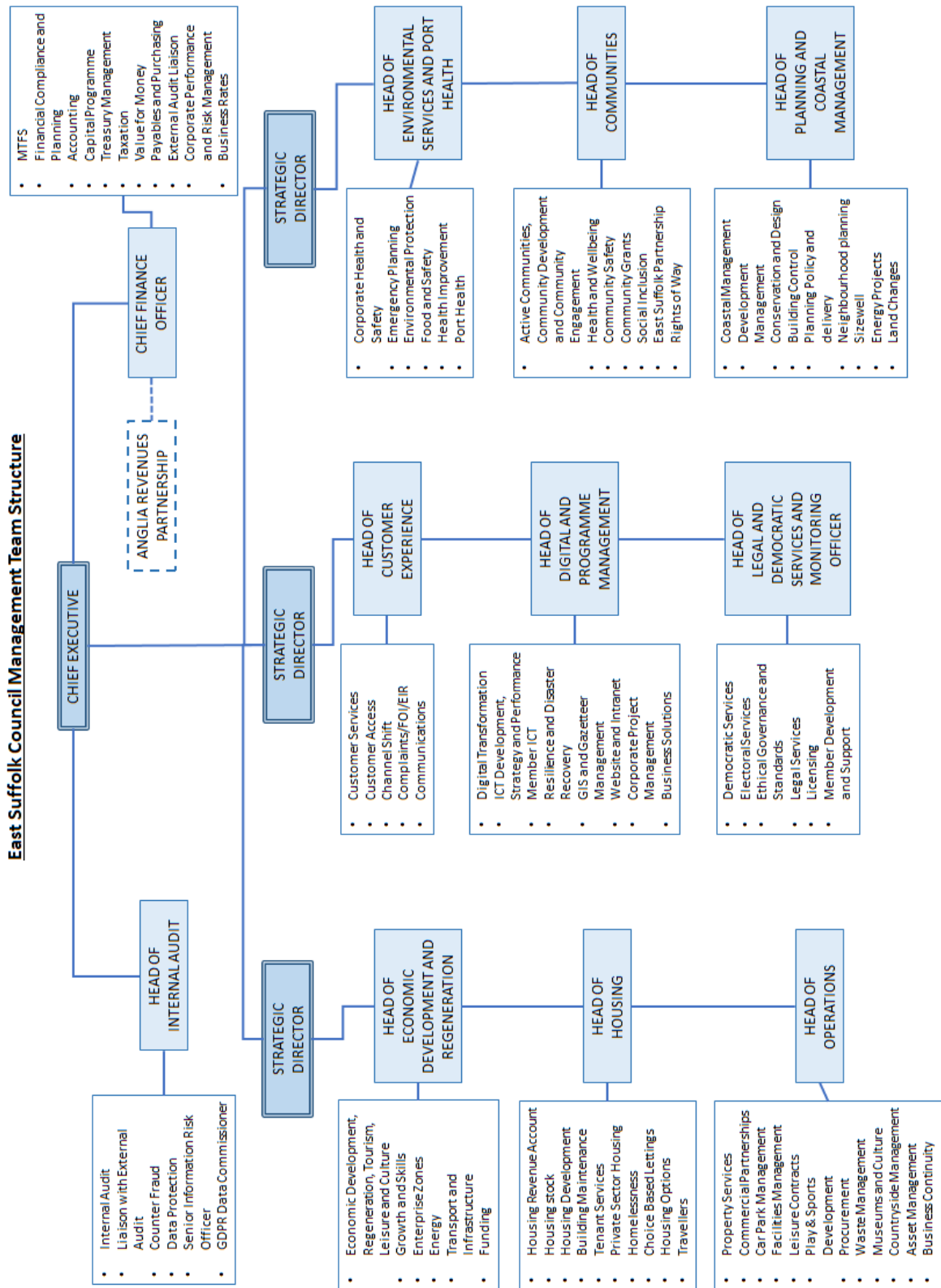
The Planning Referral Panel is a consultative panel consisting of the Chairman and Vice Chairman of each area Planning Committee, convened by the Head of Planning and Coastal Management as necessary and established to advise on the delegated route of decision making for planning permission and other planning matters as part of the scheme of delegation.

Officers will use the Planning Referral Panel to consult with the Chairman and Vice Chairman of the committees as to whether the application or matter will be determined by the relevant Planning Committee or remain delegated to the Head of Planning and Coastal Management in accordance with the Scheme of Delegation. The final decision on whether the relevant Planning Committee or the Head of Planning and Coastal Management shall determine the application or matter shall be made by the Head of Planning and Coastal Management as part of the consultation with the Planning Referral Panel.

The Planning Referral Panel will also consider whether it is appropriate for the relevant Planning Committee to undertake a site visit before the case is presented to the Planning Committee.

All consultations with the Planning Referral Panel will be recorded.

Section E - APPENDIX 2



Section F – Councillor Roles

As a democratically elected local representative, East Suffolk Councillors have a unique and privileged position and the potential to make a real difference to people's lives. Councillors represent their ward and the people who live in it and not just those who may have voted for them. They provide a bridge between the community and the Council, advocating for local residents, signposting them to the right people, and keeping them informed about relevant issues.

Being an effective Councillor requires a lot of hard work but can be extremely rewarding. Councillors have to balance the needs and interests of their residents, voters, community groups, local businesses, political parties (if they belong to one) and the Council, on a daily basis. All these groups will make legitimate demands on a Councillor's time, on top of their personal responsibilities to family, friends and workplace. It is important, therefore, that Councillors understand their role, so they can perform responsibly and effectively for the Council and maintain the quality of their personal lives.

Role Descriptions outlining the purpose, duties, and responsibilities of a Councillor, as well as the qualities and skills required, have been developed. They are designed to be used as a guide and a working document but are not intended to be prescriptive or exclusive. Each newly elected Councillor will be invited to draw up their own Member Development Plan (MDP), and as part of this process, the Role Descriptions can help identify what learning and development needs a Councillor may have. In turn, those needs help us to develop the Annual Member Development Programme (AMDP), which consists of a series of briefings and courses designed for Councillors to develop their skills.

The Council is committed to ensuring that all Councillors have the necessary skills and knowledge to enable them to effectively carry out their community leadership roles. The Role Descriptions cover the following roles:

- Elected Member (Generic for all 55 Members)
- Leader/Deputy Leader
- Cabinet Member
- Assistant Cabinet Member
- Chairman/Vice-Chairman of the Council
- Chairman/Vice-Chairman of Audit & Governance Committee
- Chairman/Vice-Chairman of Scrutiny Committee
- Chairman/Vice-Chairman of a Regulatory Committee (e.g. Planning, Licensing etc.)
- Chairman/Vice-Chairman of a Community Partnership
- Member of Audit & Governance Committee
- Member of Scrutiny Committee
- Member of a Regulatory Committee
- Leader/Deputy Leader of an Opposition Group

Where Members undertake more than one role, it is anticipated that the Role Descriptions will be combined, for example, the Chairman of the Planning Committee will be expected to undertake the role of Elected Member, Planning Committee Member and Chairman of the Planning Committee.

ELECTED MEMBER (Generic for all 55 Members) ROLE DESCRIPTION

1. Accountabilities

- To the electorate of the Ward and District
- To the wider public
- To Full Council
- To the Political Group and Group Leader (where applicable)

2. Role Purpose

- To provide a bridge between the community and the Council
- To represent individual constituents and local organisations in a fair and equal way, undertaking casework on their behalf
- To represent the interests of the Ward and communities served
- To attend Community Partnerships within the District
- If appointed, to attend and represent the Council at meetings of other partner organisations (outside bodies) as and where appropriate
- To communicate with members of the community on:
 - Council strategies, policies, services and procedures
 - Decisions that affect them and explain why those decisions are being taken
 - Opportunities in the community
 - The rights of constituents
- To be an advocate for the Council
- To proactively support the good governance of the District, through the formation and scrutiny of the Council's policies, plans, strategies, budget and service delivery
- To liaise with Member colleagues, Officers and partner organisations to ensure that the needs of the local community are identified, understood and supported

3. Duties & Responsibilities

- To promote and at all times maintain high standards of conduct in accordance with the Code of Conduct, acting with Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership
- To act as a link between East Suffolk Council and Town and Parish Councils in the Ward served
- To take account of any legal requirements that relate to their role and duties such as General Data Protection Regulations, Safeguarding etc
- To use information technology in its various forms, including the use of social media, participating in the webcasting of Council meetings and video conferencing
- To assist the Council in going paperless by receiving meeting papers electronically, using the Council's Committee Management System on the supplied electronic device
- To attend and participate in meetings of the Council at both its offices – East Suffolk House in Melton and Riverside in Lowestoft – or any other location as required

4. Skills and Knowledge

The Democratic Services Team will be available to provide Members with advice and support to undertake the full duties of the role. In addition, opportunities for Members

to take part in learning and development are available, to assist Members in the following:

(a) Representing and Supporting Communities

- Good advocacy skills
- Interpersonal skills
- Integrity and ability to set aside own views and act impartially
- The ability to present relevant and well reasoned arguments
- Good communication skills
- Knowledge and understanding of the democratic process and the Council's Constitution

(b) Representing East Suffolk Council

- Good public speaking skills
- Good presentation skills
- The ability to persuade others and act with probity
- The ability to travel around the District
- The need to be IT literate
- Understanding the role of external partners and other organisations in the public, private, charitable and voluntary sectors
- Understanding of East Suffolk Council's partner organisations

(c) Making Decisions and Overseeing Council Performance

- Knowledge and understanding of procedures, legal requirements, rules and conventions for meetings
- The ability to scrutinise and challenge reports and ideas
- The ability to contribute positively to policy development

5. Governance, Ethical Standards and Relationships

- To promote and support good governance of the Council and its business
- To promote and support open and transparent government
- To promote community leadership and active citizenship
- To understand the roles of Members, Officers, external partners and agencies
- To promote and at all times maintain high standards of conduct in accordance with the Code of Conduct, acting with Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership, and to adopt the highest standards of behaviour in public office
- To support and adhere to respectful, appropriate and effective relationships with Officers of the Council in accordance with the Protocol for Member/Officer Relations

LEADER/DEPUTY LEADER ROLE DESCRIPTION

1. Accountabilities

- To the public
- To the Cabinet (through collective responsibility)
- To Full Council

2. Role Purpose

- To be the leading political figurehead(s) for the Council as a whole and the principal political spokespersons for the Administration

- To provide strong, clear political leadership in the co-ordination of Council policies, strategies and service delivery
- To provide visible leadership in relation to the Council and its citizens, stakeholders and partners in the overall delivery of Council policies, strategies and service delivery

3. Duties and Responsibilities

- To appoint the Cabinet (Leader)
- To appoint the Deputy Leader (Leader)
- To designate appropriate Cabinet portfolio groupings
- To appoint Cabinet Members to specific portfolios having regard to their abilities, expertise and past work/life experiences
- To have a thorough knowledge of the Constitution and the decision-making processes within the Council
- To ensure effective running of the Cabinet by overseeing the Forward Plan of Key and Exempt Decisions
- To chair meetings of the Cabinet in line with Council procedures and the Constitution
- In conjunction with other Cabinet Members, to ensure the development of effective Council policies, the budgetary framework and delivery of high quality services to local people
- To represent the Council in the community and in discussions with regional, national and international organisations and others to pursue matters of interest to the Council and its communities
- To ensure that the Annual Member Development Programme provides sufficient and timely support and training opportunities to Councillors in order to help them be effective in their roles
- To liaise regularly with the Chief Executive giving and receiving advice on the management of the Council and delivery of Council services
- To challenge the status quo, thinking creatively and taking advantage of opportunities, and to help create an organisational culture which can enable this approach
- To develop and maintain effective relationships with Officers, other Councillors, partners and other public sector bodies, local businesses and voluntary and community groups and the general public in the area

The Deputy Leader will assist the Leader of the Council in discharging the above duties and in the absence of the Leader, the Deputy Leader will assume responsibility.

These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.

CABINET MEMBER ROLE DESCRIPTION

1. Accountabilities

- To the public
- To the Leader
- To the Cabinet (through collective responsibility)
- To Full Council

2. Role Purpose

- ~~To be responsible for developing and implementing Council policies, strategies and service delivery within allocated Cabinet portfolios~~
- ~~To give leadership and political direction to Officers and be accountable for choices and the performance of their relevant portfolio~~
- ~~To act as a spokesperson both within and outside the Authority on matters covered by their portfolio~~

~~3. Duties and Responsibilities~~

- ~~To take individual responsibility for a specific Cabinet portfolio and share in undertaking executive responsibility for developing and progressing overall strategy, budget, policies, service delivery and priorities~~
- ~~To give direction on, and ensure the development of the vision for, those services within their portfolio so that they are consistent with the Council's overall strategic approach~~
- ~~To work as a team with other Cabinet Members and to recognise and contribute towards issues which cut across portfolios or are issues of collective responsibility~~
- ~~To liaise with the Chief Executive, Strategic Directors and Heads of Service to ensure the effective management of the delivery of those services within the portfolio throughout the district~~
- ~~To speak on behalf of the Council in relation to portfolio responsibilities including representing the portfolio at Full Council and other meetings, representing the Council to the media and on relevant external bodies, and to develop and maintain effective working relationships with the public, local businesses, the media, and voluntary and community groups in the area~~
- ~~To encourage public participation and consultation and to ensure effective communication of Council policies and strategies to all Councillors, employees, residents, partner organisations and other stakeholders to ensure they are widely understood and positively promoted~~
- ~~To participate in Committee meetings of the Council e.g. Scrutiny Committee and other Committees where requested to do so~~
- ~~To have a thorough knowledge of the Constitution and the decision-making processes within the Council~~
- ~~To be called to account for decisions made on behalf of the Cabinet or as an individual Cabinet Member~~
- ~~To work closely with and support Assistant Cabinet Members to ensure they are effective in their role~~

~~These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.~~

~~ASSISTANT CABINET MEMBER ROLE DESCRIPTION~~

~~1. Accountabilities~~

- ~~To the public~~
- ~~To the Leader~~
- ~~To the Cabinet (through collective responsibility)~~
- ~~To the Cabinet Member they assist~~
- ~~To Full Council~~

2. Role Purpose

- To assist the Cabinet Member in being responsible for developing and implementing Council policies, strategies and service delivery within allocated Cabinet portfolios
- To assist the substantive Cabinet Member in giving leadership and political direction to Officers and to be accountable for choices and performance of relevant portfolio
- To act as a spokesperson in consultation with the Cabinet Member both within and outside the Authority on matters covered by their portfolio

3. Duties & Responsibilities

- To assist in taking responsibility for a specific Cabinet portfolio and share in undertaking executive responsibility for developing and progressing overall strategy, budget, policies, service delivery and priorities
- To work in consultation with the Cabinet Member to give direction on, and ensure the development of the vision for, those services within their portfolio so that they are consistent with the overall strategic approach of the Council
- To work as a team with their Cabinet Member, other Cabinet Members and their Assistant Cabinet Members and to recognise and contribute towards issues which cut across portfolios or are issues of collective responsibility
- To liaise with the Chief Executive and Heads of Service to ensure the effective management of the delivery of those services within the portfolio throughout the district
- To support the Cabinet Member and to assist as necessary in speaking on behalf of the Council in relation to portfolio responsibilities including representing the portfolio at Full Council, representing the Council to the media and on relevant external bodies, and to develop and maintain effective working relationships with the public, local businesses, the media, and voluntary and community groups in the area
- To encourage public participation and consultation and to ensure effective communication of Council policies and strategies to all Councillors, employees, residents, partner organisations and other stakeholders to ensure they are widely understood and positively promoted
- To participate in Committee meetings of the Council e.g. Scrutiny Committee and other Committees where requested to do so, and to support the substantive Cabinet Member
- To have a thorough knowledge of the Constitution and the decision-making processes within the Council
- To be called to account for decisions made on behalf of the Cabinet or as an individual Cabinet Member, assisting the substantive Cabinet Member

These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.

CHAIRMAN/VICE-CHAIRMAN OF THE COUNCIL ROLE DESCRIPTION

1. Accountabilities

- To the public
- To Full Council

2. — Role Purpose and Activity

(a) — Acting as the Council's Civic Head

- — As the ceremonial head of the Council, to be non-political and uphold the democratic values of the Council
- — To represent the Council at civic and ceremonial functions

(b) — Chairing Council Meetings

- — To preside over meetings of the Council so its business can be carried out efficiently
- — To ensure the Council conducts its meetings in line with the Council's Standing Orders

(c) — Upholding and promoting the Council's Constitution

- — To ensure the Constitution is adhered to and, if necessary, to rule on the interpretation of the Constitution

(d) — Internal Governance, Ethical Standards and Relationships

- — To promote and support good governance of the Council and its affairs
- — To provide community leadership and promote active citizenship
- — To promote and support open and transparent government
- — To support, and adhere to respectful, appropriate and effective relationships with Officers of the Council
- — To adhere to the Code of Conduct, Protocol for Member/Officer Relations and the highest standards of behaviour in public office

3. — Work Programming

To prepare and manage an annual work programme for the Council to meet its legal obligations (e.g. setting the budget and the Council Tax and making appointments)

The Vice Chairman will assume responsibility for the above duties in the absence of the Chairman.

These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.

CHAIRMAN/VICE-CHAIRMAN OF AUDIT & GOVERNANCE COMMITTEE ROLE DESCRIPTION

1. — Accountabilities

- — To the public
- — To Full Council
- — To the Audit and Governance Committee
- — To External Auditors

2. — Role Purpose and Activity

(a) — Provide Leadership and Direction

- — To promote and support good governance by the Council
- — To demonstrate independence, integrity and impartiality in decision making which accords with legal, financial, constitutional and policy requirements
- — To provide confident and effective management of the Committee to facilitate inclusivity, participation and clear decision making

- ~~To ensure thoroughness and objectivity in the Committee, receiving and responding to professional advice in the conduct of meetings and in the audit process~~
 - ~~To uphold and promote ethical governance and high standards in public office, particularly in relation to the Code of Conduct and the Protocol for Member/Officer Relations~~
- ~~(b) To lead the Audit & Governance Committee in its role to:~~
- ~~Review and scrutinise the Authority's financial affairs and make reports and recommendations in relation to them~~
 - ~~Review and assess the risk management, internal control and corporate governance arrangements of the Authority and make reports and recommendations to the Authority on the adequacy and effectiveness of these arrangements~~
 - ~~Oversee the Authority's internal and external audit arrangements~~
 - ~~Review the financial statements prepared by the Authority~~
 - ~~Consider and approve the unqualified Statement of Accounts and the Annual Government Statement (if the Statement of Accounts is qualified it will be debated at a meeting of Full Council)~~
 - ~~Develop effective working relationships with Internal and External Auditors~~
- ~~(c) Manage the Work Programme~~
- ~~Develop a forward work programme designed to deliver the requirements of an Audit & Governance Committee and to meet statutory requirements~~
 - ~~Monitor progress against the work programme and of audit actions~~
- ~~(d) Governance, Ethical Standards and Relationships~~
- ~~Understanding of the financial risks associated with corporate governance, being satisfied that the Authority's assurance statements, including the Annual Governance Statement, reflect the risk environment and any activities required to improve it~~
 - ~~Develop the standing and integrity of the Committee and its decision making~~
 - ~~Understand the respective roles of Members, Officers and external parties operating within the Audit & Governance Committee's areas of responsibility~~
 - ~~Review and self-assess the performance of the Committee and its Members~~

~~These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.~~

~~CHAIRMAN/VICE-CHAIRMAN OF SCRUTINY COMMITTEE ROLE DESCRIPTION~~

~~1. Accountabilities~~

- ~~To the public~~
- ~~To Full Council~~
- ~~To the Scrutiny Committee~~

~~2. Role Purpose and Activity~~

~~(a) Provide Leadership and Direction~~

- ~~Provide confident and effective management of the Scrutiny Committee and Scrutiny activities~~

- ~~Chair Scrutiny Committee meetings and develop and maintain a good working knowledge of the practices, procedures and functions which fall within the Committee's terms of reference~~
 - ~~Promote the role of Scrutiny within and outside East Suffolk Council, liaising effectively both internally within the Council and externally with the Council's partners, other public sector bodies and community organisations~~
 - ~~Develop a balanced work programme which includes Cabinet pre-decision scrutiny, policy development and review, investigative scrutiny and performance monitoring~~
 - ~~Demonstrate an objective and evidence-based approach to scrutiny~~
 - ~~Evaluate the impact and added value of scrutiny activity and identify areas for improvement~~
- (b) ~~Managing the Work Programme~~**
- ~~Oversee the development of a balanced work programme which takes account of relevant factors such as the work programme of the Cabinet and other committees, strategic priorities and risks and relevant community issues~~
 - ~~Monitor and report on progress against the work programme to Council~~
 - ~~Liaise with Officers, other Members, external partners and public sector bodies and community representatives to resource and deliver the work programme~~
- (c) ~~Holding the Cabinet and Individual Cabinet Members to Account~~**
- ~~Oversee the arrangements for consideration of any challenge to the validity of Cabinet decisions through the Call-in process~~
- (d) ~~Effective Meeting Management~~**
- ~~Ensure agendas contain clear objectives and outcomes for meetings~~
 - ~~Ensure that the necessary preparation is done for meetings~~
 - ~~Manage the progress of business at meetings; ensuring that meeting objectives are met and the Code of Conduct, rules of procedure and other constitutional requirements are adhered to~~
 - ~~Ensure that all participants have an opportunity to make an appropriate contribution~~
- (e) ~~Community Leadership~~**
- ~~To act as a focus for liaison between the Council, community and external bodies in relation to the Scrutiny function and in particular in relation to any 'Councillor Calls for Action'~~
 - ~~To build understanding and ownership of the Scrutiny function within the community~~
 - ~~To identify relevant community based issues for scrutiny~~
 - ~~To promote the full involvement of external stakeholders such as service users, expert witnesses and partners in scrutiny activity~~
- (f) ~~Involvement and Development of Committee Members~~**
- ~~To promote effective contributions from all Committee Members in both the Committee and any Task & Finish Groups~~
 - ~~To assess individual and collective performance within the Committee and facilitate appropriate development~~

3. ~~Governance, Ethical Standards and Relationships~~

- ~~• Develop the standing and integrity of the Scrutiny Committee and its role in the Council's decision making processes~~
- ~~• Understand the respective roles of Members, Officers and external parties operating within the Committee's areas of responsibility~~
- ~~• To support and promote good governance by the Council~~

~~These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.~~

**~~CHAIRMAN/VICE-CHAIRMAN OF A REGULATORY COMMITTEE (PLANNING, LICENSING etc.)
ROLE DESCRIPTION~~**

1. ~~Accountabilities~~

- ~~• To the public~~
- ~~• To Full Council~~
- ~~• To Members of the Regulatory Committee~~

2. ~~Role Purpose and Activity~~

(a) ~~Provide Leadership and Direction~~

- ~~• Provide confident and effective management of meetings to facilitate inclusivity, participation and clear decision making~~
- ~~• Understanding and appreciation of the regulatory framework, law and policies relevant to the quasi-judicial Committee~~
- ~~• Ensure consistency in the quality and effectiveness of decision making~~
- ~~• Ensure that applicants and other interested parties are clear on the procedures being followed and are satisfied as to the transparency of the regulatory process~~
- ~~• Demonstrate integrity and impartiality in decision making which accords with legal, constitutional and policy requirements~~
- ~~• Delegate actions to Sub-Committees as appropriate~~

(b) ~~Promoting the Role of the Regulatory Committee and Quasi-Judicial Decision Making~~

- ~~• Act as a representative for the Regulatory Committee, facilitating understanding of the role, the Committee and its quasi-judicial function~~
- ~~• Act within technical, legal and procedural requirements to oversee the functions of the Committee fairly and correctly~~
- ~~• Ensure thoroughness and objectivity in the Committee, receiving and responding to professional advice in the conduct of meetings and in individual cases/applications before formal Committee meetings~~

(c) ~~Effective Meeting Management~~

- ~~• Manage the progress of business at meetings; ensuring that meeting objectives are met and the Code of Conduct, standing orders, rules of procedure, legal requirements and other constitutional requirements are adhered to~~
- ~~• Ensure that all participants have an opportunity to make an appropriate contribution (where applicable)~~

- Ability to conduct meetings in accordance with agreed procedures to ensure that applicants feel that they have been dealt with fairly and fully even if their application is refused and that they are clear on the outcome of their application

3. Governance, Ethical Standards and Relationships

- Develop the standing and integrity of the Committee and its decision making
- Understand the respective roles of Members, Officers and external parties operating within the Committee's areas of responsibility
- Promote and support good governance by East Suffolk Council

These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.

CHAIRMAN/VICE-CHAIRMAN OF A COMMUNITY PARTNERSHIP

1. Accountabilities

- To the public
- To Full Council
- To the Community Partnership Board

2. Role Purpose and Activity

(a) Provide Leadership and Direction

- Provide confident and effective management of the Community Partnership, including by Chairing Community Partnership meetings and leading a solution focussed problem solving approach to tackling shared priorities
- Drive the activities of the Community Partnership and maintain a good working knowledge across all of the key areas of activity of the Community Partnership
- Champion and promote Community Partnerships within and outside East Suffolk Council, liaising effectively both internally within the Council and externally with the Council's partners (including Town/Parish Councils and other public sector bodies), businesses and voluntary and community organisations
- Develop a balanced work programme for the Community Partnership based on the priorities identified through the Community Partnership workshop as well as emerging local priorities
- Encourage organisations to work together on behalf of the local community, both jointly and within their individual areas of responsibility/speciality to tackle the collective priorities
- Commission further data and insight about the Community Partnership area as relevant to enable greater understanding of key issues
- Make recommendations to the Cabinet Member for Communities in relation to the allocation of the Community Partnership budget, monitor any allocations are spent according to plan that is set out, and lead bids for funding on behalf of the Community Partnership to the Strategic funding pot and other funding sources
- Contribute to the evaluation of the impact and added value of Community Partnerships and identify areas for improvement

(b) Managing the Work Programme

- Develop a balanced work programme which takes account relevant factors such as the Council's Business Plan, Community Partnership priorities and the priorities of other the organisations/partnerships that make up the Community Partnership structure, as well as emerging community issues
- Monitor and report on progress against the Community Partnership work programme to Council and to the Community Partnership Board
- Liaise with Officers, other Members, external partners (including public sector bodies) and business/voluntary and community sector representatives to resource and deliver the work programme

(d) Effective Meeting Management

- Work with relevant Officers to set agendas, ensuring clear objectives and outcomes for meetings and an engaging and solution focussed approach to achieving these objectives
- Ensure that the necessary preparation is done for meetings
- Manage the progress of business at meetings; ensuring that meeting objectives are met
- Ensure that all Community Partnership members act co-operatively, in an open and honest manner, value others' contributions and are prepared to learn from each other in seeking to achieve the objectives of the Partnership
- Ensure that all participants have an opportunity to make an appropriate contribution to meetings and Task and Finish Groups

(e) Community Leadership

- To establish Community Partnerships as a focus for community leadership in East Suffolk
- Ensure that the Partnership focuses on the needs of the whole Community Partnership area, especially the marginalised and disadvantaged.
- Champion the work of the Community Partnership within and beyond East Suffolk
- To build understanding and ownership of Community Partnerships within the communities across the Community Partnership area
- To identify relevant emerging community issues for consideration at Community Partnership meetings
- To promote the full involvement of all key stakeholders, including residents, service users, expert witnesses and partners

(f) Involvement and Development of Community Partnership Members

- To encourage effective contributions from partners in both the Community Partnership meetings and any Task & Finish Groups
- To identify and facilitate appropriate development for Community Partnership members

3. Governance, Ethical Standards and Relationships

- Develop the standing and integrity of the Community Partnership and its role in both the Council's decision-making processes and those of other key partners
- Understand the respective roles of Members, Officers and partners

These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.

MEMBER OF AUDIT & GOVERNANCE COMMITTEE ROLE DESCRIPTION

1. ~~Accountabilities~~

- ~~• To the public~~
- ~~• To Full Council~~
- ~~• To the Chair of the Audit & Governance Committee~~
- ~~• To External Auditors~~

2. ~~Role Purpose and Activity~~

- ~~• To promote and support good governance by the Council~~
- ~~• Reviewing and scrutinising the Authority's financial affairs and making reports and recommendations in relation to them~~
- ~~• To demonstrate independence, integrity and impartiality in decision making which accords with legal, financial, constitutional and policy requirements~~
- ~~• Reviewing and assessing the risk management, internal control and corporate governance arrangements of the Authority and making reports and recommendations to the Authority on the adequacy and effectiveness of these arrangements~~
- ~~• Overseeing the Authority's internal and external audit arrangements~~
- ~~• Reviewing the financial statements prepared by the Authority~~
- ~~• Consider and approve the unqualified Statement of Accounts and the Annual Government Statement (if the Statement of Accounts is qualified it will be debated at a meeting of Full Council)~~
- ~~• Possess sufficient technical, legal and procedural knowledge to contribute fairly and correctly in undertaking the functions of the Committee~~
- ~~• To be thorough and objective in receiving and responding to professional advice in the conduct of meetings and issues before the Committee~~
- ~~• To uphold and promote ethical governance and high standards in public office, particularly in relation to the Code of Conduct and Protocol for Member/Officer Relations~~

3. ~~Participating in Meetings and Making Decisions~~

- ~~• To participate effectively in meetings of the Audit & Governance Committee, questioning and seeking clarification on matters falling within the remit of the Committee~~
- ~~• To make informed and balanced decisions, within the Committee's Terms of Reference, which accords with legal, financial, constitutional and policy requirements~~

4. ~~Governance, Ethical Standards and Relationships~~

- ~~• Understanding of the financial risks associated with corporate governance, being satisfied that the Authority's assurance statements, including the Annual Governance Statement, reflect the risk environment and any activities required to improve it~~
- ~~• Develop and promote the standing and integrity of the Committee and its decision making~~
- ~~• Understand the respective roles of Members, Officers and external parties operating within the Audit & Governance Committee's areas of responsibility~~

- To undertake appropriate training and professional development provided by East Suffolk Council and external bodies

These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.

MEMBER OF SCRUTINY COMMITTEE ROLE DESCRIPTION

1. Accountabilities

- To the public
- To Full Council
- To the Chair of the Scrutiny Committee

2. Role Purpose and Activity

- To participate fully in the activities of the Scrutiny Committee, the development and delivery of its work programme and any associated Task & Finish Groups
- To scrutinise the decision making of the Cabinet against the Budget and Policy Framework laid down by the Council and against performance targets and budgets
- To evaluate the validity of Cabinet decisions and challenge policies/decisions on a sound basis of evidence through the Call in process where appropriate
- To assist in the scrutiny of the management and policy implementation of East Suffolk Council and of external organisations and to recommend changes and improvements
- To assist in the investigations referred to the Committee by the Cabinet, Council or Council Members
- To identify subjects for internal/external scrutiny review for inclusion in the work programme
- To assist in the scrutiny of Councillor Call for Action requests

3. Participating in Meetings and Making Decisions

- To participate effectively in meetings of the Scrutiny Committee, questioning and seeking clarification on matters before the Committee
- To make informed and balanced recommendations/decisions within the Committee's Terms of Reference, which accords with legal, financial, constitutional and policy requirements
- To develop and maintain a good working knowledge of the practices, procedures and functions which fall within the Scrutiny Committee's terms of reference
- The ability, as a Member of the Scrutiny Committee to require Cabinet Members to attend and be questioned on matters relating to their roles and responsibilities
- The ability, as a Member of the Scrutiny Committee, to require the Chief Executive, Strategic Directors and Heads of Service to attend and be questioned on matters relating to their roles, functions and responsibilities
- The ability, as a Member of the Scrutiny Committee, to call expert witnesses and invite advisors from outside the Council, or a Member of the Council not serving on the Committee, to provide advice on matters under review or discussion
- To add value to the decision making and service provision of the Authority through effective scrutiny

- To respect and treat all witnesses and participants in the Scrutiny process in a fair and equal way

4. Promoting the Work of the Scrutiny Committee

- To promote the role and scope of the Scrutiny Committee within and outside the Council, developing effective internal and external relationships

5. Governance, Ethical Standards and Relationships

- Develop the standing and integrity of the Scrutiny Committee and its role in the decision-making process
- Understand the respective roles of Members, Officers and external parties operating within the Committee's areas of responsibility
- To support and promote good governance by the Council
- To undertake appropriate training and professional development provided by East Suffolk Council and external bodies

These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.

MEMBER OF A REGULATORY COMMITTEE (PLANNING, LICENSING ETC) ROLE DESCRIPTION

1. Accountabilities

- To the public
- To Full Council
- To the Chair of the Regulatory Committee

2. Role Purpose and Activity

(a) Understanding the Nature of the Regulatory Committee and Quasi-Judicial Decision Making

- To be aware of the quasi-judicial nature of Regulatory Committee decision making
- To have sufficient technical, legal and procedural knowledge to contribute fairly and correctly to the function of the Committee
- To be thorough and objective in receiving and responding to professional advice in the conduct of meetings and individual cases/applications before the Committee
- Demonstrate integrity and impartiality in decision making which accords with legal, constitutional and policy requirements

(b) Participating in Meetings and Making Decisions

- Understanding and appreciation of the regulatory framework, law and policies relevant to the quasi-judicial Committee
- To participate effectively in meetings of the Committee, ensuring that both local considerations and policy recommendations are balanced to contribute to effective decision making
- To make informed and balanced decisions, within the terms of reference of the Committee, which accords with legal, constitutional and policy requirements

3. Governance, Ethical Standards and Relationships

- Develop the standing and integrity of the Committee and its decision-making
- Understand the respective roles of Members, Officers and external parties operating within the Committee's areas of responsibility
- Promote and support good governance by East Suffolk Council
- To undertake appropriate training and professional development provided by East Suffolk Council and external bodies

These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.

LEADER/DEPUTY LEADER OF AN OPPOSITION GROUP ROLE DESCRIPTION

1. Accountabilities

- To the nominating group

2. Role Purpose

- To be a political figurehead for an Opposition Group and to be a spokesperson for that Group
- To provide leadership in the constructive challenge of the Council's policies
- To undertake the functions of a Councillor and provide Leadership for that Group

3. Duties and Responsibilities

- To provide strong, clear leadership to their Opposition Group on the Council
- To act as a spokesperson for their Opposition Group and as a representative of the Authority to external bodies and organisations as appropriate
- To work with, comment on, challenge and review the Council's controlling group's performance in the co-ordination and implementation of its policies and procedures
- To establish and represent the views of their Opposition Group on issues of policy and probity
- To have a good understanding of the roles of Members, Officers, external partners and agencies

4. Governance, Ethical Standards and Relationships

- To promote and support good governance by East Suffolk Council
- To provide community leadership and promote active citizenship
- To promote and support open and transparent government
- To support and promote respectful, appropriate and effective relationships with employees of the Council
- To promote and support adherence to the Code of Conduct, the Protocol for Member/Officer Relations and the highest standards of behaviour expected in public life
- To promote and participate in Member development

The Deputy Leader of an Opposition Group will assist the Leader of that Opposition Group in discharging the above duties and in the absence of the Leader of an Opposition Group, the Deputy Leader of that Opposition Group will assume responsibility.

~~These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.~~

PART 3 – PROCEDURE RULES

Council Procedure Rules

1. Meetings of the Council

- 1.1 The Council shall meet at least 7 times per year. The Council shall meet alternately at East Suffolk House, Station Road, Melton, and Riverside, 4 Canning Road, Lowestoft, or at such other place as the Chairman of the Council may appoint.
- 1.2 When there is an 'ordinary' election of Councillors, the Annual Meeting will take place within 21 days of the retirement of the outgoing Councillors. In any other year, the Annual Meeting will take place on such Wednesday in May as the Council determines.
- 1.3 Unless the majority of Members present vote for the meeting to continue, any meeting that has lasted for three hours will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chairman. If the Chairman does not fix a date, the remaining business will be considered at the next Ordinary meeting.

2. Full Council quorum

- 2.1 The quorum of a meeting will be one quarter of the whole number of Members. For clarity, the calculation for a quorum shall be rounded up to the next whole number.
- 2.2 During any meeting if the Chairman counts the numbers of Members present and declares there is not a quorum, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chairman. If they do not fix a date, the remaining business will be considered at the next Ordinary meeting.

3. Cancellation of meetings

- 3.1 The Chief Executive may cancel any meeting of the Council following consultation with the Chairman and Vice Chairman of the Council, if they are of the opinion that:
- (a) the number of Members able to attend due to inclement weather or sickness is such that the meeting is likely to be inquorate; or
 - (b) there is insufficient business to be transacted to warrant the holding of the meeting.

4. Extraordinary meetings

- 4.1 Those listed below may request the Proper Officer to call Council meetings in addition to Ordinary meetings:
- (a) the Council, by resolution;
 - (b) the Chairman of the Council;
 - (c) the Monitoring Officer;
 - (d) the Section 151 Officer;
 - (e) any five Members of the Council if they have signed a requisition presented to the Chairman of the Council and the Chairman has refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.

Note: No Notices of Motion or questions from Councillors or members of the public will be taken at any Extraordinary Meeting

5. ORDER OF BUSINESS

5.1 Ordinary Council Meetings:

- ~~a) Elect a person to preside if the Chairman and Vice Chairman are not present;~~
- ~~b) Approve the Minutes of the last meeting;~~
- ~~c) Deal with business expressly required by statute to be done;~~
- ~~d) Receive any declarations of interest from Councillors;~~
- ~~e) Receive any announcements from the Chairman, Leader of the Council, Members of the Cabinet or Chief Executive;~~
- ~~f) Answer written questions asked. Provided that the Chairman may direct that any question relating to the report of the Leader of the Council or of a committee or sub-committee chairman or to the minutes associated therewith shall be deferred until the report is considered;~~
- ~~g) Deal with any business from the last Council meeting;~~
- ~~h) Receive and consider any reports and recommendations from the Leader of the Council, Cabinet, Cabinet Members, committees and sub-committees;~~
- ~~i) Answer verbal questions to the Leader of the Council, Cabinet Members, and the relevant chairmen of committees and sub-committees, asked upon items contained within reports of committees and sub-committees, and to consider motions arising therefrom; and to allow committee chairmen or, at the invitation of the relevant Cabinet Member, the relevant task group chairman, to make a brief statement to the Council;~~
- ~~j) Consider motions of which notice has been given; and~~
- ~~k) Deal with any other business specified in the Summons of the meeting.~~

5.2 Annual Council Meeting:

- ~~(a) Elect a person to preside until the election of a new Chairman of the Council, if the outgoing Chairman and Vice Chairman are not present;~~
- ~~(b) Approve the Minutes of the last ordinary meeting of the Council;~~
- ~~(c) Receive any communications and announcements from the retiring Chairman of the Council;~~
- ~~(d) Elect the new Chairman of the Council;~~
- ~~(e) Elect the new Vice Chairman of the Council;~~
- ~~(f) Receive any communications and announcements from the new Chairman of the Council or Chief Executive;~~
- ~~(g) Elect the Leader of the Council for a period of four years or until the Leader's term of office as a Councillor ends;~~
- ~~(h) Appoint the Scrutiny Committee, the Audit & Governance Committee, Planning Committee, Licensing Committee and such other committees as the Council considers appropriate, plus their Chairmen and Vice Chairmen;~~
- ~~(i) Ensure that where possible each Member of the Council serves on either the Cabinet or a committee;~~
- ~~(j) Agree any Schemes of Delegation, or part of them, as the Constitution determines it is for the Council to agree;~~
- ~~(k) Consider a motion to approve the date of the next Annual Meeting and annual schedule of meetings;~~
- ~~(l) Make annual appointments to working parties and outside bodies; and~~
- ~~(m) Consider any business set out in the summons convening the meeting.~~

~~5.3 Annual Meeting – Selection of Councillors to serve on Committees, Working Parties and Outside Bodies:~~

- ~~(a) Decide which committees and sub-committees will be established for the municipal year (which remain the same from year to year, unless changed by Council);~~
- ~~(b) Decide the size and terms of reference for committees and sub-committees (which remain the same from year to year, unless changed by Council);~~
- ~~(c) Decide the allocation of seats to political groups in accordance with the political balance rules;~~
- ~~(d) Receive nominations from Councillors to serve on committees, working parties and outside bodies;~~
- ~~(e) Appoint to those committees, working parties and outside bodies, except where appointment has been delegated by the Council; and appoint the Chairmen and Vice Chairmen of committees to which appointments have been made.~~

~~5.4 The Council may at any time amend resolutions passed in accordance with paragraph 5.~~

~~5.5 A motion to vary the order of business can be made at any time but shall not displace the business of the election of a person to preside.~~

~~**6 NOTICE OF AND SUMMONS TO MEETINGS**~~

~~6.1 The Proper Officer will give notice to the public of the time and place of any Council meeting in accordance with the [Access to Information Procedure Rules](#). At least five clear working days before a meeting, the Proper Officer will send a summons to every Member of the Council. The summons will give the date, time and place of each meeting and specify the business to be transacted and will be accompanied by such reports as are available.~~

~~**7 CHAIRMAN OF MEETING**~~

~~7.1 In the absence of the Chairman, the Vice Chairman will preside at the meeting. If both the Chairman and Vice Chairman are not present, a Chairman for that meeting must be elected. The person presiding at the meeting may exercise any power or duty of the Chairman. Where these rules apply to committee and sub-committee meetings, references to the Chairman also include the Chairman of committees and sub-committees.~~

~~**8 QUESTIONS FROM THE PUBLIC**~~

~~8.1 A local government elector may ask the Chairman of the Council, the Leader of the Council, Members of the Cabinet or the Chairman of any committee or sub-committee a question at Ordinary meetings of the Council.~~

~~8.2 Questions will be asked in the order notice of them was received, except that the Chairman may group together similar questions.~~

~~8.3 A question may only be asked if notice has been given by delivering it in writing or by electronic mail to the Proper Officer no later than midday ten working days before the day of the meeting. Each question must give the name and address of the questioner and must name the Member of the Council to whom it is to be put.~~

~~8.4 Scope of questions – the Proper Officer may reject a question if it:~~

- ~~(a) — is not about a matter for which the local authority has a responsibility, or which affects the district;~~
- ~~(b) — is not a topic of general interest and relates to a personal issue or an individual case;~~
- ~~(c) — is defamatory, frivolous or offensive;~~
- ~~(d) — is substantially the same as a question which has been put at a meeting of the Council in the past six months; or~~
- ~~(e) — requires the disclosure of confidential or exempt information.~~

~~The Proper Officer may edit the question as necessary to delete any irrelevant or repetitive matter.~~

~~8.5 — The Proper Officer will keep a record of questions open to public inspection and will immediately send a copy of the question to the Member to whom it is to be put. Rejected questions will include reasons for rejection. Copies of all questions will be circulated to all Members and will be made available to the public attending the meeting.~~

~~8.6 — Questions which are not rejected will appear on the agenda for the meeting. Questions will not normally be read out at the meeting. The Chairman may, at their discretion, allow a questioner present at the meeting to read out their question.~~

~~8.7 — The Chairman of the Council or the Member concerned to whom a question has been asked may:~~

- ~~(a) — give a direct oral answer;~~
- ~~(b) — undertake to provide a written reply within seven days;~~
- ~~(c) — where the reply cannot conveniently be given orally, circulate a written answer to the questioner and all Members of the Council;~~
- ~~(d) — decline to answer, giving reasons why the Chairman or Member concerned is unable to answer.~~

~~8.8 — A maximum of three minutes shall be allowed for any question that is read out and the public question session will last for no longer than 30 minutes. Any question that cannot be dealt with during the public question session, either because of lack of time or because of the non-attendance of the Member to whom it was to be put, will be dealt with by a written answer.~~

~~8.9 — Unless the Chairman decides otherwise, no discussion will take place on any question, but any Member may move a motion that a matter raised by a question be referred to the Cabinet or the appropriate committee or sub-committee. Once seconded, such a motion will be voted on without discussion.~~

~~8.10 — There is no provision for any member of the public asking a question to ask any supplementary question(s).~~

9 — QUESTIONS BY MEMBERS

~~9.1 — A Member of the Council may ask the Leader of the Council or Chairman of a committee or sub-committee any question without notice upon an item of the report of the Cabinet or a committee or sub-committee when that item is being received or under consideration by the Council, except at an annual or extraordinary Council meeting.~~

~~9.2 — Questions on notice at Council — a Member of the Council may ask:~~

- ~~(a) — the Chairman of the Council;~~
- ~~(b) — the Leader of the Council;~~

- ~~(c) — a Member of the Cabinet; or~~
- ~~(d) — the Chairman of any committee or sub-committee,~~
- ~~a question on any matter in relation to which the Council has powers or duties or which affects East Suffolk Council.~~

~~9.3 — Notice of questions — a Member may only ask a question if:~~

- ~~(a) notice has been given by delivering it in writing or by electronic mail to the Proper Officer, using the template form at Appendix A and limited to no more than 100 words, no later than midday ten working days before the day of the meeting; or~~
- ~~(b) the question relates to urgent matters; they have the consent of the Chairman of the meeting and the content of the question is given to the Proper Officer by 9:30am on the day of the meeting. The Chairman having had regard to the following:~~

- ~~i. — The issue is of critical importance to the Council and / or the East Suffolk area for which an explanation or response is required and not just a public topic of interest and discussion which could be raised at the next Council meeting, via the formal Committee process or with the relevant Strategic Director.~~
- ~~ii. — The matter must not be unlawful, defamatory or otherwise inappropriate to good governance as determined by the Monitoring Officer.~~
- ~~iii. — The matter must not be about a subject matter on which the public already has common knowledge as determined by the Chairman of the Council in consultation with the Monitoring Officer.~~
- ~~iv. — The question must not be written as a motion or require the Council to vote on the issue as determined by the Monitoring Officer.~~

~~(c) Should an urgent Member question be rejected by the Chairman of the Council then the Member submitting the question should be informed in writing of the reasons why.~~

~~(d) The Chairman's decision to allow or not allow an urgent Member Question to be included as part of a Council meeting shall not be the subject of any comment or objection at a Council meeting.~~

~~9.4 — Where any Member's question appears on the agenda they are required to read it out aloud in full at the meeting. No Member will be permitted to read out another Member's question.~~

~~9.5 — The Proper Officer will keep a record of Member Questions open to public inspection. The record for rejected questions will include the reason for rejection.~~

~~9.6 — Each question shall be put and answered without discussion, but the person to whom a question has been put may decline to answer, giving reasons why the Member concerned is unable to answer. An answer may take the form of:~~

- ~~(a) — a direct oral answer;~~
- ~~(b) — where the desired information is in a publication of the Council or other published work, a reference to that publication; or~~
- ~~(c) — where the reply cannot conveniently be given orally, a written answer will be circulated to all Members of the Council.~~

~~Where a direct oral answer, is given but the questioner is not present at the meeting; the questioner will be sent a written copy of the response as soon as reasonably possible after the meeting.~~

The time limit for Council to consider questions in relation to which notice must be given is 30 minutes in total and this time limit can be extended at the discretion of the Chairman.

~~9.7 Supplementary question — a Member asking a question may ask one related supplementary question without notice to the Member to whom the first question was asked. A Member cannot ask a supplementary question if they did not themselves ask the original question. The supplemental question must arise directly out of the original question or the reply.~~

~~10 PETITIONS~~

~~10.1 No petition shall be presented at any meeting of the Council unless ten clear days' notice thereof has been given to the Proper Officer, and it has attracted in excess of 1200 signatures, and it meets the requirements set out in the Council's Petitions Scheme.~~

~~11 NOTICE OF MOTION~~

~~11.1 'Notice of motion' is a request to Council for a decision to be made or action to be taken. Notice of motion must be delivered in writing or by electronic mail to the Proper Officer, using the template form at Appendix B and limited to no more than 250 words, no later than midday ten working days before the day of the meeting. These will be dated, numbered in the order received and available for public inspection on request.~~

~~11.2 Motions for which notice has been given will be listed on the agenda in the order in which notice was received, unless the Member giving notice states, in writing, that they propose to move it to a later meeting or withdraw it.~~

~~11.3 Motions must be about matters for which the Council has a responsibility, or which affect the East Suffolk district. A substantially similar motion must not have been submitted within the previous six months unless Rule 14.1 or 14.2 apply.~~

~~11.4 Prior to consideration of the motion at Council, the Leader of the Council, the Leader of the appropriate Opposition Groups of the Council and the Chairman of the Council will discuss the motion and aim to agree on a preferred way forward. This may be any of the options available to the Council. This suggestion will be communicated to the Council by the Chairman of the Council prior to consideration of the Notice of Motion, following which the Council will decide how the motion will be dealt with.~~

~~11.5 Motions may be discussed immediately by the Council, with the consent of the Council shown by majority vote, where amendments may also be put. If no such consent or no such majority is obtained the motion will be automatically referred to the relevant committee or the Cabinet for investigation and/or debate and further report back for subsequent debate by the Council.~~

~~11.6 If the Council does consent to discuss a motion, it is to be read out loud in full by either the Member who gave notice thereof or by some other Member.~~

~~11.7 The Proper Officer will keep a record of formal motions submitted which will be open to public inspection. Rejected motions will include the reason for rejection.~~

~~11.8 If a motion, notice of which is thus set out in that summons, be not moved either by the Member who gave notice thereof or by some other Member, or is not seconded, it shall, unless postponed by consent of the Council, be treated as abandoned and shall not be moved without fresh notice.~~

~~11.9 A Member may, with the consent of the Council, alter a motion which they have proposed, or of which notice has been given if the alteration is one which could have been moved as an amendment thereto.~~

~~11.10 A flowchart detailing the process of how a motion is dealt with at Council is included at Appendix C.~~

~~12 MOTIONS WITHOUT NOTICE~~

~~12.1 The following motions may be moved without notice:~~

- ~~(a) to appoint a Chairman of the meeting at which the motion is moved;~~
- ~~(b) motions relating to the accuracy of the minutes, closure, adjournment, or order of business;~~
- ~~(c) to approve Council minutes as a true record;~~
- ~~(d) to refer something to an appropriate body or individual;~~
- ~~(e) to appoint a committee or Member to a committee or other body arising from an item on the summons for the meeting;~~
- ~~(f) to receive reports or adoption of recommendations of the Cabinet, committees or Officers and any resolutions following from them;~~
- ~~(g) that an item of business takes precedence;~~
- ~~(g) to withdraw a motion;~~
- ~~(h) to amend a motion;~~
- ~~(i) to proceed to the next business;~~
- ~~(j) that the question be now put;~~
- ~~(k) to adjourn a debate;~~
- ~~(l) to adjourn a meeting;~~
- ~~(m) that the meeting continues beyond three hours in duration;~~
- ~~(n) to suspend a particular Council Procedure Rule;~~
- ~~(o) to exclude the public and press in accordance with the Access to Information Rules;~~
- ~~(p) to not hear further a Member named under Rule 19.8 or to exclude them from the meeting under Rule 19.9;~~
- ~~(q) to give the consent of the Council where its consent is required by this Constitution.~~
- ~~(r) to extend the time limit for speeches~~
- ~~s) That the voting on a question shall be by ballot;~~
- ~~t) Motions which may be moved while a motion is under discussion;~~
- ~~u) Motions to carry out a statutory duty of the Council, which in the opinion of the Chairman, is of an urgent nature.~~

~~12.2 Any motion (other than a motion to refer a matter to an appropriate body or individual) which would affect the income or expenditure of any committee to the extent that a Supplementary Estimate would be required in terms of the Council's Financial Procedure Rules, shall not be considered unless and until that body or individual shall have had an opportunity to consider the matter in the manner determined by Financial Procedure Rules.~~

~~13 RULES OF DEBATE~~

~~13.1 No speeches may be made after the mover has moved a proposal and explained the purpose of it and until the motion has been seconded.~~

- ~~13.2 Unless notice of the motion has already been given, the Chairman may require it to be written down and handed to them before it is discussed.~~
- ~~13.3 When seconding a motion or amendment, a Member may reserve their speech until later in the debate.~~
- ~~13.4 Speeches must be directed to the question under discussion or to a personal explanation or point of order. No speech may exceed five minutes without the consent of the Council.~~
- ~~13.5 A Member who has spoken on a motion may not speak again whilst it is the subject of debate, except:~~
- ~~(a) to speak once on an amendment moved by another Member;~~
 - ~~(b) to move a further amendment if the motion has been amended since they last spoke;~~
 - ~~(c) if their first speech was on an amendment moved by another Member, to speak on the main issue (whether or not the amendment on which they spoke was carried);~~
 - ~~(d) in exercise of a right of reply;~~
 - ~~(e) on a point of order;~~
 - ~~(f) by way of personal explanation;~~
 - ~~(g) if they have reserved their speech to later in the debate; and~~
 - ~~(h) to move a closure motion.~~
- ~~13.6 Amendments to motions~~
- ~~(a) An amendment to a motion must be relevant to the motion and will either be:
 - ~~(i) to refer the matter to an appropriate body or individual for consideration or reconsideration;~~
 - ~~(ii) to leave out words;~~
 - ~~(iii) to leave out words and insert or add others; or~~
 - ~~(iv) to insert or add words,~~as long as the effect of (ii) to (iv) is not to negate the motion.~~
 - ~~(b) Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.~~
 - ~~(c) If an amendment is not carried, other amendments to the original motion may be moved.~~
 - ~~(d) If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.~~
 - ~~(e) After an amendment has been carried, the Chairman will read out the amended motion before accepting any further amendments, or if there are none, will put the substantive motion to the vote.~~
- ~~13.7 Alteration of motion~~
- ~~(a) A Member may alter a motion of which they have given notice with the consent of the meeting. The meeting's consent will be signified without discussion.~~
 - ~~(b) A Member may alter a motion that they have moved without notice with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion.~~
 - ~~(c) Only alterations that could be made as an amendment may be made.~~
- ~~13.8 Withdrawal of motion~~

~~A Member may withdraw a motion that they have moved with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion. No Member may speak on the motion after the mover has asked permission to withdraw it unless permission is refused.~~

~~13.9 Right of reply~~

- ~~(a) The mover of a motion has a right to reply at the end of the debate on the motion, immediately before it is put to the vote.~~
- ~~(b) If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment but may not otherwise speak on it.~~
- ~~(c) The mover of the amendment has a right of reply to the debate on his or her amendment, immediately before the amendment is put to the vote.~~
- ~~(d) A Member exercising a right of reply shall not introduce new matter.~~
- ~~(e) After every reply to which this Council Procedure Rule refers, a decision shall be taken without further discussion subject to the provisions of the next following sub-paragraph.~~
- ~~(f) The Chairman of the Council may, if they think fit, sum up the debate before putting a motion or amendment and if such debate involves questions of a legal, technical or administrative nature, they may request the appropriate Officer to draw the attention of the Council to any relevant factors.~~
- ~~(g) When a motion has been referred to an appropriate body or individual for consideration and report, then the mover of that motion shall, when the report and any appropriate recommendation of that body or individual on the subject matter of the motion is before the Council, have a right of reply immediately before any right of reply above.~~

~~13.10 Motions which may be moved during debate~~

~~When a motion is under debate, no other motion may be moved except the following procedural motions:~~

- ~~(a) to withdraw a motion;~~
- ~~(b) to amend a motion;~~
- ~~(c) to proceed to the next business;~~
- ~~(d) that the question be now put;~~
- ~~(e) to adjourn a debate;~~
- ~~(f) to adjourn a meeting;~~
- ~~(g) that the meeting continues beyond three hours in duration;~~
- ~~(h) to exclude the public and press in accordance with the Access to Information Rules;~~
- ~~(i) to not hear further a Member named under Rule 19.8 or to exclude them from the meeting under Rule 19.9; and~~
- ~~(j) to refer the subject to the Cabinet, a committee or sub-committee as considered appropriate.~~

~~The proposer and seconder of a motion that falls within the provisions above shall have the right to attend the meeting of the Cabinet, a committee or sub-committee at which it has been referred for the purposes of explaining it.~~

~~13.11 Closure motions~~

- ~~(a) A Member may move, without comment, the following motions at the end of a speech of another Member:~~

- ~~(i) — to proceed to the next business;~~
- ~~(ii) — that the question be now put;~~
- ~~(iii) — to adjourn a debate; or~~
- ~~(iv) — to adjourn a meeting.~~
- ~~(b) — If a motion to ‘proceed to next business’ is seconded and the Chairman thinks the item has been sufficiently discussed, they will give the mover of the original motion a right of reply and then put the procedural motion to the vote.~~
- ~~(c) — If a motion ‘that the question be now put’ is seconded and the Chairman thinks the item has been sufficiently discussed, they will put the procedural motion to the vote. If it is passed, they will give the mover of the original motion a right of reply before putting their motion to the vote.~~
- ~~(d) — If a motion ‘to adjourn the debate’ or ‘to adjourn the meeting’ is seconded and the Chairman thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, they will put the procedural motion to the vote without giving the mover of the original motion the right of reply.~~

~~13.12 Point of order~~

~~A Member may raise a point of order at any time. The Chairman will hear them immediately. A point of order may only relate to an alleged breach of these Council Rules of Procedure or the law. The Member must indicate the rule or law and the way in which they consider it has been broken. The ruling of the Chairman on the matter will be final.~~

~~13.13 Personal explanation~~

~~A Member may make a personal explanation at any time. A personal explanation may only relate to some material part of an earlier speech by the Member that may appear to have been misunderstood in the present debate. The ruling of the Chairman on the admissibility of a personal explanation will be final.~~

14 PREVIOUS DECISIONS AND MOTIONS

~~14.1 — A motion or amendment to rescind a decision made at a meeting of Council within the past six months cannot be moved unless the notice of motion is signed by at least one third of the Members of the Council.~~

~~14.2 — A motion or amendment in similar terms to one that has been rejected at a meeting of Council in the past six months cannot be moved unless the notice of motion or amendment is signed by at least one third of the Members of the Council. Once the motion or amendment is dealt with, no one can propose a similar motion or amendment for six months.~~

~~14.3 — Any policy decision made by Council may not be re-visited, changed or reaffirmed within six months of the decision being taken unless required by legislation or other substantial circumstances.~~

15 VOTING

~~15.1 — Majority — unless this Constitution provides otherwise, any matter will be decided by a simple majority of those Members voting and present in the room at the time the question was put.~~

- ~~15.2 Chairman's casting vote – if there are equal numbers of votes for and against, the Chairman will have a second or casting vote. There will be no restriction on how the Chairman chooses to exercise a casting vote.~~
- ~~15.3 Show of hands – unless a ballot or recorded vote is demanded, the Chairman will take the vote by show of hands, or if there is no dissent, by the affirmation of the meeting. Two Officers of the Council shall act as tellers.~~
- ~~15.4 Ballots – the vote will take place by ballot if seven Members present, or in the case of committees or sub-committees half the Members present at the meeting demand it. Two Officers of the Council shall act as tellers. The Chairman will announce the numerical result of the ballot immediately the result is known.~~
- ~~15.5 Recorded vote – if seven Members present, or in the case of committees or sub-committees half the Members present at the meeting demand it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes. A demand for a Recorded Vote will override a demand for a ballot. Two Officers of the Council shall act as tellers.~~
- ~~15.6 Immediately after any vote is taken at a budget decision meeting of the Council there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.~~
- ~~A “budget decision meeting” means a meeting of the relevant body at which it:~~
- ~~a) makes a calculation (whether originally or by way of substitute) in accordance with any of sections 31A, 31B, 34 to 36A, 42A, 42B, 45 to 49, 52ZF, 52ZJ of the [Local Government Finance Act 1992](#)(4); or~~
- ~~b) issues a precept under Chapter 4 of Part 1 of that Act and includes a meeting where making the calculation or issuing the precept was included as an item of business on the agenda for that meeting.~~
- ~~15.7 Right to require individual vote to be recorded – where any Member requests it immediately after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the motion or abstained from voting.~~
- ~~15.8 Voting on appointments – if there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.~~
- ~~15.9 Quasi-judicial bodies (Appointments Committee, Planning Committee and Licensing Committee): At meetings of these quasi-judicial bodies, a Member shall not vote on an item unless they have been present at the commencement of the debate on that item and have remained present throughout the totality of the debate.~~

~~16 MINUTES~~

- ~~16.1 The Chairman will sign the Minutes of the proceedings at the next suitable meeting. The Chairman will move that the Minutes of the previous meeting be signed as a correct record. The only part of the minutes that can be discussed is their accuracy.~~
- ~~16.2 Minutes of a meeting will not need to be signed at the next meeting if the next meeting is an Extraordinary meeting called under paragraph 3 of schedule 12 to the [Local Government Act 1972](#). In these circumstances the Minutes will be signed at the next Ordinary meeting.~~

~~16.3 Minutes will contain all motions and amendments in the exact form and order the Chairman put them.~~

~~17 RECORD OF ATTENDANCE~~

~~17.1 All Members present during the whole or part of a meeting must ensure their name is recorded before the conclusion of every meeting to assist with the record of attendance.~~

~~18 EXCLUSION OF PUBLIC~~

~~18.1 Members of the public and press may only be excluded either in accordance with the [Access to Information Procedure Rules](#) or [Disturbance by Public](#) rule.~~

~~A motion by a committee or sub-committee to exclude members of the public and press in accordance with the Access to Information Procedure Rules shall not apply to a Member of the Council not being a Member of that committee or sub-committee attending the meeting. Such a motion shall also not apply to a Member or Officer of another local authority for items relating to joint working considered under private/confidential proceedings.~~

~~18.2 Confidentiality~~

~~Any Member whether present as a Member of a committee or sub-committee or attending a meeting shall not disclose either publicly or to a third party any information of a confidential nature other than the actual decision relating to that confidential item.~~

~~19 MEMBERS' CONDUCT~~

~~19.1 Where any Member has given a general notice of a Disclosable Pecuniary Interest or Local Non-Pecuniary Interest as defined in the [Member's Code of Conduct](#), they shall nevertheless orally declare that interest at a meeting at which a contract or other matter affecting that interest is to be considered. Any such declaration shall be recorded in the minutes of the meeting.~~

~~19.2 Where any Member has declared a Disclosable Pecuniary Interest in a matter, they shall not take part in any discussion of the matter and shall withdraw from the room in which the meeting is being held while the matter is under consideration unless:~~

~~(a) a dispensation has been granted to the Member; or~~

~~(b) the matter is before the meeting only as part of the minutes or report of the Cabinet or minutes of a committee or sub-committee (in the case of a meeting of the Council) or of a sub-committee (in the case of a meeting of a committee) and is in either case not itself the subject of debate.~~

~~19.3 Any Member who attends a meeting of the Cabinet or a committee or sub-committee, whether or not as a Member of the Cabinet or of that committee or sub-committee, and whether or not they shall have any right to speak at that meeting, shall make the same disclosures of personal or prejudicial interests, and shall be under the same obligations to withdraw from the meeting as if they were a Member of the Cabinet or of that committee or sub-committee.~~

~~19.4 When a Member speaks at Council they may stand if they wish and address the meeting through the Chairman. If more than one Member stands, the Chairman will ask one to speak and the others must sit. Other Members must remain seated whilst~~

~~a Member is speaking unless they wish to make a point of order or a point of personal explanation.~~

~~19.5 If the Chairman stands during a debate, any Member speaking at the time must stop and sit down if they are standing. The meeting must be silent.~~

~~19.6 No Member may use offensive expressions concerning any other Member.~~

~~19.7 The Chairman of the Council shall call attention to continued irrelevance, tedious repetition, unbecoming language, or any breach of order on the part of a Member and may direct such Member, if speaking, to discontinue his / her speech.~~

~~19.8 If a Member persistently disregards the ruling of the Chairman by behaving improperly or offensively or deliberately obstructs business, any Member may move that the Member be not heard further. If seconded, the motion will be voted on without discussion.~~

~~19.9 If the Member continues to behave improperly after such a motion is carried, any Member may move that either the Member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.~~

~~19.10 If there is a general disturbance making orderly business impossible the Chairman may adjourn the meeting for as long as they think necessary and may reconvene the meeting in another room.~~

~~20 DISTURBANCE BY PUBLIC~~

~~20.1 If a member of the public interrupts proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room and may adjourn the meeting for as long as they think necessary and may reconvene the meeting in another room.~~

~~20.2 If there is a general disturbance in any part of the meeting room open to the public, the Chairman may call for that part to be cleared.~~

~~21 SUSPENSION AND AMENDMENT OF COUNCIL PROCEDURE RULES~~

~~21.1 Suspension – all of these Council Procedure Rules except Rule 15.6 and 16.2 may be suspended by motion on notice or without notice with the consent of the majority of the Members of the Council then present. Suspension can only be for the duration of the meeting. Any suspension cannot have the effect of the Council or any of its committees acting unlawfully.~~

~~The extent and duration of any suspension will be proportionate to the result to be achieved, taking into account the purposes of the Constitution.~~

~~21.2 Amendment – except where recommendations have been referred to Council from the Audit & Governance Committee, any motion to add to, vary or revoke the Council Rules of Procedure will, when proposed and seconded, stand adjourned for consideration by the Audit & Governance Committee.~~

~~22 INTERPRETATION OF COUNCIL PROCEDURE RULES~~

~~22.1 The ruling of the Chairman of the Council, as to the interpretation of application of any of these Procedure Rules, or as to any proceedings of the Council, shall be final and no debate shall be permitted upon such decisions.~~

APPENDICES

~~Appendix A – Questions on Notice Guidance and Template~~

~~Appendix B – Motions Guidance and Template~~

~~Appendix C – Motions Flowchart~~

~~Appendix D – Presentation of reports at meetings Flowchart~~



Questions on Notice Guidance and Template

A Question which has been submitted on Notice, will be included on the Full Council agenda, if it has been received by Democratic Services in writing or by electronic mail, no later than midday 10 clear working days before the day of the meeting. Please email your Question to DemocraticServices@eastsoffolk.gov.uk. A list of the deadlines for Questions is saved within the Democratic Services area on Fred.

Questions for which notice has been given will be listed on the Full Council Agenda in the order in which the notice was received, unless the Member giving notice states, in writing, that they propose to move the Question to a later meeting or withdraw it.

A Question on Notice can be asked of:

- The Chairman of the Council
- The Leader of the Council
- A Member of the Cabinet
- The Chairman of any Committee or Sub-Committee

This request must be about matters for which the Council has a responsibility, duties or powers or which affects the East Suffolk district.

A Question on Notice can be rejected by the Monitoring Officer on a number of grounds, including:

- Is not about a matter for which the local authority has a responsibility or which affects the district;
- Is defamatory, frivolous or offensive;
- Is substantially the same as a question which has been put at a meeting of the Council in the past six months; or
- Requires the disclosure of confidential or exempt information.

If a Question is rejected, the Member who proposed the Question will receive a full explanation of the reasons for the rejection from the Monitoring Officer.

It is important that Questions are succinct and to the point, using plain English.

Question template:

Question

Question from:

To:

Please note that Questions have a 100 word limit in order that they remain succinct and to the point.

~~Please note that Members will be asked to read out their Question in full. This is to assist those members of the public watching the meeting via YouTube who may not have access, or be able to read, the meeting papers. Reading out the Question in full also assists the Council to be inclusive, open and transparent in the way it conducts its business at Full Council.~~

~~No Member will be permitted to read out another Members question.~~

~~A Member asking a Question on Notice may ask one related supplementary question without notice to the Member to whom the first question was asked. The supplementary question must arise directly out of the original question or reply.~~

~~A Member cannot ask a supplementary question if they did not themselves ask the original question.~~

~~Other members cannot ask a supplementary question if they did not ask the question.~~

~~The time limit for Council to consider questions in relation to which notice must be given is 30 minutes in total and this time limit can be extended at the discretion of the Chairman.~~

~~Once a Question on Notice has been considered, the Chairman will ask Members to consider the next Question on Notice listed on the agenda, or the next item of business~~



Motions Guidance and Template

~~A Motion which has been submitted on Notice, will be included on the Full Council agenda, if it has been received by Democratic Services in writing or by electronic mail, no later than midday 10 clear working days before the day of the meeting. Please email your Motion to DemocraticServices@eastsoffolk.gov.uk. A list of the deadlines for Motions is saved within the Democratic Services area on Fred.~~

~~Motions for which notice has been given will be listed on the Full Council Agenda in the order in which the notice was received, unless the Member giving notice states, in writing, that they propose to move the Motion to a later meeting or withdraw it.~~

~~A Notice of Motion is a request for Full Council to make a decision or to undertake an action. This request must be about matters for which the Council has a responsibility, or which affects the East Suffolk district.~~

~~A Notice of Motion can be rejected by the Monitoring Officer on a number of grounds, including:~~

- ~~• The Motion being an expression of opinion on foreign affairs – this is not concern of a local authority~~
- ~~• If a Motion is vague and unequivocal.~~
- ~~• If the Motion is out of order, illegal, irregular, improper or vexatious.~~
- ~~• If the Motion is very similar to a previous Motion that was submitted within the last 6 months.~~
- ~~• If the Motion would require the release of exempt information under the Exempt paragraphs 1 – 7 under Schedule 12A of the Local Government Act 1972, eg Paragraph 3 relating to the financial or business affairs of any particular person (including the authority holding that information) or Paragraph 7 relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.~~

~~If a Motion is rejected, the Member who proposed the Motion will receive a full explanation of the reasons for the rejection from the Monitoring Officer.~~

~~It is important that Motions are succinct and to the point, using plain English. This is because the Member proposing the Motion will be able to elaborate and explain the~~

~~purpose of their Motion in more detail, during the second part of the process, where Full Council considers whether to debate the item at the meeting or refer the matter to Cabinet or a Committee.~~

~~An example of a good Motion layout would be:~~

Motion title

Proposer:
Secunder:

~~This Council notes that:~~

- ~~● Insert any key information which is critical to understanding the motion.~~
- —
- —
- —
- —

~~This Council resolves to:~~

- ~~● Insert actual commitments and actions Council is being asked to take.~~
- —
- —
- —
- —

~~Please note that Motions have a 250 word limit in order that they remain succinct and to the point.~~

~~Please note that Members will be asked to read out their Motion in full when they are invited to Move their Motion. This is to assist those members of the public watching the meeting via YouTube who may not have access, or be able to read, the meeting papers. Reading out the Motion in full also assists the Council to be inclusive, open and transparent in the way it conducts its business at Full Council.~~

~~The consideration of a Motion on Notice will follow the same process at each meeting and it involves 3 main stages:~~

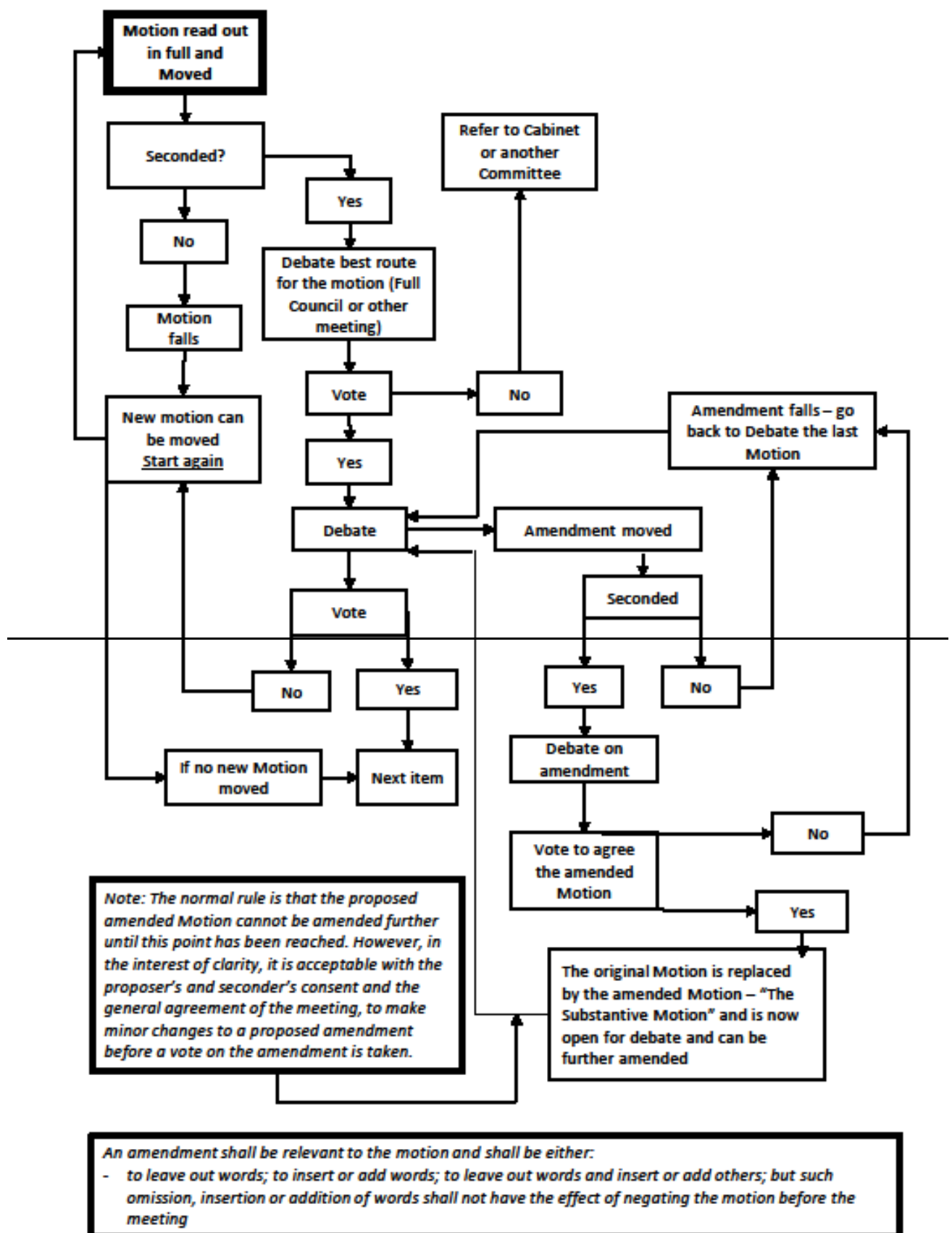
~~**Step 1** – the Member proposing the Motion must read it out in full and move it. The Motion then needs to be seconded by another Member.~~

~~**Step 2** – Full Council then needs to consider whether or not to discuss the Motion at the meeting or whether it would prefer to refer it on to Cabinet or another relevant Committee for further consideration. This is the point where the mover of the Motion will be invited to state their case and they can explain why they believe that Full Council should approve their Motion, make sure that you include all relevant information. After all those wishing to speak have spoken, there will be a vote on whether to debate the Motion at the Full Council meeting or whether it should be referred to Cabinet or a relevant Committee. If the Vote is for referral to Cabinet or a relevant Committee, there is no further debate on the matter. A report will be brought back to Full Council in due course, to update Members on decisions taken by the Cabinet or relevant Committee, in relation to the Motion.~~

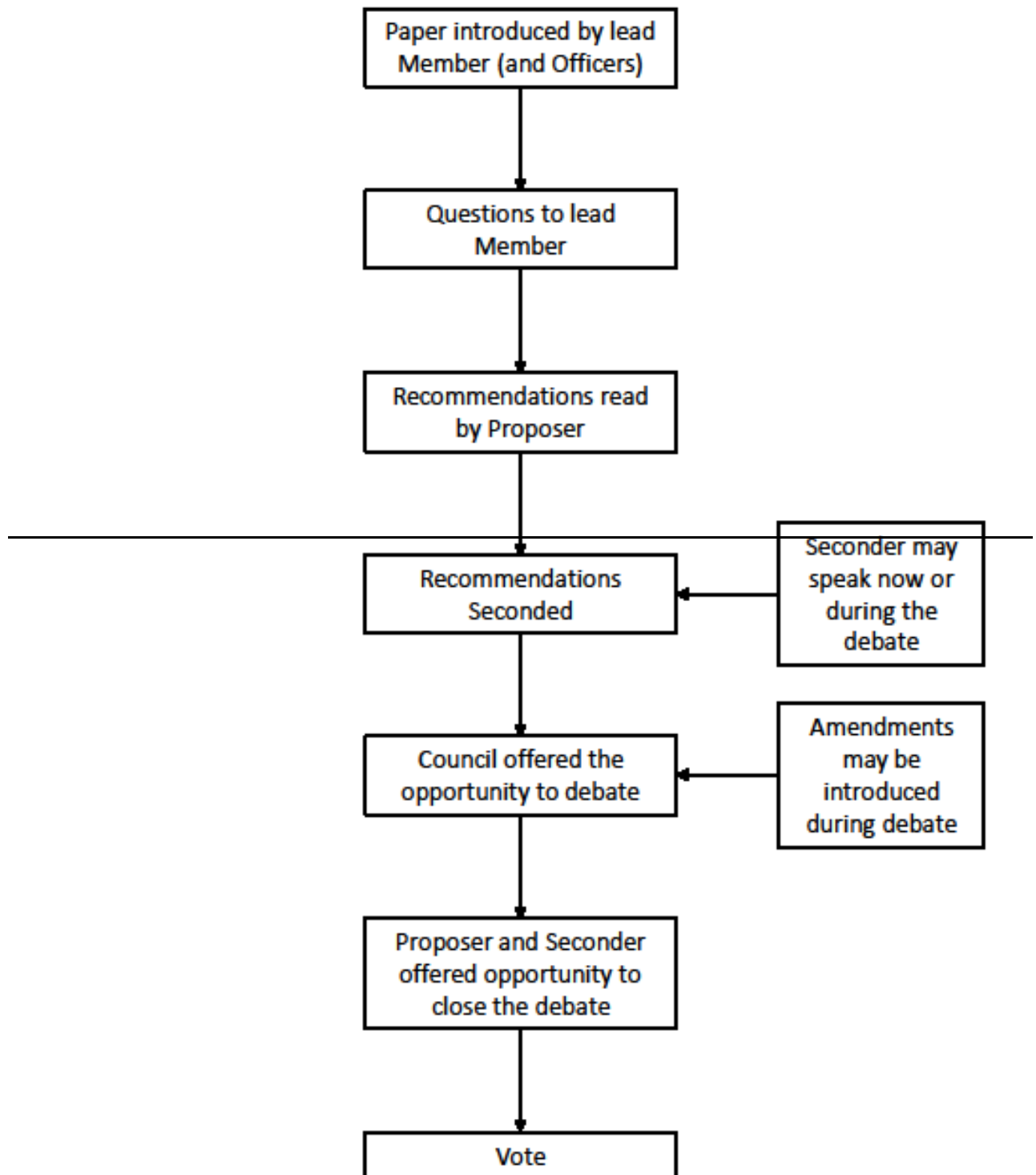
~~**Step 3** – If the vote was for the Motion to be discussed at the meeting, the Motion will be debated in full and amendments may be proposed. A decision on whether to accept or reject the Motion will be taken after the debate.~~

~~Once a Motion on Notice has been considered, the Chairman will ask Members to consider the next Motion on Notice listed on the agenda, or the next item of business~~

~~Please refer to the Motions Flow Chart for more detailed information about how the Motion will be dealt with at the meeting.~~



Presentation of reports to meetings



Cabinet Procedure Rules

1. ~~HOW DOES THE CABINET OPERATE?~~

1.1 ~~Who may make executive decisions?~~

The Leader of the Council may provide for executive functions to be discharged by:

- (a) ~~the Cabinet as a whole;~~
- (b) ~~a committee of the Cabinet;~~
- (c) ~~an individual Member of the Cabinet;~~
- (d) ~~an Officer;~~
- (e) ~~an area committee;~~
- (f) ~~joint arrangements; or~~
- (g) ~~another local authority.~~

1.2 ~~Delegation of Functions~~

~~At the Annual Meeting of the Council, the Leader of the Council will present to the Council a written record of delegations made by them for inclusion in the Council's Scheme of Delegation. The document presented by the Leader of the Council will contain the following information about executive functions in relation to the coming year:~~

- (a) ~~the names, addresses and wards of the people appointed to the Cabinet by the Leader of the Council;~~
- (b) ~~the extent of any authority delegated to Cabinet Members individually, including details of the limitation on their authority;~~
- (c) ~~the terms of reference and constitution of such committees comprising exclusively Cabinet Members as the Leader of the Council appoints and the names of Cabinet Members appointed to them;~~
- (d) ~~the nature and extent of any delegation of executive functions to area committees, any other authority or any joint arrangements and the names of those Cabinet Members appointed to any joint committee for the coming year; and~~
- (e) ~~the nature and extent of any delegation to Officers with details of any limitation on that delegation, and the title of the Officer to whom the delegation is made.~~

1.3 ~~Sub-Delegation of Executive Functions~~

- (a) ~~Where the Cabinet, a committee of the Cabinet or an individual Cabinet Member is responsible for an executive function, they may delegate further to an area committee, joint arrangements (a Cabinet Member) or an Officer.~~
- (b) ~~Unless the Council directs otherwise, if the Leader of the Council delegates functions to the Cabinet, then the Cabinet may delegate further to a committee of the Cabinet or to an Officer.~~
- (c) ~~Unless the Leader of the Council directs otherwise, a committee of the Cabinet to whom functions have been delegated by the Leader may delegate further to an Officer.~~
- (d) ~~Even where executive functions have been delegated, that fact does not prevent the discharge of delegated functions by the person or body who delegated.~~

1.4 ~~The Council's Scheme of Delegation and Executive Functions~~

- (a) ~~Subject to (b) below the Council's Scheme of Delegation will be subject to adoption by the Council and may only be amended by the Council.~~
- (b) ~~The Leader of the Council decides whether to delegate executive functions. Therefore, they may amend the Scheme of Delegation relating to executive functions at any time during the year. If doing so, the Leader of the Council must give written notice to the~~

~~next Ordinary Meeting of the Council and to the person, body or committee concerned. The notice must set out the extent of the amendment to the Scheme of Delegation, and whether it entails the withdrawal of delegation from any person, body, committee or the Cabinet as a whole.~~

- ~~(c) Where the Leader of the Council seeks to withdraw delegation from a committee of the Cabinet, notice will be deemed to be served on that committee when they have served it on its Chairman.~~

1.5 Conflicts of Interest

- ~~(a) Where the Leader of the Council has a conflict of interest this should be dealt with as set out in the Council's [Code of Conduct for Members](#).~~

- ~~(b) If every Member of the Cabinet has a conflict of interest this should be dealt with as set out in the Council's [Code of Conduct for Members](#).~~

- ~~(c) If the exercise of an executive function has been delegated to a committee of the Cabinet, an individual Member or an Officer, and should a conflict of interest arise, then the function will be exercised in the first instance by the person or body by whom the delegation was made and otherwise as set out in the Council's [Code of Conduct for Members](#).~~

1.6 Cabinet meetings – When and where?

~~The Cabinet will meet at least eight times per year, at a time agreed by the Leader. The Cabinet shall meet alternately at East Suffolk House, Station Road, Melton, and Riverside, 4 Canning Road, Lowestoft, or at another location to be agreed by the Leader.~~

~~Meetings of Cabinet Members exercising delegated authority shall take place at such a time and place as agreed by the relevant Cabinet Member, save that relevant notice shall be given in accordance with the [Access to Information Procedure Rules](#) and publication of any Key or Exempt Decision on the Forward Plan of Key and Exempt Decisions.~~

1.7 Public or private meetings of the Cabinet?

~~Meetings of the Cabinet at which decisions are made will be held in public unless the meeting is likely to consider exempt or contain confidential information as defined in the [Access to Information Procedure Rules](#) and consideration of the information is likely to result in the disclosure of that exempt or confidential information.~~

1.8 Quorum

~~Quorum for a Cabinet meeting shall be five, and for a committee of it shall be 50% of its voting membership – subject to there being a minimum of two voting Members present. Substitution of Members may not take place on the Cabinet.~~

1.9 How are decisions to be taken by the Cabinet?

- ~~(a) Executive decisions which have been delegated to the Cabinet as a whole will be taken at a meeting convened in accordance with the [Access to Information Procedure Rules](#) and the [Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#).~~

- ~~(b) Where executive decisions are delegated to a committee of the Cabinet, the rules applying to executive decisions taken by them shall be the same as those applying to those taken by the Cabinet as a whole.~~

- ~~(c) Where Cabinet decisions are taken by Cabinet Members exercising delegated powers the rules applying shall be as set out in the [Scheme of Delegation](#).~~

2. HOW ARE CABINET MEETINGS CONDUCTED?

2.1 Who presides?

- (a) — If the Leader of the Council is present, they will preside. If the Leader of the Council is unavailable to do so, the Deputy Leader will preside.
- (b) — If neither the Leader of the Council nor the Deputy Leader are present, then a person appointed to do so by those present shall preside.

2.2 Who may attend?

- (a) — All Members of the Council may attend public meetings of the Cabinet and may ask questions with the permission of the person presiding.
- (b) — Members of the public may attend all public meetings of the Cabinet, subject to the exceptions in contained in the [Access to Information Procedure Rules](#).
- (c) — The Head of Paid Service, the Section 151 Officer and the Monitoring Officer, and their nominees, are entitled to attend any meeting of the Cabinet where a decision is to be made.

2.3 What business?

At each meeting of the Cabinet the following business will be conducted:

- (a) — consideration of the minutes of the last meeting;
- (b) — declarations of interest, if any;
- (c) — matters referred to the Cabinet (whether by the Scrutiny Committee or by the Council) for reconsideration by the Cabinet in accordance with the provisions contained in the [Scrutiny Procedure Rules](#) or the [Budget and Policy Framework Procedure Rules](#);
- (d) — consideration of reports from the Scrutiny Committee; and
- (e) — matters set out in the agenda for the meeting, and which shall indicate which are Key Decisions and which are not in accordance with the [Access to Information Procedure Rules](#).
- (f) — No other business shall be considered at the meeting unless it is included on the agenda.

2.4 Consultation

All reports to the Cabinet from any Member of the Cabinet or an Officer on proposals relating to the [Budget and Policy Framework](#) must contain details of the nature and extent of consultation with stakeholders and the Scrutiny Committee, and the outcome of that consultation. Reports about other matters will set out the details and outcome of consultation as appropriate. The level of consultation required will be appropriate to the nature of the matter under consideration.

2.5 Who can put items on the Cabinet agenda?

- (a) — The Leader will decide upon the schedule for the meetings of the Cabinet. They may put on the agenda of any Cabinet meeting any matter which they wish, whether or not authority has been delegated to the Cabinet, a committee of it or any Member or Officer in respect of that matter. The Proper Officer will comply with the Leader's requests in this respect.
- (b) — Any Member of the Cabinet may require the Proper Officer to make sure that an item is placed on the agenda of the next available meeting of the Cabinet for consideration. If they receive such a request the Proper Officer will comply.
- (c) — The Proper Officer will make sure that an item is placed on the agenda of the next available meeting of the Cabinet where the Scrutiny Committee, the Audit & Governance Committee, or the Council has resolved that an item be considered by the Cabinet. However, the Executive may provide for a limit on the number of such items per Cabinet meeting.

- ~~(d) — Any Member of the Council may ask the Leader to put an item on the agenda of a Cabinet meeting for consideration, and if the Leader agrees the item will be considered at the next available meeting of the Cabinet. The notice of the meeting will give the name of the Councillor who asked for the item to be considered. This individual will be invited to attend the meeting; however, the Cabinet may provide for a limit on the number of such items per Cabinet meeting.~~
- ~~(e) — The Monitoring Officer and/or the Chief Financial Officer may include an item for consideration on the agenda of a Cabinet meeting and may require the Proper Officer to call such a meeting in pursuance of their statutory duties. In other circumstances, where any two of the Head of Paid Service, Chief Financial Officer and Monitoring Officer are of the opinion that a meeting of the Cabinet needs to be called to consider a matter that requires a decision, they may jointly include an item on the agenda of a Cabinet meeting. If there is no meeting of the Cabinet soon enough to deal with the issue in question, then the person(s) entitled to include an item on the agenda may also require that a meeting be convened at which the matter will be considered.~~

3. TASK GROUPS

- ~~3.1 — The Cabinet will be supported in its detailed work by ad hoc, time limited, task and finish task/research groups, where it decides that this is the most appropriate means of carrying out any of its functions.~~
- ~~3.2 — Such a task/research group will be set up by the Cabinet as and when necessary.~~
- ~~3.3 — The number of Members sitting on a Cabinet task group will be decided upon when the task group is set up, to allow for a degree of flexibility.~~

Budget and Policy Framework Procedure Rules

1. The Policy Framework

- 1.1 The plans and strategies listed the [Budget and Policy Framework in Part 2 Section B](#) will comprise the Council's Policy Framework.
- 1.2 The appropriate Cabinet Member, after consulting those stakeholders they consider appropriate, will make their proposals for the above plans and strategies available to Members of the Scrutiny Committee and all other Members of the Council.
- 1.3 In the case of the Development Plan, the Cabinet Members' consultations will include the Strategic Planning Committee.
- 1.4 The Scrutiny Committee will meet to consider the Cabinet Members' proposals and will make recommendations to the Cabinet about their proposals. Any Member of the Council who is not a Member of the Cabinet will be entitled to attend and speak at the meeting of the committee.
- 1.5 The Cabinet will consider any recommendations from the committee and will make recommendations to the Council. The Council will then determine the plan or strategy.
- 1.6 Once the Council has approved the plan or strategy all those responsible for taking decisions on behalf of the Council will need to ensure that they are consistent with those plans and strategies. Material changes to any plan or strategy set out in section 1.1 above can only be made by following the process in sections 1.2 to 1.5 above, unless the matter falls within the Council's procedures for dealing with urgent matters.
- 1.7 In order that plans and strategies can be kept up-to-date and free from error or doubt, the Cabinet Members whose Portfolio includes overseeing the particular plan or strategy may, after consulting the Council's Monitoring Officer and appropriate Member of the Strategic Management Team or Head of Service, make amendments to the plan or strategy to:
 - (a) correct typographical errors and any similar changes needed to ensure clarity;
 - (b) update any factual information contained in the plan or strategy; and
 - (c) make minor modifications necessary to take account of changes in circumstances of the Council and its partners or Government legislation.
- 1.8 Where a Cabinet Member makes any changes under section 1.7 they will be reported to the next available meeting of the Council.

2. The Budget

- 2.1 The Council's budget will be determined by a simple majority of those present at a meeting of the Council. For the purpose of this Constitution the budget to be determined by the Council will consist of:
 - (a) the budget requirement as provided for in the [Local Government Finance Act 1992](#);
 - (b) the revenue budget allocations to the different services provided by the Council;
 - (c) the council taxes;
 - (d) the use of and contribution to reserves and balances;
 - (e) the capital expenditure; and
 - (f) the borrowing limits.

- 2.2 Immediately after any vote is taken at a budget decision meeting of the Council there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting. (See also [Council Procedure Rules](#)).
- 2.3 In paragraph 2.2 above, a “budget decision meeting” means as a meeting of the relevant body at which it:
- a) makes a calculation (whether originally or by way of substitute) in accordance with any of sections 31A, 31B, 34 to 36A, 42A, 42B, 45 to 49, 52ZF, 52ZJ of the [Local Government Finance Act 1992](#)(4): or
 - b) (ii) issues a precept under Chapter 4 of Part 1 of that Act, and includes a meeting where making the calculation or issuing the precept as the case may be was included as an item of business on the agenda for that meeting
- 2.4 At key stages in the development of the Council’s budget the Cabinet will, after consulting those stakeholders it considers appropriate, make its proposals available to Members of the Scrutiny Committee and all other Members of the Council.
- 2.5 For the purpose of section 2.4 above the key stages will include:
- (a) a review of issues likely to affect the Council’s budget in the next financial year or subsequent years;
 - (b) the overall framework for the preparation of the budget;
 - (c) the budget information set out in section 2.1 (a) to (f) above.
- 2.6 At a meeting to consider the Cabinet’s proposals, the Scrutiny Committee will determine its views on the proposals. At this meeting any Member of the Council that is not a Member of the Cabinet will be able to attend and speak.
- 2.7 The Cabinet will consider the views of the Scrutiny Committee and will make recommendations to the Council about the items set out in section 2.1 above.
- 2.8 In order that the Council is able to respond quickly to changing circumstances some variations to the budget approved by the Council can be made. The Council’s [Financial Procedure Rules](#) set out the circumstances under which these changes can be made without reference back to Council. Any other changes, except those dealt with under the Council’s urgency procedures, must be made by the Council.

3. Conflict Resolution Procedure

- 3.1 The Cabinet will have five working days to object to a Council decision before that decision takes effect.
- 3.2 If the Cabinet registers such an objection, the Council must reconsider the issue in the light of that objection.
- 3.3 The Council may insist on its decision on the basis of a simple majority of those Members present and voting.

Access to Information Procedure Rules

1 GENERAL

- 1.1 The Local Government Acts [1972](#) and [2000](#), the [Local Government \(Access to Information\) Act 1985](#), the [Local Authorities \(Executive Arrangements\) \(Access to Information\) \(England\) Regulations 2012](#) and the [Local Government \(Access to Information\) \(Variation\) Order 2006](#) set down rights of access to local authority meetings, reports and documents subject to specified confidentiality provisions. The Acts also give local authorities duties to publish certain information. In this Constitution they are collectively described as the Access to Information Procedure Rules.

2. DEFINITIONS

- 2.1 A '**Key Decision**' means an executive/Cabinet decision which is likely:
- (a) to result in the local authority incurring expenditure or making savings in excess of £250,000, or which is significant having regard to the local authority's budget for the service or function to which the decision relates; or
 - (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority.
- 2.2 An '**executive decision**' means a decision made or to be made, by a decision-maker in connection with the discharge of a function which is the responsibility of the executive/Cabinet of a local authority.
- 2.3 In determining the meaning of '**significant**' in (a) or (b) above regard shall be had to any guidance for the time being issued by the Secretary of State.
- 2.4 '**Meetings**' does not include a meeting which is purely held to allow an Officer(s) to brief Members of a decision-making body or an individual decision-maker on matters related to the making of an executive decision.
- 2.5 '**Proper Officer**' is the Chief Executive or such other person authorised by them.

3. EXECUTIVE ARRANGEMENTS

- 3.1 These Rules apply to all meetings of the Council, Scrutiny Committee, the Audit and Governance Committee and regulatory committees, public meetings of the Cabinet and meetings of the Appointments Committee (together called 'meetings').
- 3.2 The Rules also apply where an executive decision has been made by an individual Member of the Cabinet or a Key Decision has been taken by an authorised Officer.
- 3.3 These Rules do not affect any more specific rights to information contained elsewhere in the Constitution or in general law.

4. ACCESS TO MEETINGS

- 4.1 Members of the public may attend all meetings of the Council, Cabinet, Scrutiny Committee, Audit and Governance Committee, regulatory committees and meetings of the Cabinet where a Key Decision is to be made, subject to the exceptions in paragraph 11 of these Rules.

5. NOTICES OF MEETING

- 5.1 The Council will give at least five clear working days notice of any meeting to which the public have access by posting details of the meeting at both Council Offices (East Suffolk House, Station Road, Melton, and Riverside, 4 Canning Road, Lowestoft) and on the [Council's website](#).

6. PROCEDURES PRIOR TO PUBLIC MEETINGS

- 6.1 An item of business shall only be considered at a public meeting:
- (a) where a copy of the agenda or part of the agenda, including the item, has been available for inspection by the public as required under Rule 7 below for at least five clear days before the meeting; or
 - (b) where the meeting is convened at shorter notice in accordance with Rule 15 (General Exception) or 16 (Special Urgency), a copy of the agenda including the item has been available for inspection by the public from the time that the meeting was convened.

7. ACCESS TO AGENDA AND REPORTS

- 7.1 A copy of the agenda and every report (except those which are exempt or confidential) for a public meeting, will be open for inspection in the Council Offices (East Suffolk House, Station Road, Melton, and Riverside, 4 Canning Road, Lowestoft) during normal office hours, or on the [Council's website](#) at least five clear working days before the meeting. The requirement for five clear days' notice of meetings will not apply to any meeting of a sub-committee considering an application in accordance with the [Licensing Act 2003 \(Hearings\) Regulations](#).
- 7.2 If a report is added to the agenda later, the supplementary agenda will be open to public inspection from the time it is completed and sent to Councillors.
- 7.3 If the Proper Officer thinks fit, the Council may exclude access by the public (and in more limited circumstances by Members of the Council who are not Members of the committee or sub-committee considering the item) to a report or part of a report, which, in his or her opinion, relates to an agenda item during which the meeting is likely not to be open to the public. Such reports will be clearly marked "Exempt - not for publication". Each report will indicate clearly that it contains confidential information and the category of information disclosed (as specified under Schedule 12A of the [Local Government Act 1972](#)) by virtue of which the decision-making body is likely to exclude the public. In the case of executive reports, the report will also state, when appropriate, that it contains the advice of a political adviser or assistant.

8. SUPPLY OF COPIES OF INFORMATION FOR THE PUBLIC

- 8.1 The Council will supply copies of:
- (a) any agenda and reports which are open to public inspection;
 - (b) any further statements or particulars necessary to indicate the nature of the items in the agenda; and
 - (c) if the Proper Officer thinks fit, copies of any other documents supplied to Councillors in connection with an item to any person on payment of a charge for postage and any other costs.

9. BACKGROUND PAPERS

- 9.1 Every report will set out a list of background papers relating to the subject matter of the report which:
- (a) discloses any facts or matters on which the report or an important part of the report is based; and
 - (b) have been relied on to a material extent in preparing the report.
- 9.2 Background papers will not include published works or those which disclose exempt or confidential information. Reports to the Cabinet will not include as a background paper any advice from a political advisor.
- 9.3 The Council will make available, for public inspection:
- (a) a copy of a list compiled by the originating Officer of the background papers to the report or part of the report; and
 - (b) at least one copy of each of the documents included in that list.
- 9.4 These will remain available for public inspection for a period of four years from the date of the meeting.

10. SUMMARY OF THE PUBLIC'S RIGHT TO INFORMATION

- 10.1 These Rules shall be taken to constitute a written summary of the public's rights to attend meetings and to inspect and copy documents at the Council's Offices at East Suffolk House, Station Road, Melton, and Riverside, 4 Canning Road, Lowestoft.

11. EXCLUSION OF ACCESS BY THE PUBLIC TO MEETINGS

11.1 Confidential Information – Requirement to Exclude Public

The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted, or the nature of proceedings, that confidential information would be disclosed.

11.2 Meaning of Confidential Information

Confidential information is information given to the Council by a Government Department on terms which forbid its public disclosure, or information which cannot be publicly disclosed by Court Order.

11.3 Exempt Information – Discretion to Exclude Public

The public may be excluded from meetings whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that exempt information will be disclosed.

Exempt information is, in broad terms, information relating to personal privacy, information about Council negotiations for land, goods or services where disclosure would be likely to prejudice the Council's position, information about legal proceedings, investigation of crime and security matters.

For meetings of either Cabinet or individual Cabinet Members, including where Executive decisions are being taken, at least 28 clear days' notice will be given of the intention to exclude the public from the meeting where exempt information is disclosed.

Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the [Human Rights Act 1998](#) establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

11.4 Meaning of Exempt Information

‘Exempt information’ is defined in Schedule 12A of the [Local Government Act 1972](#). Information is only exempt if it falls within one of the following 7 categories **and** in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information:

- 1) Information relating to any individual.
- 2) Information that is likely to reveal the identity of an individual.
- 3) Information relation to the financial or business affairs of any particular person (including the authority holding that information) but not if that information has to be registered at Companies House or with the Charity Commission etc.
- 4) Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
- 5) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- 6) Information which reveals that the authority proposes:
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed upon a person; or
 - (b) to make an order or direction under any enactment.
- 7) Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

11.5 Information falling within any of paragraphs 11.4(a) to (g) is not exempt by virtue of that paragraph if it relates to proposed development for which the local planning authority can grant itself planning permission under Regulation 3 of the [Town and Country Planning General Regulations 1992](#).

11.6 If the Monitoring Officer considers it appropriate, the Council may exclude access by the public to reports which in his or her opinion relate to items during which, in accordance with Rule 11.4 above, the meeting at which those reports are to be discussed is likely not to be open to the public. Such reports will be marked “Exempt - Not for publication” together with the category of information likely to be disclosed.

12. INDIVIDUAL EXECUTIVE DECISIONS

12.1 No Key Decision shall be taken by a Cabinet Member or an Officer unless they have first received a report setting out the background to that decision, the available options and the implications of that decision. Provided that in cases of special urgency, the Cabinet Member or Officer may take that Key Decision without first having received a report if they first obtain the agreement of the Chairman of the Scrutiny Committee that the taking of the decision cannot reasonably be deferred to permit the preparation, publication and consideration of a report. If there is no chairman of the Scrutiny Committee, or if the Scrutiny Committee Chairman is unable to act, then the agreement of the Chairman of the Council (or in his or her absence, the Vice-Chairman) will suffice.

12.2 Where a Cabinet Member or an authorised Officer receives a report which they intend to take into consideration when they make a Key Decision they shall not make that decision until the report has been available for public inspection for at least five clear days after the report is received by the Cabinet Member / Officer.

- 12.3 The person who submits the report to the Cabinet Member / Officer shall, at the same time, supply a copy of it to the Chairman of the Scrutiny Committee, or where there is no chairman, to every Member of the Committee.
- 12.4 The originating Officer shall include, in any report required to be available for inspection by the public, a list of background papers for the report and shall ensure that sufficient copies of the background papers are available to meet every reasonable request from members of the public for them. This does not require the disclosure of exempt or confidential information or advice from a Political Assistant
- 12.5 As soon as reasonably practicable after an Executive/ Key Decision has been taken, they will prepare, or instruct the Proper Officer to prepare, a document setting out:
- (a) the title of the Officer and date of decision;
 - (b) a record of the decision;
 - (c) a statement of the reasons for the decision and any alternative options considered and rejected in accordance with provisions of Rule 18 (Recording and Publishing Decisions); and
 - (d) a record of any conflict of interest in relation to the matter decided which is declared by any Member of the decision-making body, and in respect of any declared conflicts of interest, a note of any dispensation granted by the Head of Paid Service.

13. ACCESS TO RECORDS OF DECISIONS AND MINUTES

- 13.1 After a private meeting or a public meeting of a decision-making body at which an executive decision has been made, after an individual Member has made an executive decision, after an authorised Officer has made a Key Decision or after a committee has made a decision, the Proper Officer will ensure that the following is made available for inspection:
- a record of the decision(s);
 - a record of the reasons for the decision(s);
 - details of alternative options considered and rejected by the decision-making body or individual;
 - a record of any conflict of interest in relation to any matter decided which is declared by any Member of the decision-making body or a Cabinet Member, together with a record of any dispensation granted by the Council's Monitoring Officer;
 - any Disclosable Pecuniary Interest or Local Non-Pecuniary Interest declared by the decision taker or any Member of the decision-making body in connection with the matter decided, and whether any dispensation has been granted in respect of that interest.
- 13.2 These documents, once prepared, will be available for the public to inspect at the Council's Offices (East Suffolk House, Station Road, Melton, and Riverside, 4 Canning Road, Lowestoft) during normal office hours, or on the [Council's Website](#).
- 13.3 Confidential or exempt information or the advice of a Political Advisor need not be disclosed.
- 13.4 So far as is reasonably practical, we will aim to make available within ten working days after every meeting of the Council, Scrutiny, regulatory, and other committees, the minutes of the meeting excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information.

13.5 Records of decisions and minutes published in accordance with paragraphs 13.1 and 13.4 above shall continue to be available to the public for six years after the meeting date.

14. THE FORWARD PLAN OF KEY AND EXEMPT DECISIONS

14.1 A Forward Plan will be prepared by the Leader of the Council which will contain details of all the matters likely to be the subject of Key Decisions and confidential and exempt decisions by the Cabinet, individual Cabinet Members and authorised Officers of the Council for a period of four months.

14.2 The Forward Plan will be updated on a monthly basis, or as required, ensuring all Key Decisions and confidential and exempt decisions that are due to be taken are included within the Forward Plan.

14.3 The Forward Plan will be published at least 28 clear days before the start of the period covered by the plan.

14.4 The most recent Forward Plan shall be taken to have superseded any or each earlier plan.

14.5 Each current Forward Plan will be available for public inspection at the Council's Offices (East Suffolk House, Station Road, Melton, and Riverside, 4 Canning Road, Lowestoft) during normal office hours, or on the [Council's Website](#).

14.6 The Forward Plan shall contain the items below if they are available when the plan is prepared, or which the person preparing it may reasonably be expected to obtain:

- (a) the matter in respect of which a decision is to be made;
- (b) where the decision taker is an individual, their name and title, if any and where the decision taker is a body, its name and details of membership;
- (c) the date on which, or the period within which, the decision will be taken;
- (d) the identity of the principal groups whom the decision taker proposes to consult before taking the decision;
- (e) the means by which any such consultation is proposed to be undertaken;
- (f) the steps any person might take who wishes to make representations to the Cabinet or decision taker about the matter in respect of which the decision is to be made, and the date by which those steps must be taken; and
- (g) a list of the documents submitted to the decision taker for consideration in relation to the matter and details about how the public can access these documents or request such details as they become available (subject to restrictions); and
- (h) whether the reports to be considered by the decision-maker will include confidential or exempt information and require the meeting to be private to consider the item, either in full or part and the relevant exemption category.

14.7 Where the public might be excluded from the meeting, or documents relating to the decision need not be disclosed to the public, then the Forward Plan shall contain details of the matter but may not contain any confidential or exempt information or particulars of the advice of a political adviser.

14.8 If the Cabinet, its committees or Cabinet Members exercising delegated powers meet to discuss a Key Decision to be taken collectively, with an Officer other than a political assistant, within 28 days of the date according to the Forward Plan of Key and Exempt Decisions by which it is to be decided, then it must also comply with these rules. This

requirement does not include meetings, whose sole purpose is for Officers to brief Members.

15. GENERAL EXCEPTION FOR INCLUSION IN THE FORWARD PLAN

15.1 If a matter, which is likely to be a Key Decision, has not been included in the Forward Plan, then subject to Rule 16 'Special Urgency', the decision may still be taken if:

- (a) the decision must be taken by such a date that it is impracticable to defer the decision to ensure that notice has been published in the Forward Plan or any subsequent notice at least 28 days ahead of the expected date of the decision and;
- (b) the Proper Officer has informed the Chairman of the Scrutiny Committee, or if there is no such person, each Member of the Scrutiny Committee in writing, by notice, of the matter to which the decision is to be made including reasons why compliance with the requirements to provide at least 28 clear days' notice was impractical in that case;
- (c) the Proper Officer has made copies of that notice available to the public at the offices of the Council (East Suffolk House, Station Road, Melton, and Riverside, 4 Canning Road, Lowestoft) and on the [Council's Website](#); and
- (d) at least five clear days have elapsed since the Proper Officer complied with (b) and (c).

15.2 Where such a decision is taken by the Cabinet or by Cabinet Members exercising delegated powers, it must be taken in public unless it contains exempt or confidential information.

15.3 The call-in procedure will apply.

16. SPECIAL URGENCY

16.1 If Rule 15.1 or 15.2 cannot reasonably be complied with, then the decision can be taken, but only if the decision taker (if an individual) or the Chairman of the body making the decision, obtains the agreement of the Chairman of the Scrutiny Committee that the taking of the decision cannot be reasonably deferred. If there is no Chairman of the Scrutiny Committee, or if the Scrutiny Committee Chairman is unable to act, then the agreement of the Chairman of the Council, or in their absence the Vice-Chairman will suffice. If Rule 15.3 cannot reasonably be complied with, it is for the Chair of Council to decide whether the decision can be exempt from the call in procedure pursuant to Rule 12 of the Scrutiny Procedure Rules.

16.2 As soon as practicable after the agreement has been obtained, a notice must be published, made available to the public at the Council's Offices and on the [Council's website](#) setting out the reasons for urgency and why the decisions cannot be reasonably deferred.

16.3 Urgency Provisions for taking Non-Key Decisions

In regard to non Key Decisions, if by virtue of the date by which a decision must be taken Rule 16 cannot be followed, then the decision can only be taken if the decision taker (if an individual) obtains the agreement of the Chairman of the relevant committee, and confirmation of the decision is obtained at the next meeting of that committee.

17. NOTICE OF PRIVATE MEETING OF THE CABINET

- 17.1 Where the Cabinet or Individual Cabinet Member is likely to consider an item of business that contains exempt or confidential information and will require the public to be excluded from the meeting to prevent disclosure of this information, it must publish a notice 28 clear days in advance of the meeting including a statement of reasons for the meeting being held in private for that item. The notice will include details of how representations can be made.
- 17.2 At least five clear days before the meeting a further notice will be published setting out the reasons for holding any part of the meeting in private, details of any representations received about why the meeting should be held in public and a response to those representations. The meeting will then consider the representations and responses and pass a resolution excluding the public.
- 17.3 Except for when the report contains confidential information provided by a Government Department on terms which forbid the disclosure of the information to the public or the disclosure of information of which the public is prohibited by or under any enactment or by the order of a court.
- 17.4 If the date of the meeting and the urgency of the decision makes compliance with this requirement impracticable, the meeting may only be held in private with the agreement of the Chairman of the Scrutiny Committee, or if the Scrutiny Committee Chairman is unable to act, then the agreement of the Chairman of the Council, or in their absence the Vice Chairman will suffice. After that permission is obtained a notice will be published setting out the reasons why the matter is urgent and cannot reasonably be deferred.

18. ATTENDANCE AT PRIVATE MEETINGS OF THE CABINET

- 18.1 Notice of private meetings of the Cabinet and its committees will be served on the chairmen of the Scrutiny Committee and sub-committees, at the same time as notice is served on Members of the Cabinet. Where the Scrutiny Committee does not have a chairman, the notice will be served on all the Members of the Scrutiny Committee.
- 18.2 Where a decision is to be made at a private meeting of the Cabinet and that decision is within the remit of the Scrutiny Committee / sub-committee, the chairman of that Scrutiny Committee / sub-committee, or in their absence the vice chairman, may attend that private meeting and, with the consent of the person presiding, speak.
- 18.3 The Head of Paid Service, the Section 151 Officer and the Monitoring Officer, and their nominees, are entitled to attend any meeting of the Cabinet where a decision is to be made. Where a decision(s) is to be made, the Cabinet may not meet unless the Proper Officer has been given reasonable notice that a meeting is to take place.
- 18.4 Where a decision(s) is to be made, a private Cabinet meeting may only take place in the presence of the Proper Officer or their nominee with responsibility for recording and publicising the decisions.

19. RIGHTS OF MEMBERS OF THE SCRUTINY COMMITTEE

- 19.1 Any Member of the Scrutiny Committee is entitled to copies of any document which is in the possession or control of the Cabinet, its committees or a Cabinet Member exercising delegated powers, and which contains material relating to:

- (a) any business transacted at a public or private meeting of a decision-making body of the District Council;
 - (b) any decision taken by an individual Member of the Cabinet in accordance with executive arrangements; and
 - (c) any Key Decision that has been made by an Officer of the Council in accordance with executive arrangements.
- 19.2 Every Member of the Scrutiny Committee will receive a copy of any report relevant to a private decision of the Cabinet at the same time as it is furnished to the Cabinet.
- 19.3 No Member of the Scrutiny Committee will be entitled to a copy of:
- (a) a document or any part of a document that is in draft form;
 - (b) a document or any part of a document that contains exempt or confidential information unless that information is relevant to an action or decision they are scrutinising or intend to scrutinise; and
 - (c) a document or any part of a document that contains the advice of a political adviser.

20. REPORTS TO THE LOCAL AUTHORITY WHERE THE KEY DECISION PROCEDURE IS NOT FOLLOWED

- 20.1 Where an executive decision has been made and was not treated as being a Key Decision and the Scrutiny Committee is of the opinion that it should have been treated as a Key Decision, then any three Members of the Scrutiny Committee (including either the Chairman or Vice Chairman) may require the executive decision maker to submit a report to the Council within such a reasonable period as the Scrutiny Committee might specify. The report must include details of who made the decision, the decision and reasons for it and the reasons why the executive decision-maker did not consider the decision as a Key Decision.

21. ADDITIONAL RIGHTS OF ACCESS TO DOCUMENTS FOR MEMBERS

- 21.1 Any document which is in the possession or under the control of the Cabinet or its committees and contains material relating to any business to be transacted at a public meeting shall be available for inspection by any Member of the Council.
- 21.2 Any document which is in the possession, or under the control, of the Cabinet or its committees; and
- (a) contains any material relating to any business transacted at a private meeting of the Cabinet;
 - (b) contains any material relating to any decision made by an individual Cabinet Member, or any Key Decision made by an authorised Officer, in accordance with executive arrangements;
- shall be available for inspection by any Member of the Council when the meeting concludes or immediately after the executive decision by an individual Cabinet Member or Key Decision by an individual authorised Officer has been made.
- 21.3 Where it appears to the Proper Officer that any document or part document contains:
- (a) exempt information falling within paragraphs 1 and 2 of the categories of exempt information as defined in Part 1 of Schedule 12A of the [Local Government Act 1972](#) and;
 - (b) the advice of a political adviser.
- then paragraphs 23.1 and 23.2 above, will not apply.

22. QUARTERLY REPORTS OF URGENT DECISIONS TO THE LOCAL AUTHORITY

22.1 The Leader of the Council shall submit to the Council at quarterly intervals a report containing details of each executive decision taken during the preceding three months where the making of the decision was agreed as urgent. The report will include details of each decision made and a summary of the matters in respect of which each decision was made.

23. ADDITIONAL RIGHTS OF ACCESS FOR MEMBERS

23.1 All Members of the Council in attendance at public meetings of the Cabinet may speak with the permission of the person presiding.

24. PUBLICATION OF ADDITIONAL INFORMATION

24.1 The Council maintains a register containing:

- (a) the name and address of every Member of the Council;
- (b) the area each Member represents; and
- (c) the name of every Member of the Cabinet, Scrutiny Committee, Audit and Governance Committee, and regulatory committees.

25. BYELAWS

25.1 A copy of any byelaws made by a local authority may be open to inspection by the public and any person may purchase a copy. Requests should be made to the Democratic Services Manager.

Finance Procedure Rules

1. Introduction

1.1 ROLE OF CHIEF FINANCE OFFICER (CFO)

- 1.1.1 Section 151 of the [Local Government Act 1972](#) states, “every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their Officers has responsibility for the administration of those affairs”.
- 1.1.2 The Officer designated by East Suffolk Council as having the statutory responsibility set out in Section 151 of the 1972 Act is the “Chief Finance Officer and Section 151 Officer” (“the CFO”).
- 1.1.3 The Chief Finance Officer will appoint a deputy and keep them briefed on emerging issues. The Deputy will act in place of the Chief Finance Officer if the Chief Finance Officer is absent or unable to act due to conflict or other relevant issues.

1.2 FINANCIAL PROCEDURE RULES

- 1.2.1 The Financial Procedure Rules provide the framework for the financial administration of the Council with a view to ensuring that financial matters are conducted in a sound and proper manner, constitute value for money and minimise the risk of legal challenge. The Financial Guidelines provide more detailed and operational considerations which give meaning to the Financial Procedure Rules.
- 1.2.2 All financial decisions and decisions with financial implications must have regard to proper financial control. Any doubt as to the appropriateness of a financial proposal or correctness of a financial action must be clarified in advance of the decision or action with the CFO.
- 1.2.3 Financial Guidelines and other financial instructions may be issued and updated from time to time by the CFO, where assistance is needed with the interpretation of Financial Procedure Rules.
- 1.2.4 Failure to observe Financial Procedure Rules (including existing financial guidelines and financial instructions), may result in action under the Council’s disciplinary procedures.
- 1.2.5 These Financial Procedure Rules should be read in conjunction with the [Contract Procedure Rules](#) and the [Scheme of Delegation](#).
- 1.2.6 The CFO is responsible for maintaining a continuous review of the Financial Procedure Rules and submitting any additions or changes necessary to the Council for approval. An annual review of the FPR and Financial Guidelines shall be undertaken.
- 1.2.7 The CFO is also responsible for reporting, where appropriate, breaches of the Financial Procedure Rules to the Council and/or to the Cabinet. The CFO is authorised to temporarily suspend Financial Procedure Rules in exceptional circumstances, and where such a suspension is authorised, a written record shall be kept of the reasons for this.
- 1.2.8 Strategic Directors and Heads of Service are responsible for ensuring that all staff in their Directorates/Services are aware of the existence and content of the Financial Procedure Rules and that they comply with them.

1.3 RESPONSIBILITIES

To the Council

- 1.3.1 Elected Members and employees of the Council are responsible for ensuring that they use the resources and assets entrusted to them in a responsible and lawful manner. They should strive to achieve value for money and avoid legal challenge to the Council.
- 1.3.2 These responsibilities apply equally to Members and employees when representing the Council on outside bodies.

Personal

- 1.3.3 Any person charged with the use or care of Council resources and assets should make themselves aware of the Council's requirements under the Financial Procedure Rules. If anyone is in any doubt as to their obligations, then they should seek advice. Unresolved questions of interpretation should be referred to the CFO.
- 1.3.4 All officers of ESC are collectively responsible for the security of the of the Council's property and for ensuring integrity accuracy, probity, and value for money in the use of resources.
- 1.3.5 All employees must report immediately to their manager, supervisor, or other responsible senior Officer any illegality, impropriety, serious breach of procedure or serious deficiency in the provision of services that they suspect or become aware of. Employees can do this without fear of recrimination providing they act in good faith via the Council's Whistle Blowing Policy. In such circumstances managers must record and investigate such reports and take appropriate action. Compliance with the Council's Anti-Fraud and Corruption Strategy and the [Code of Conduct for Officers](#) is mandatory for all Officers.

Chief Finance Officer

- 1.3.6 Section 114 of the [Local Government Finance Act 1988](#) requires the CFO to report to Council, Cabinet and External Auditor if the Council or one of its Officers:
- Has made, or is about to make, a decision which involves or would involve the authority incurring unlawful expenditure;
 - Has taken, or is about to take, unlawful action which has resulted or would result in a loss or deficiency to the Council; or
 - Is about to make an unlawful entry in the Council's accounts.
- 1.3.7 Section 114 of the 1988 Act also requires:
- The CFO to nominate a properly qualified member of staff to deputise should they be unable to perform the duties under section 114 personally; and
 - The Council to provide the CFO with sufficient staff, accommodation, and other resources – including legal advice where this is necessary – to carry out the duties under Section 114.
- 1.3.8 The CFO has a range of general responsibilities, which underpin an overriding responsibility to ensure the proper administration of the financial affairs of the Council. These include:
- Setting financial management standards and to monitor compliance with them;

- Ensuring proper professional practices are adhered to, and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Council;
- Advising on the key strategic controls necessary to secure sound financial management; and
- Ensuring that financial information is available to enable accurate and timely monitoring and reporting of financial and non-financial performance indicators.

1.3.9 Reference to the CFO includes those authorised by them to undertake the various functions concerned.

Strategic Directors/Heads of Service

1.3.10 Strategic Directors and Heads of Service are responsible for ensuring that the Financial Procedure Rules are observed throughout all areas under their control and shall:

- Provide the CFO with such information and explanations as the CFO feels is necessary to meet their obligations under the Financial Procedure Rules;
- Consult with the CFO and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred;
- Ensure that executive Members are advised of the financial implications of all significant proposals and that the financial implications have been agreed by the CFO;
- Inform the CFO of failures of financial control resulting in additional expenditure or liability, or loss of income or assets;
- Wherever any matter arises which may involve irregularities in financial transactions, consult with the CFO and, if a serious irregularity is confirmed, the matter shall be reported to the Chief Executive, appropriate Cabinet Member, and the HR & Workforce Development Manager; and
- Ensure the legality of their Directorate/Service's actions.

1.3.11 Strategic Directors and Heads of Service are also responsible for:

- Promoting the financial management standards set by the CFO in their departments and to monitor adherence to the standards and practices, liaising as necessary with the CFO; and
- Promoting sound financial practices in relation to the standards, performance, and development of staff in their service areas.

1.3.12 Reference to the Strategic Directors/ Head of Service includes those authorised by them to undertake the various functions concerned. Strategic Directors/Heads of Services will designate budget holders within their service to carry out day to day financial management within their areas of responsibility. Service managers with access to approval of financial commitments on the financial management system are considered budget holders within their areas of responsibility.

2. Financial Planning

2.1 BUDGETING

a) Budget Format

The budget format determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, the operation of cash limits and sets limits at which funds may be reallocated.

CFO Responsibilities

- 2.1.1 Advise Cabinet on the format and content of the budget to be approved by Council.

Strategic Directors/ Heads of Service Responsibilities

- 2.1.2 Comply with budgetary guidance provided by CFO including those documented in the Financial Guidelines.

b) Budget and Medium-Term Planning

The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighted priorities. The budget is the financial expression of the Council's plans and policies.

The revenue budget must be constructed to ensure that resource allocation properly reflects the service plans and priorities of Council. Budgets (spending plans) are needed so that the Council can plan, authorise, monitor, and control the way money is allocated and spent. It is illegal for a Council to budget for a deficit.

Medium-term planning involves a cycle in which managers develop their own plans in conjunction with the CFO. As each year passes, another future year will be added to the Medium-Term Financial Strategy (MTFS). This ensures that the Council is always preparing for events in advance.

CFO Responsibilities

- 2.1.3 Prepare and submit reports on revenue budget forecasts to Cabinet, including resource constraints set by Government. Reports should take account of medium-term forecasts, where appropriate.
- 2.1.4 Determine detailed form of revenue budgets and the methods for preparation, consistent with the budget approved by Council, and after consultation with Cabinet, Strategic Directors and Heads of Service.
- 2.1.5 Prepare and submit reports to Cabinet on aggregate spending plans of service areas and on the resources available to fund them, identifying, where appropriate, implications for the level of taxation to be levied.
- 2.1.6 Advise on the medium-term and long-term financial implications of service decisions and alternative options.
- 2.1.7 Work with Strategic Directors and Heads of Service, and all Council Officers, to identify opportunities to improve economy, efficiency, and effectiveness, encouraging good practice financial appraisals of development or savings options, and in developing the financial aspects of service planning.
- 2.1.8 Advise Council on Cabinet proposals in accordance with responsibilities under Section 151 of the [Local Government Act 1972](#).

Strategic Directors/Heads of Service Responsibilities

- 2.1.9 Prepare detailed draft revenue budgets in consultation with the CFO, for submission to Cabinet and approval by Council.
- 2.1.10 Integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- 2.1.11 When drawing up draft revenue budgets, have regard to spending/income patterns and pressures, volatility to external influences, legal requirements, policy requirements, initiatives already underway and external grants and contributions.

c) Capital Programme

Capital expenditure involves acquiring or enhancing fixed assets with long-term value to the Council, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.

Capital expenditure must form part of an investment strategy and must be carefully prioritised and scrutinised in order to maximise the benefit of scarce resources.

CFO Responsibilities

- 2.1.12 Prepare capital budgets jointly with Strategic Directors/Heads of Service and report them to Cabinet for approval. The Cabinet will make recommendations on the capital budgets and on any associated financing requirements to Council. Cabinet Member approval is required where a Strategic Director/Head of Service proposes to bid for or exercise additional borrowing, not anticipated in the Capital Programme (extra borrowing will create future commitments to financing and capital repayment costs).
- 2.1.13 Prepare and submit reports to Cabinet on projected income, expenditure and resources compared with approved budgets.
- 2.1.14 Issue guidance on capital schemes processes, and controls e.g. revenue costs, project appraisal techniques. The definition of capital will be determined by the CFO, having regard to government regulations and accounting requirements. Refer to Capital Budget Approval Process and Financial Guidelines for further details.
- 2.1.15 Obtain Cabinet authorisation for individual schemes where estimated expenditure exceeds Capital Programme provision by more than £50,000.

Strategic Directors/Heads of Service Responsibilities

- 2.1.16 Comply with guidance on capital projects and controls issued by CFO.
- 2.1.17 Develop and implement asset management plans in conjunction with CFO.
- 2.1.18 Ensure that all capital projects are strategically aligned and have undergone a robust appraisal, including economic and financial appraisal in the manner prescribed in the Financial Guidelines. Ensure that the project appraisal has been approved by Financial and Legal Services, before being presented and discussed by the appropriate management group (and before inclusion in the Capital Programme).
- 2.1.19 Prepare regular reports reviewing Capital Programme provisions for their services and prepare a quarterly return of estimated final costs of schemes in the approved Capital Programme for inclusion in the quarterly financial monitoring reports to management.
- 2.1.20 Ensure adequate records are maintained for all capital contracts.

- 2.1.21 In consultation with the CFO, accelerate the progress of a scheme by deferring the start of another scheme in that year's programme or, if delays are occurring generally, may bring forward a scheme programmed to start in a later year.
- 2.1.22 Proceed with projects only when there is adequate provision in the Capital Programme, following Cabinet or Council approval, and with the agreement of the CFO where required. Cabinet can approve projects up to a value of £1,000,000 (General Fund) and £1,000,000 (Housing Revenue Account) in any one financial year. Projects that breach the £1,000,000 limits – either alone or cumulatively – require Council approval.
- 2.1.23 Prepare and submit quarterly reports, jointly with the CFO, to Cabinet, of any variation in contract costs greater than £50,000. The Cabinet may meet cost increases of the project by virement from identified savings arising from other projects within the capital programme.
- 2.1.24 Follow the appropriate project management framework in the initiation and delivery of significant capital projects. Prepare and submit post implementation reports, jointly with the CFO, to Cabinet on completion of schemes where the final expenditure varies from the approved budget by more than £50,000. Prepare post implementation reports, on completion of all capital schemes with capital spend over £250,000 through the life of the project for review by the Strategic Plan Financial Sustainability Theme Group.
- 2.1.25 Ensure credit arrangements, such as leasing agreements over the de-minimus level (£10,000), are not entered into without prior CFO approval, who will need to undertake an assessment of the type of lease arrangement being entered into. Where the lease is considered to be capital expenditure, it will go through the Capital Programme approval process established by the CFO.
- 2.1.26 Consult with the CFO and seek Cabinet approval where Strategic Director/Head of Service proposes to bid for Government funding to support expenditure that has not been included in current year's Capital Programme.

2.2 MAINTENANCE OF RESERVES

The Council must decide the minimum level of General Reserves it wishes to maintain before it can decide the level of Council Tax. Reserves are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending, should such events occur. There are also reserves earmarked for specific purposes.

CFO Responsibilities

- 2.2.1 To advise Cabinet and/or Council on prudent levels of reserves for the Council, and to take account of the advice of CIPFA in this matter.

Strategic Directors/Heads of Service Responsibilities

- 2.2.2 To ensure that reserves are used only for the purposes for which they were intended.

3. Financial Management

3.1 MANAGING INCOME & EXPENDITURE

a) Budget Monitoring and Control

Proper budget management ensures that – once the budget has been approved by Council – allocated resources are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account, managers responsible for defined elements of the budget.

By continuously identifying and explaining variances against budget targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual revenue limit, approved when setting the annual budget. To ensure that the Council does not overspend in total, each service is required to manage its own income and expenditure within the budget allocated to it. For the purposes of budgetary control by managers, a budget will usually be the planned income and expenditure excluding support and capital charges, for a department.

CFO Responsibilities

- 3.1.1 Submit reports to Cabinet and Council, in consultation with the relevant Strategic Director/Head of Service, where a Strategic Director/Head of Service's expenditure and resources are significantly outside the approved budgets under their control.
- 3.1.2 Prepare and submit quarterly reports on the Council's projected income and expenditure compared with the budget to the Cabinet.
- 3.1.3 Establish an appropriate framework of budgetary management and control that ensures that:
 - Budget management is exercised within the approved budget unless Cabinet approves a supplementary estimate;
 - Each Strategic Director/Head of Service/ Budget Holder has timely information on income and expenditure on each budget which is sufficiently detailed to enable managers to monitor their budgetary responsibilities;
 - As a minimum, quarterly updates are held between a Head of Service, budget holder and their Finance representative;
 - All Officers responsible for income and expenditure, comply with the relevant guidance and the Financial Procedure Rules;
 - Each cost centre has a single named manager, designated by the relevant Strategic Director/Head of Service. As a general principle, budgetary responsibility should be aligned as closely as possible to the decision-making processes that commit expenditure; and
 - Significant variances from approved budget are investigated and reported by budget holders monthly and advised to the Strategic Management Team and Cabinet.
- 3.1.4 Administer the Council's Scheme of Virement (refer to Section 3B below).

Strategic Directors/Heads of Service Responsibilities

- 3.1.5 Consult with CFO on any matter which is liable materially to affect the finances of the Council before any provision or other commitment is incurred and before reporting to Members.
- 3.1.6 Maintain budgetary control within their services, in adherence to the principles above, and to ensure that all income and expenditure is properly recorded and accounted for.
- 3.1.7 Ensure that an accountable budget holder is identified for each item of income and expenditure under the control of the Strategic Director/Head of Service (grouped together in a series of department codes). Budget responsibility should be aligned as closely as possible to the decision-making that commits the expenditure.
- 3.1.8 Ensure that spending remains within the service's overall budget limit, and that individual budget heads are not overspent, by monitoring and taking appropriate corrective action where significant variations from the approved budget are forecast and to report these to the CFO. This regulation shall also apply to any action or decision, which will give rise to a reduction in income.
- 3.1.9 Ensure that a monitoring process is in place to review performance levels in conjunction with the budget and is operating effectively within the guidelines set down by the CFO.
- 3.1.10 Obtain prior approval by Council or Cabinet (refer to Section 3E below) for new proposals outside of the budget and policy framework, of whatever amount, that:
 - Create financial commitments in the current year and future years;
 - Change existing policies, initiate new policies, or cease existing policies; or
 - Materially extends or reduces Council services.
- 3.1.11 Ensure compliance with Scheme of Virement (refer to Section 3B below).
- 3.1.12 Consult with the relevant Strategic Director/Head of Service, where it appears that a budget proposal, including a virement proposal, may impact on another service area or another Strategic Director/Head of Service's service activity, prior to any action being taken.

Budget Holder Responsibilities

- 3.1.13 Budget holders must ensure that:
 - All expenditure is incurred or committed in accordance with the FPR, the Procurement Procedure Rules and all guidance notes produced by the CFO, including the appropriate levels of internal and external approval;
 - Planned and actual expenditure takes full account of the need to achieve value for money in terms of economy, efficiency and effectiveness;
 - They meet with the designated finance business partners regularly;
 - Forecasting of expenditure against budget is robust and where a budget allocation is no longer fully needed or where there is a risk of overspending this is reported promptly to the financial planning team; and
 - Information must be supplied promptly to the Financial Planning team as required to enable budgets to be compiled and periodic account close procedures to be completed.
 - Detailed considerations for budget managers are included in the [Financial Guidelines](#).

b) Virement

A Virement is the transfer between existing budgets that enables Cabinet, Strategic Directors, Heads of Service, and their staff, to manage budgets with a degree of flexibility within the overall budget and policy framework determined by the Council, and therefore to optimise the use of resources.

- 3.1.14 The Scheme of Virement is administered by the CFO. Administrative guidelines for effecting virements are detailed in the Financial Guidelines.
- 3.1.15 Virement does not create additional overall budget liability and should not be used to create additional budget demand in future years.
- 3.1.16 Virement is not allowed:
 - From capital financing charges, interest credits, council tax and housing benefit payments and projects financed by external grants and contributions, corporate finance costs (e.g., bank charges), precepts etc. or internal recharges (e.g. departmental support service recharges); or
 - For a transfer of resources between funds (e.g., between the General Fund and the HRA and or any other earmarked fund); or
 - For creating income and corresponding expenditure budgets (Use supplementary budgets in **section f** for this purpose)
- 3.1.17 Virement is only allowed from employee costs with the approval of the CFO and after consideration of the overall budget position on employees since the budget anticipates savings on employee budgets from natural staff turnover, and virements on employee costs could create permanent expenditure commitments.

CFO Responsibilities

- 3.1.18 Prepare – jointly – with the relevant Strategic Director/Head of Service a report to Cabinet on proposed virements, where required under the Scheme.

Virement Scheme Approver Thresholds - Summary of Para 3.1.19 – 3.1.21		
Approver	Individual Threshold	Cumulative threshold
Budget holder	up to £50,000	N/A
Head of service	up to £100,000	N/A
Portfolio holder and Section 151 Officer	£100,001 - £250,000	£250,000 per portfolio
Cabinet	£250,001 - £1,000,000	£1,000,000
Council	Over £1,000,000	N/A

Strategic Directors/Heads of Service Responsibilities

- 3.1.19 Strategic Directors/Heads of Service may exercise virement on budgets under their control for gross amounts up to £100,000 within Departmental budgets or between Departmental budgets within the same Service budget (any combination thereof), following consultation with the CFO and subject to the conditions in paragraphs 3.1.20 to 3.1.24 below.
- 3.1.20 Amounts greater than £100,000 require Portfolio Holder approval, following a joint report by the CFO and the Strategic Director/Head of Service, which must specify the proposed expenditure and the source of funding, and must explain the

implications in the current and future financial year. Each Cabinet Member has a cumulative limit of £250,000 per financial year.

3.1.21 Amounts greater than £250,000 require Cabinet approval. The Cabinet has a cumulative limit of £1,000,000 per financial year. Amounts greater than £1,000,000 require Council approval.

3.1.22 Virements relating to a specific financial year, should not be made after 31st March in that year.

3.1.23 Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:

- The amount is used in accordance with the purposes for which it has been established; and
- Cabinet has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations more than the financial limits should be reported to the Cabinet.

3.1.24 All Virements will be recorded in a way prescribed by the Chief Finance Officer who will arrange for Virements to be incorporated into subsequent financial monitoring report to the Cabinet. See Financial Guidelines for the latest documentation requirements.

Budget Holder Responsibilities

3.1.25 Officers with budget holder responsibilities may exercise virement on budgets under their control for gross amounts up to £50,000 *within* assigned Departmental budgets only, following consultation with the CFO and *subject to the conditions in paragraphs 3.1.19 to 3.1.24 above.*

c) Year-End Balances

The treatment of year-end balances is administered by the CFO within guidelines set by the Council. The rules below cover arrangements for the transfer of resources between accounting years, i.e. a carry-forward.

Year-End Balances ('carry forwards')

3.1.26 The Scheme of Carry-Forwards is administered by the CFO within guidelines set by Council and any variation from the Scheme requires Council approval.

3.1.27 The rules cover arrangements for transferring resources between accounting years (i.e. carry-forwards).

CFO Responsibilities

3.1.28 Administer the Scheme of Carry-Forwards within guidelines approved by Council:

- Underspent Capital budgets at year-end will be carried forward in the Capital Programme automatically unless no longer required
- Underspent Revenue budgets up to £30,000 on individual budgets may be carried forward with CFO approval
- Underspent Revenue budgets in excess of £30,000 on individual budgets may be carried forward with Cabinet approval
- All underspent Revenue budgets approved to be carried forward will be retained in an earmarked reserve.

- 3.1.29 Report jointly with relevant Strategic Director/Head of Service on all material overspends and underspends on service budgets carried forward to the Cabinet and to Council.

Strategic Directors/Heads of Service Responsibilities

- 3.1.30 Underspends on service budgets up to £30,000 under the control of the Strategic Director/Head of Service may be carried forward with prior CFO approval. Underspends over £30,000 require Cabinet approval.
- 3.1.31 Take account of Capital underspends carried forward into the following years Capital Programme.

d) Use of Earmarked Reserves

Earmarked reserves are funds and balances set aside for specific purposes and can arise from specific external funding (i.e., funding with restricted use) or year-end balances brought forward. A general reserve for which the council has broad discretion over use is excluded from this segment and is covered by the provisions in section f. For the avoidance of doubt, a list of all earmarked reserves specifying who can request their use is included in the Financial Guidelines. Anything not on the list is a general reserve, the use of which is a supplementary estimate.

- 3.1.32 Budget changes to be funded by earmarked reserves must be aligned with the purpose for which the earmarked reserve was created.
- 3.1.33 The CFO will ensure that proposed use of earmarked funding or reserve is aligned with the purpose of such earmarked funding or reserve.
- 3.1.34 The CFO has the authority to change the designation of earmarked reserves if it is determined that the funds are no longer required for the purpose for which the reserve was created and there is no further obligation to an external party who may have provided the initial funding held in the reserve.
- 3.1.35 Reserves Unmarked by the CFO will generally be applied to meet deficits in the general fund budget.

e) Emergency Expenditure

The Council needs a procedure in place for meeting immediate needs if an emergency arises in the district. Further guidance is provided in the Financial Guidelines.

- 3.1.36 The Chief Executive and CFO shall have authority to approve expenditure on items essential to meet immediate needs created by an emergency or which is subject to Section 138 of the Local Government Act 1972, subject to a subsequent report to Cabinet and/or Council depending on whether or not the expenditure can be met within the current budget framework.
- 3.1.37 The Leader or Deputy Leader (having received report from Chief Executive and CFO), shall have power to incur expenditure essential to meet immediate needs created by an emergency, or which is referable to Section 138 of the Local Government Act 1972 (or subsequent legislation) which is not otherwise authorised, or where it is necessary in the Council interest to settle legal proceedings. A subsequent report shall be submitted to Cabinet and/or Council,

depending on whether the expenditure can be met within the current budget framework.

- 3.1.38 The CFO will ensure – retrospectively – the submission of a claim for reimbursement under the “Bellwin Scheme” for any eligible emergency costs incurred i.e. costs incurred on, or in connection with, immediate actions to safeguard life and property or to prevent suffering or severe inconvenience as a result of a disaster or emergency in the district. Grant is limited by Section 155 of the Local Government and Housing Act 1989 and local authorities are expected to have budgeted for a certain amount of emergency expenditure (the ‘threshold’).

f) Supplementary Budget

Supplementary budget is a budget through which changes are made in respect of receipts or payments or which either no provision is available or the provision available is inadequate in the current year’s budget. Further guidance is provided in the Financial Guidelines. The supplementary budget process will also apply to the approval of budget proposals for creating or extending services which will be funded by anticipated income.

- 3.1.39 The supplementary budget is administered by the CFO within guidelines set by Council and any variation from the Scheme requires Council approval.
- 3.1.40 Supplementary budget typically creates additional overall budget liability in exceptional cases which are not emergencies (See **Section e** for emergency expenditure rules).
- 3.1.41 The CFO/Strategic Directors/Heads of Service/Budget holder must have considered virements and alternative measures to meet a service need and found them insufficient before resorting to initiating a supplementary budget.
- 3.1.42 The following approval limits will apply to the net supplementary budget (i.e., after considering the expected income or other funding):

Supplementary Budget Threshold		
Approver	Collective¹ Threshold	Cumulative Threshold
Portfolio holder and Section 151 Officer	Up to £250,000	£250,000
Cabinet	£250,001 - £1,000,000	£1,000,000
Council	Over £1,000,000	N/A

- 3.1.43 All Supplementary budgets will be recorded in a way prescribed by the Chief Finance Officer who will arrange for the supplementary budgets to be incorporated into subsequent financial monitoring reports to the Cabinet. See Financial Guidelines for further guidance.

¹ Individual portfolio holders can approve Supplementary Budgets of up to £250,000 in their portfolios, but within an overall cumulative limit of £250,000 for all portfolio holders. Above this cumulative threshold all Supplementary Budgets will need to be approved by Cabinet.

4. Financial Accounting

4.1 ACCOUNTING POLICIES

The CFO is responsible for preparing the Council’s Statement of Accounts, in accordance with proper practices as set out in the format required by the [Code of Practice on Local Authority Accounting in the United Kingdom](#) (the Code) issued by (CIPFA/LASAAC), for each financial year.

CFO Responsibilities

- 4.1.1 Select suitable accounting policies and ensure they are applied consistently. Accounting policies are set out in the annual Statement of Accounts.

Strategic Directors/Heads of Service Responsibilities

- 4.1.2 Adhere to accounting policies, timetables and guidelines approved by the CFO.

4.2 ACCOUNTING RECORDS AND RETURNS

Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for the stewardship of public resources. The Council has a statutory responsibility to prepare an annual Statement of Accounts that give a “true and fair view” of the financial position and transactions of the Council.

The accounting records are subject to external audit. The audit provides assurance that the Statement of Accounts have been prepared properly, that proper accounting practices have been followed and that robust arrangements have been made for securing economy, efficiency, and effectiveness in the use of Council resources.

CFO Responsibilities

- 4.2.1 Determine the accounting procedures and records for the Council. Where these are maintained outside of Financial Services, the CFO should consult the Strategic Director/Head of Service concerned.
- 4.2.2 Arrange for the compilation of all accounts and accounting records under his or her direction.
- 4.2.3 Comply with the following principles when allocating accounting duties:
- Separating the duties of providing information about sums due to or from the Council and calculating, checking, and recording these sums from the duty of collecting or disbursing them; and
 - Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
- 4.2.4 Ensure that claims for funds, including grants, are made by the due date.
- 4.2.5 Make proper arrangements for the audit of the Council’s Statement of Accounts in accordance with the latest Accounts and Audit (England) Regulations.
- 4.2.6 Prepare and publish the Statement of Accounts for each financial year in accordance with the statutory timetable, and present audited Statements for approval by the Audit and Governance Committee before 31st July each year. Submit provisional outturn results for financial year to Cabinet as soon as practicable.

- 4.2.7 Ensure the retention of financial documents in accordance with the Council's Document Retention Policy.
- 4.2.8 Undertake or receive monthly reconciliations for all fundamental IT financial systems and sign off as evidence of CFO's review.

Strategic Directors/Heads of Service Responsibilities

- 4.2.9 Consult and obtain the approval of the CFO before making changes to accounting arrangements, records, and procedures.
- 4.2.10 Comply with segregation of duties principles outlined in Paragraph 4.2.3 when allocating accounting duties.
- 4.2.11 Maintain records that provide a management trail, leading from income/expenditure source through to the accounting statements, and carry out regular monthly reconciliations of fundamental IT financial systems to the Council's corporate financial management information system.
- 4.2.12 Supply information required to enable the Statement of Accounts to be completed by the statutory deadline of 31st May each year and in accordance with guidelines issued by the CFO.

4.3 STATEMENT OF ACCOUNTS

The Council has a statutory responsibility to prepare its own Statement of Accounts, which give a "true and fair view" of the financial position and transactions of the Council.

The Audit & Governance Committee is responsible for approving the statutory annual Statement of Accounts.

CFO Responsibilities

- 4.3.1 Select suitable accounting policies and to apply them consistently.
- 4.3.2 Make judgements and estimates that are reasonable and prudent.
- 4.3.3 Ensure compliance the CIPFA/LASAAC Accounting Code of Practice.
- 4.3.4 Sign and date the Statement of Responsibilities with the Statement of Accounts, stating it gives a true and fair view of the financial position and transactions of the Council (including group financial statements where applicable) at the year ended 31st March.
- 4.3.5 Draw up the timetable for final accounts preparation and to advise Officers and external auditors accordingly.

Strategic Directors/Heads of Service Responsibilities

- 4.3.6 Comply with accounting guidance provided by the CFO and supply the CFO with information when required.

5. Risk Management and Control of Resources

5.1 RISK MANAGEMENT

All organisations, whether in the private or public sector, face risks to people, property, and continued operations. Risk is the chance or possibility of loss, damage,

injury, or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk Management is the planned and systematic approach to the identification, evaluation, and control of risk. Its objectives are to secure the assets of the organisation and to ensure its continued financial and organisational well-being. In essence it is an integral part of good business practice.

Risk Management is concerned with evaluating the measures an organisation already has in place to manage perceived risks and then recommend the actions the organisation needs to take to control these risks effectively.

The Audit and Governance Committee monitors the effective development and operation of Risk Management, and it is the overall responsibility of Cabinet to approve the Risk Management Strategy, and to promote a culture of risk management awareness throughout the Council.

CFO Responsibilities

- 5.1.1 Develop and maintain a Risk Management Strategy.
- 5.1.2 Develop and maintain a Risk Register.
- 5.1.3 Develop and promote a proactive and positive corporate Risk Management culture, including awareness and the implementation and maintenance of Risk Management controls.
- 5.1.4 Include all appropriate employees in suitable Fidelity Guarantee insurance cover.
- 5.1.5 Arrange suitable corporate insurance cover, through external insurance and internal funding, and negotiate claims for losses in consultation with other Officers, and partner organisations, where necessary.

Strategic Directors/Heads of Service Responsibilities

- 5.1.6 Promote a proactive and positive Risk Management culture within service area, including raising awareness and the implementation and maintenance of Risk Management controls.
- 5.1.7 Show due regard to advice from specialist Officers (e.g. health and safety) and review risks through the Service Planning process at least quarterly.
- 5.1.8 Promptly notify CFO of all significant new risks, properties, vehicles or other assets that require insurance and of any alterations affecting existing insurances and to provide information when requested.
- 5.1.9 Immediately notify CFO of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the CFO or the Council's insurers.
- 5.1.10 Consult with the CFO and the Head of Legal and Democratic Services on the terms of any indemnity that the Council is requested (or has offered) to give.
- 5.1.11 Ensure that employees, or anyone covered by Council insurance, do not admit liability, or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

5.2 INTERNAL CONTROLS

The Council is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives and to monitor compliance with statutory obligations.

The Council faces a wide range of financial, legal, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks and to protect the Council from the impact of uncertainties.

CFO Responsibilities

- 5.2.1 Assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.
- 5.2.2 Ensure an effective internal audit function is resourced and maintained.
- 5.2.3 Ensure that the Council has put in place effective arrangements for internal audit of the control environment and systems of internal control as required by professional standards and in line with CIPFA's Code of Practice.
- 5.2.4 Ensure an effective audit committee is developed and maintained.

Strategic Directors/Heads of Service Responsibilities

- 5.2.5 Manage processes to check that established controls are being adhered to and to evaluate their effectiveness, to be confident in the proper use of resources, achievement of objectives and management of risks.
- 5.2.6 Review existing controls in the light of changes affecting the Council and to establish and implement new ones in line with guidance from the CFO. Strategic Directors/Heads of Service should also be responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.
- 5.2.7 Ensure Officers have a clear understanding of the consequences of lack of control.

5.3 AUDIT REQUIREMENTS

a) Internal Audit

The requirement for an internal audit function for local authorities is implied by Section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. More specific requirements are set out in the Accounts and Audit Regulations 2015, which require the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Chief Executive

- 5.3.1 Ensure that the Head of Internal Audit has direct access to and freedom to report in his or her own name and without fear or favour to the Chief Executive and the CFO, the Cabinet and the Audit & Governance Committee, all levels of management, Officers and elected Members. This should include the ability to meet the Chairman of the Audit & Governance Committee alone (outside of the

Committee meeting) and External Auditors to discuss significant concerns that they may have over the adequacy and effectiveness of internal controls and risk management activities.

CFO Responsibilities

- 5.3.2 Implement appropriate measures to prevent and detect fraud and corruption and ensure that effective procedures are in place to investigate promptly any identified fraud or irregularity.
- 5.3.3 Report to Cabinet requesting additional funding where insufficient internal audit resources have been identified.

Head of Internal Audit Responsibilities

- 5.3.4 Ensure that Internal Audit has unrestricted access to all information (including records, computer files, property, and personnel) and activities undertaken by the Council, and those of partner organisations and third-party service providers where contract terms include Internal Audit access rights.
- 5.3.5 Assisting the CFO in discharging their responsibilities under Section 151 of the Local Government Act 1972 in relation to internal controls.
- 5.3.6 Providing and maintaining an Internal Audit function which meets the requirements of the Public Sector Internal Audit Standards (PSIAS).
- 5.3.7 Developing and delivering an annual Audit Plan for the Council using a risk-based methodology. Following consultation with the Chief Executive Officer, CFO and SMT, the Head of Internal Audit will submit such plan to the Audit & Governance Committee for review and approval prior to the commencement of each financial year.
- 5.3.8 Providing an annual Internal Audit opinion, compliant with PSIAS requirements, which informs the Annual Governance Statement on how the Council's control environment, including risk management processes, accounting records, governance, and value for money arrangements, established by management, are operating within the Council.
- 5.3.9 Issuing other reports which provide assurance to the Chief Executive, CFO, Monitoring Officer, and the Strategic Management Team, and making recommendations for improvement.
- 5.3.10 Comply with any requests from the External Auditor or access to any information, files or working papers obtained or prepared during audit work that is required to discharge their responsibilities.
- 5.3.11 Reporting to the Chief Executive, CFO and the audit committee, if the Head of Internal Audit concludes that resources are insufficient.

Strategic Directors/Heads of Service Responsibilities

- 5.3.12 Ensure that Internal Audit are given access at all reasonable times to premises, human resources, documents, and assets that the auditors consider necessary for the purposes of their work.
- 5.3.13 Ensure that auditors are provided with any information and explanations that they seek in the course of their work.

- 5.3.14 Consider and respond promptly to recommendations/actions in Internal Audit reports.
- 5.3.15 Ensure that agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- 5.3.16 Notify the Head of Internal Audit immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of Council property, assets or resources. Pending investigation and reporting, the Strategic Director/Head of Service should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- 5.3.17 Ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Head of Internal Audit prior to implementation.

b) External Audit

The Local Audit and Accountability Act 2014 (“the Act”) sets out the framework for audit of local authorities. It replaces the provisions of the Audit Commission Act 1998 following the closure of the Audit Commission. The duties and responsibilities of external auditors are primarily set out in Part 5 of the Act and reflected in a Code of Audit Practice issued by the National Audit Office.

The Statement of Accounts is scrutinised by the external auditors, who must be satisfied that they give a “true and fair view” of the financial position and transactions of the Council (including any group financial statements where applicable) during the year and complies with all legal requirements.

CFO Responsibilities

- 5.3.18 Ensure that external auditors are given access at all reasonable times to premises, human resources, documents, and assets that the external auditors consider necessary for the purposes of their work.
- 5.3.19 Ensure there is effective liaison between external and internal audit.
- 5.3.20 Work with the external auditor and advise Council, Cabinet and Strategic Directors/Heads of Service on their responsibilities in relation to external audit.

Strategic Directors/Heads of Service Responsibilities

- 5.3.21 Ensure that external auditors are given access at all reasonable times to premises, human resources, documents, and assets which the external auditors consider necessary for the purposes of their work.
- 5.3.22 Ensure that all records and systems are up to date and available for inspection.

5.4 PREVENTING FRAUD AND CORRUPTION

The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council.

The Council’s expectation of propriety and accountability is that Members and Officers at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures, and practices.

The Council also expects that individuals and organisations, including partner organisations, suppliers, contractors, and service providers with whom it comes into contact will act towards the Council with integrity and without thought or actions involving fraud and corruption.

Chief Executive Responsibilities

- 5.4.1 Maintain adequate and effective internal control arrangements.

CFO Responsibilities

- 5.4.2 Implement appropriate measures to prevent and detect fraud and corruption.

Head of Internal Audit Responsibilities

- 5.4.3 Develop and maintain a comprehensive Anti-Money Laundering Strategy.
5.4.4 Develop and maintain a comprehensive Anti-Fraud and Corruption Strategy.
5.4.5 Develop and maintain a Code of Corporate Governance; monitor and report on compliance to the Audit and Governance Committee. Non-compliant areas, or areas requiring improvement, to be included within an “Annual Statement of Assurances” prepared by the Chief Executive.
5.4.6 Report all suspected irregularities (as appropriate) to the Chief Executive, the CFO, and the Audit & Governance Committee.

Strategic Directors/Heads of Service Responsibilities

- 5.4.7 Ensure that all suspected irregularities are reported to the Head of Internal Audit without delay.
5.4.8 Instigate the Council’s disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
5.4.9 Ensure that where financial impropriety is discovered, the CFO and Head of Internal Audit are informed as soon as possible, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are informed to determine with the Crown Prosecution Service whether any prosecution will take place.
5.4.10 Maintain corporate Register of Interests’ for both councillors and Officers.

5.5 ASSETS

a) Security of Property

The Council holds assets in the form of property, vehicles, plant, software, equipment other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service

operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

CFO Responsibilities

- 5.5.1 Maintain an Asset Register in accordance with good practice for all fixed assets with a value more than £10,000. The function of the Asset Register is to provide the Council with information about fixed assets so that they are safeguarded, used efficiently and effectively, and maintained.
- 5.5.2 Receive and process information required for accounting, costing and financial records from each Strategic Director/Head of Service.
- 5.5.3 Ensure that assets are valued in accordance with the Code issued by (CIPFA/LASAAC).
- 5.5.4 Issue guidelines on best practice ("*Local Authority Assets: Disposal Guidance - DCLG March 2016*") for asset disposals
- 5.5.5 Ensure appropriate accounting entries are made to remove the value of asset disposals from the Council's records, including the proceeds of sale where appropriate.
- 5.5.6 (Independently) review and authorise proposed stock write-offs (including obsolete and surplus stock) submitted by Strategic Directors/Heads of Service, within predetermined limits. Values in excess of predetermined limits should be forwarded for approval by the Portfolio Holder for Resources and/or Cabinet as appropriate.

Strategic Directors/Heads of Service Responsibilities

- 5.5.7 Notify the CFO immediately of any additions/disposals/variations to the Asset Register. Any use of property by a service area or establishment, other than for direct service delivery, should be supported by documentation identifying terms, responsibilities and duration of use.
- 5.5.8 Arrange for the valuation of assets for accounting purposes to meet requirements specified by the CFO.
- 5.5.9 Recommend surplus land and buildings for sale to the Asset Management Group (AMG), followed by a joint report prepared by the relevant Strategic Director/Head of Service and the CFO to Cabinet.
- 5.5.10 Follow best practice guidelines for asset disposals, issued by the CFO.
- 5.5.11 Ensure prospective occupiers of Council land are not allowed to take possession or enter until a lease or agreement (in a form approved by the Strategic Director/Head of Service in consultation with the Head of Legal and Democratic Services) has been established as appropriate.
- 5.5.12 Ensure security of buildings and other assets, including vehicles, plant, equipment, furniture, stock, stores and other property, within service area. Consult CFO where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 5.5.13 Pass title deeds to Head of Legal and Democratic Services, for safe custody. The Head of Operations must keep a record of all properties owned by the Council, recording Portfolio, the purpose for which it is held, the location, the plan reference, purchase details, particulars of interest and rent payable, and particulars of tenancies granted.

- 5.5.14 Ensure that cash holdings on premises are kept within insurance limits (determined by CFO) and keys to safes and similar receptacles are carried on the person of those responsible at all times. Loss of any such keys must be reported to the CFO immediately.
- 5.5.15 Ensure all employees are aware of their personal responsibility to protect and retain the confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council.

Inventories

- 5.5.16 Maintain an Inventory List within service area, recording descriptions of any furniture, fittings, equipment, plant, and machinery, with individual values of £75 or more. The Purchasing & Payables Manager must be notified if the value of a single item exceeds £10,000.
- 5.5.17 Carry out annual check of all significant inventory items to verify location, condition, and act in relation to surpluses or deficiencies, annotating the inventory accordingly. Portable items such as computers, cameras and video recorders should be identified with Council security markings.
- 5.5.18 Make sure that property is only used during Council business, unless the Strategic Director/Head of Service concerned has given permission otherwise.

Stocks and Stores

- 5.5.19 Make appropriate arrangements for the care and custody of stocks and stores within service area.
- 5.5.20 Maintain stocks at reasonable levels and ensure regular (minimum quarterly) independent physical stock checks. Stock discrepancies should be immediately investigated and pursued to a satisfactory conclusion.
- 5.5.21 Recommend stock write-offs (including obsolete and surplus stock) by submitting proposal in writing to CFO (seeking advice from purchasing advisors where appropriate).

b) Intellectual Property

Intellectual property is a generic term that includes inventions and writing. If these are created by the employee during employment, then, as a rule, they belong to the Council, not the employee.

Certain activities undertaken within the Council may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property.

CFO Responsibilities

- 5.5.22 Develop and disseminate good practice through the Council's intellectual property procedures.

Strategic Directors/Heads of Service Responsibilities

- 5.5.23 Ensure that controls are in place to ensure that staff do not carry out private work in Council time and that Officers are aware of an employer's rights regarding intellectual property.

5.6 TREASURY MANAGEMENT, BANKING AND PETTY CASH

Millions of pounds pass through Councils' accounts each year. This has led to the establishment of CIPFA's "*Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*" (the Code).

The Code aims to provide assurance that Council money is effectively managed in a way that balances risk with return, with overriding consideration given to the security of capital sums.

Banking arrangements and petty cash should also be managed appropriately with key responsibilities confined to the CFO and a limited number of authorised individuals.

CFO Responsibilities

- 5.6.1 Undertaking borrowing and investment activities in full compliance with CIPFA's "*Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*." Any other lending or borrowing cannot be undertaken without the approval of Council, following consultation with the CFO.
- 5.6.2 Ensuring that all borrowing and investing activities are undertaken in the name of the Council (or nominee approved by Council), and detailed records/registers maintained, and appropriate arrangements are made for the safe custody of all securities and title deeds.
- 5.6.3 Arranging and administering banking arrangements, including negotiate banking arrangements, opening accounts, signing Direct Debit mandates, ordering cheque books, and arranging BACS payments.
- 5.6.4 Along with the Chief Executive, signing bank mandates authenticating the signatures of Officers designated as cheque signatories, and signatories for other instruments for the payment, collection, or transfers of monies. All cheques must bear the signature of two authorised Officers of the Council and dispatched directly from the CFO (or his or her staff) to payees.
- 5.6.5 Making arrangements with the bank for the issue of corporate Purchasing Cards.
- 5.6.6 Developing, maintaining, and disseminating a detailed Purchasing Card Policy, ensuring that all card holders sign their acceptance of its terms and conditions.
- 5.6.7 Developing and operating a Petty Cash Imprest system (including a set of CFO prescribed rules), which balances operational need with efficiency and appropriate cash control measures.

Strategic Directors/Heads of Service Responsibilities

- 5.6.8 Following instructions on banking and purchase cards issued by the CFO.
- 5.6.9 Utilising Purchasing Cards in accordance with the corporate Purchasing Card Policy. Cardholders must formally sign to indicate their acceptance of the Policy, prior to usage.
- 5.6.10 Ensure Trust Funds are held in the Council's name wherever possible. Officers acting as Trustees, due to their official position, must deposit securities etc. relating to the Trust with the CFO, unless the deed otherwise provides.

- 5.6.11 Ensure Trust Funds are operated within relevant legislation and the specific requirements for each Trust. The CFO must approve secure administration arrangements.
- 5.6.12 Ensure employees within service area operate Petty Cash Imprest system in compliance with CFO prescribed rules.

6. Financial Systems and Procedures

6.1 GENERAL

Service areas have many systems and procedures relating to the control of the Council's assets, including purchasing, costing and management systems. Service areas are increasingly reliant on ICT for their monetary management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed, errors detected promptly, and system reconciliations completed and evidenced monthly.

The CFO has a professional responsibility to ensure that Council financial systems are sound and should therefore be consulted at an early stage in the process prior to the implementation of any new developments or changes/upgrades to existing systems.

CFO Responsibilities

- 6.1.1 Make arrangements for the proper administration of the Council's financial affairs, including:
- Issuing advice, guidance and procedures for Officers and others acting on the Council's behalf
 - Determining the accounting systems, form of accounts and supporting financial records
 - Establishing arrangements for audit of the Council's financial affairs
 - Approving any new financial systems to be introduced; and
 - Approving any changes to be made to existing financial systems.

Strategic Directors/Heads of Service Responsibilities

- 6.1.2 Comply with procedures and guidance issued by the CFO.
- 6.1.3 Ensure that accounting records are properly maintained and held securely.
- 6.1.4 Ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements set out in the approved Document Retention Policy.
- 6.1.5 Ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.
- 6.1.6 Incorporate appropriate controls to ensure that, where relevant:
- All input is genuine, complete, accurate, timely and not previously processed
 - All processing is conducted in an accurate, complete and timely manner
 - Output from the system is complete, accurate and timely; and

- Output is reconciled, at least monthly, to the Council’s general ledger and signed off by the preparer and reviewer of the reconciliation.
- 6.1.7 Ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.
- 6.1.8 Ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- 6.1.9 Ensure systems are documented and Officers trained in operations.
- 6.1.10 Consult with CFO before changing existing financial systems or introducing new financial systems.
- 6.1.11 Establish a scheme of delegation identifying Officers authorised to act upon the Strategic Director/Head of Service’s behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- 6.1.12 Supply lists of authorised Officers, with specimen signatures and delegated limits, to the CFO, together with any subsequent variations.
- 6.1.13 Ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Where possible, back-up information should be retained in a secure location, preferably off site or at an alternative location within the building.
- 6.1.14 Ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.
- 6.1.15 Ensure relevant standards and guidelines for computer systems issued by Strategic Directors/Heads of Service are observed.
- 6.1.16 Ensure computer equipment and software is protected from loss and damage through theft, vandalism etc.
- 6.1.17 Comply with the copyright, designs, and patents legislation. In particular, ensure that only software legally acquired and installed by the Council is used on its computers.

6.2 INCOME AND EXPENDITURE

a) Income

Income can be a vulnerable resource and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted, and properly banked. It is preferable to obtain income in advance of supplying goods or services as this improves cash flow and avoids the time and cost of administering debts.

CFO Responsibilities

- 6.2.1 Agree arrangements for the collection of income due to the Council and approve the procedures, systems, and documentation for its collection.
- 6.2.2 Periodically issuing guidance on charging policy, including key principles on fees and charges (e.g., full cost recovery and benchmarking), taxation and inflationary assumptions.

- 6.2.3 Order and supply to service areas receipt forms, books or tickets and related items and satisfy themselves regarding control arrangements.
- 6.2.4 Agree the write-off of bad debts (in consultation with the relevant Strategic Director/Head of Service) up to £15,000 in value in each case and refer sums more than this limit, but up to £100,000, to the Cabinet Member for Resources for approval. Individual sums to be written off that exceed £100,000 require Cabinet approval.
- 6.2.5 Keep records of all sums written off and ensure appropriate accounting adjustments are made.
- 6.2.6 Ensure that refunds are not made for sums under £5.00, unless specifically requested by the individual.

Strategic Directors/Heads of Service Responsibilities

- 6.2.7 Establish charging policy for the supply of goods or services in accordance with guidance issued by the CFO, reviewing it regularly, in line with corporate policies.
- 6.2.8 Separate responsibility for identifying amounts due and responsibility for collection, as far as is practicable.
- 6.2.9 In consultation with the CFO, establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- 6.2.10 Issue official receipts for all cash transactions (except where a legal document is the receipt for money received) and maintain other documentation for income collection where receipts are not required.
- 6.2.11 Ensure wherever practical that at least two employees are present when post is opened at a site where income is regularly received.
- 6.2.12 Securely hold receipts, tickets, and other records of income in accordance with Document Retention Policy.
- 6.2.13 Lock away all cash to safeguard against loss or theft, and to ensure security of cash handling.
- 6.2.14 Ensure income is paid promptly and fully into Council bank account in the form in which it is received. Appropriate details should be recorded to provide a full audit trail. Money collected and deposited must be reconciled to bank accounts monthly (minimum).
- 6.2.15 Ensure income received is not used to cash personal cheques or make any other payments.
- 6.2.16 Supply CFO with details relating to work done, goods supplied, services rendered or other amounts due, to enable the CFO to correctly record the sums due to the Council and to ensure accounts are sent out promptly. To do this, Strategic Directors and Heads of Service should use established debt recovery systems to monitor the recovery of income and flag up areas of concern to the CFO. Heads of Service have a responsibility to assist the CFO in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.
- 6.2.17 Keep a record of every transfer of money between employees of the Council. The receiving Officer must sign for the transfer and the transferor must retain a copy.
- 6.2.18 Recommend debts for write-off to the CFO and keep a record of all sums written off. Once raised, bona fide debts must not be cancelled, except by full payment or

by formal write off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt, a waiver or reduction in charges.

- 6.2.19 Where delegated authority has been granted by the CFO, individuals can write-off bad debts up to their specified limit in each case (Note – delegated authority must be exercised in strict observance of ‘separation of duties’ principles; referred to above in Paragraph 6.2.8). Sums more than their limit must be referred to the CFO for approval, who in turn will seek Cabinet Member approval for write-off of bad debt exceeding £15,000 in line with Paragraph 6.2.4 above.
- 6.2.20 Notify CFO of outstanding income relating to the previous budget year as soon as possible after 31st March in line with timetable determined by the CFO, and not later than 10th April or nearest working day thereafter.

b) Ordering and paying for work, goods, and services

Public money should be spent with demonstrable probity and in accordance with Council policies. Councils have a statutory duty to achieve best value, in part through economy and efficiency. Council procedures should help to ensure that services obtain value for money from their procurement arrangements. These procedures should be read in conjunction with the Council’s Contract Procedure Rules.

- 6.2.21 Officers and Members engaged in contractual or procurement decisions on behalf of the Council have a responsibility to declare links or personal interests that they may have with purchasers, suppliers and/or contractors, in accordance with appropriate codes of conduct.
- 6.2.22 Official orders must be issued for all work, goods, or services to be supplied to the Council, except anything listed in the purchase order exemption list approved by the Chief Finance Officer. Any order placed by telephone shall be confirmed by the issue of an official order within five working days.
- 6.2.23 Purchase orders must conform to guidelines approved by Council for the procurement of goods, services, and suppliers. Standard terms and conditions must not be varied without the prior CFO approval.
- 6.2.24 The normal payment method will be by BACS payment direct to the customer, drawn on the Council bank account, approved by the CFO. Direct debits will require prior CFO agreement, or a designated bank signatory, before any agreement is signed. Purchasing card payments may be made by Officers pre-authorised by the CFO and identified on the Authorised Signatory List. VAT receipts for all goods must accompany monthly statements submitted to the CFO. Spending limits will be set/approved the CFO.
- 6.2.25 Official orders must not be raised for personal or private purchases, nor must personal or private use be made of Council contracts.

CFO Responsibilities

- 6.2.26 Ensure Council financial systems and procedures are sound and properly administered, approving changes to existing systems (whether new systems or upgrades) before implementation.
- 6.2.27 Approve the form of official orders and associated terms and conditions.

- 6.2.28 Make payment from Council funds on Strategic Directors/Heads of Service authorisations that expenditure has been duly incurred in accordance with Financial Procedure Rules.
- 6.2.29 Make payment (irrespective of budget provision) where it is required by statute or court order.
- 6.2.30 Arrange for the keeping of a Contract Register where contracts provide for payment by instalments.
- 6.2.31 Make payments to contractors upon receipt of properly completed certificates from Strategic Directors/Heads of Service. Such payments must be entered and appropriately cross referenced in the Contract Register.
- 6.2.32 Provide advice and encouragement on making payments by the most economical means.

Strategic Directors/Heads of Service Responsibilities

- 6.2.33 The Head of Legal and Democratic Services will determine the form of contract to be used for building, constructional or engineering work, where there is not a standard form contract.
- 6.2.34 Ensure that all contract variations are in writing and agreed before work on the variation commences.
- 6.2.35 Refer claims from contractors on matters not clearly within existing contract terms to Head of Legal and Democratic Services for consideration of Council liability and to the CFO for financial consideration before settlement is reached.
- 6.2.36 Take appropriate action, in consultation with Head of Legal and Democratic Services, in respect of any claim for liquidated and ascertained damages where contract completion is delayed. This provision will not apply if there are reasons qualifying for an extension.
- 6.2.37 Ensure that Business Central Purchase Orders are raised for all goods and services, other than the exceptions specified in Paragraph 6.2.22. Ensure orders are only used for goods and services provided to the relevant service area. Members and Officers must not use official orders to obtain goods or services for private use. Neither may Officers place orders for goods or services for personal use using the Council's e-procurement system.
- 6.2.38 Ensure that only staff authorised by Strategic Directors/Heads of Service authorise orders and maintain an up-to-date list of such authorised staff, including specimen signatures, identifying the limits of their authority. The authoriser of the order should be satisfied that works, goods, supplies and services ordered are appropriate and needed, that there is adequate budgetary provision and that Contract Procedure Rules have been followed.
- 6.2.39 Ensure that works, goods, supplies, and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different Officer from the authoriser of the order. Entries should then be made in inventories or stores records where appropriate.
- 6.2.40 Ensure payment is not made unless a proper VAT invoice has been received, checked, coded, and certified for payment.
- 6.2.41 Ensure a minimum of two authorised members of staff are involved in the ordering, receiving and payment process. If possible, a different Officer from the person who

- signed the order, and in every case, a different Officer from the person checking a written invoice, should authorise invoices.
- 6.2.42 Periodically review a list of their staff approved to authorise invoices. New authorising Officers, together with specimen signatures, and details of their authority limits, must be forwarded to the CFO.
- 6.2.43 Ensure that payments are not made on photocopied or faxed invoices, statements, or other documents. Any instances of these being rendered should be reported to the Head of Internal Audit. In exceptional circumstances, where payment is made against such a document, where properly authenticated, the transaction must be processed in accordance with CFO guidance.
- 6.2.44 Encourage suppliers to accept payment by the most economical means for the Council. Payments made by Direct Debit must have the prior approval of the CFO or an authorised bank signatory.
- 6.2.45 Ensure service area achieves value for money by taking appropriate steps to obtain competitive prices for works, goods, supplies and services of appropriate quality, in line with best practice guidelines issued by the CFO, consistent with best value principles and contained within the Contract Procedure Rules.
- 6.2.46 Utilise the Procurement Team in putting purchases, where appropriate, out to competitive quotation or tender. These will comply with Contract Procedure Rules.
- 6.2.47 Ensure that employees are aware of the Code of Conduct (Part 5 of the Constitution).
- 6.2.48 Ensure that loans, leases, or rental arrangements are not entered into without prior CFO agreement. This is to protect the Council against entering unapproved credit arrangements that might adversely affect financial standing and to ensure that value for money is being obtained.
- 6.2.49 Notify CFO of outstanding committed expenditure relating to previous budget year as soon as possible after 31st March in line with timetable determined by CFO and, in any case, not later than 10th April.
- 6.2.50 Regarding construction contracts and alterations to buildings and for civil engineering works, to document and agree with CFO the systems and procedures to be adopted in relation to all financial aspects, including certification of interim and final payments, checking, recording, and authorising payments, the system for monitoring and controlling capital schemes and the procedure for validation of subcontractors' tax status.
- 6.2.51 Notify the CFO immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- 6.2.52 Ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the Document Retention Policy.

c) Payments to employees and Members

Staff costs are the largest item of expenditure for most Council services. It is therefore important that payments are accurate, timely, made only where they are due for services to the Council and that payments accord with individuals' Contract of Employment. It is also important that all payments are accurately and completely

recorded and accounted for and that Member allowances are authorised in accordance with the scheme adopted by Council.

CFO Responsibilities

- 6.2.54 Ensure appropriate arrangements are in place to control secure and reliable payment of salaries, wages, compensation, or other emoluments to existing and former employees, in accordance with procedures prescribed by them, on the due date.
- 6.2.55 Record and make arrangements for the accurate and timely payment of tax, pension contributions and other deductions and to complete all relevant HMRC returns.
- 6.2.56 Make arrangements for payment of all travel and subsistence claims or financial loss allowance.
- 6.2.57 Make arrangements for paying Members travel or other allowances upon receiving the prescribed documentation, duly completed, and authorised.
- 6.2.58 Provide advice and encouragement to secure payment of salaries by the most economical means.
- 6.2.59 Ensure that there are adequate arrangements for administering pension matters on a day-to-day basis.
- 6.2.60 Act as an advisor on areas such as taxation and monitoring of the Suffolk County Council Pension Fund, as appropriate.

Strategic Directors/Heads of Service Responsibilities

- 6.2.61 Ensure that appointments are made in accordance with the regulations of the Council and the approved Establishment List, grades, and scale of pay and that adequate budget provision is available.
- 6.2.62 Notify the Human Resources and Workforce Development Manager of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Human Resources and Workforce Development Manager.
- 6.2.63 Ensure that adequate and effective systems and procedures are operated, so that:
 - Payments are only authorised to bona fide employees
 - Payments are only made where there is a valid entitlement
 - Conditions and contracts of employment are correctly applied; and
 - Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- 6.2.64 Provide and maintain an up-to-date list of the names of Officers authorised to complete and return records to the Human Resources and Workforce Development Manager, together with specimen signatures, where appropriate. The 'Yourself' HR system should contain update lists of Human Resources Officers and Officers authorised to approve timesheets and claims.
- 6.2.65 Ensure that payroll transactions are processed only through the payroll system. Strategic Directors and Heads of Service should consider the employment status of individuals employed on a self-employed consultant or subcontract basis and take advice from the Human Resources and Workforce Development Manager.
- 6.2.66 Approve travel and subsistence claims and other allowances, but only when they have been made through 'Oracle' or an approved travel expenses form and within

three months of the travel or subsistence being incurred. Approval is taken to mean that journeys were authorised, and expenses properly and necessarily incurred, and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved. Consideration should be given to tax implications and that the Human Resources and Workforce Development Manager is informed where appropriate.

- 6.2.67 Ensure that the Human Resources and Workforce Development Manager is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
- 6.2.68 Ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the Document Retention Policy.
- 6.2.69 The Human Resources and Workforce Development Manager to act as an advisor to Strategic Directors and Heads of Service on areas such as employment status, National Insurance and Pension Contributions, as appropriate.
- 6.2.70 Ensure that the staffing budget is an accurate forecast of staffing levels in accordance with the approved Establishment List and is equated to an appropriate revenue budget provision (including on-costs and overheads).
- 6.2.71 Ensure the Chief Executive (or the Officer delegated by them) has approved any changes in employment conditions where the full year cost of such changes would exceed £1,000.
- 6.2.72 Monitor staff activity to ensure adequate control over costs such as sickness, overtime, training, and temporary staff.
- 6.2.73 Ensure that the staffing budget is not exceeded without prior authority from the CFO / HR & Workforce Development Manager and that it is managed to enable the agreed level of service to be provided.
- 6.2.74 Ensure that the Human Resources and Workforce Development Manager and the CFO are immediately informed if the staffing budget is likely to be significantly overspent or underspent.

Member Responsibilities

- 6.2.75 Submit claims for Member travel and subsistence allowances monthly (or within three months of incurring the travel or subsistence) and, in any event, within one month of year end.

6.3 TAXATION

The Council is responsible for ensuring its tax affairs are in order. Tax issues are often complex and the penalties for incorrectly accounting for tax are severe. The creation and use of Local Authority Companies, has resulted in added Tax considerations, including Corporation Tax and different VAT rules. It is therefore particularly important for all Officers to be aware of their role.

CFO Responsibilities

- 6.3.1 Complete Council VAT returns and annual Partial Exemption calculations in accordance with HMRC timescales.
- 6.3.2 Discharge Tax related responsibilities for Council-owned companies, including all Corporation Tax and VAT duties and returns.
- 6.3.3 Provide details to the HMRC regarding the Construction Industry Scheme (CIS).

- 6.3.4 Maintain up-to-date guidance for Council employees on taxation issues.

Strategic Directors/Heads of Service Responsibilities

- 6.3.5 Ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.
- 6.3.6 Ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary CIS requirements.
- 6.3.7 Ensure that all persons employed by the Council are added to the Council's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.
- 6.3.8 Follow the guidance on taxation issued by the CFO or the Human Resources and Workforce Development Manager in the Council's accounting guides and Basic guide to VAT.

6.4 TRADING ACCOUNTS AND BUSINESS UNITS (excluding Local Authority Companies)

Trading accounts and business units have been growing in importance for many years as local councils have progressively developed a more enterprising culture. Under proper accounting practices, Councils are required to keep trading accounts for services provided on a basis other than a straightforward recharge of cost in accordance with the Accounting Code of Practice. Not every trading account requires a separate company. These rules do not relate to companies running as separate legal entities and going concerns.

CFO Responsibilities

- 6.4.1 Advise on the establishment and operation of trading accounts and business units including the financial appraisal of proposed projects and trading opportunities.
- 6.4.2 Prepare income statements for trading units in accordance with relevant accounting practice.
- 6.4.3 Ensure compliance with all relevant extant tax legislation in respect of trading accounts, including the preparation of tax and other financial returns.
- 6.4.4 Arrange and maintain adequate insurance cover for business units and trading accounts, where appropriate.

Strategic Directors/Heads of Service Responsibilities

- 6.4.5 Follow CFO advice on the establishment and operation of trading accounts and business units.
- 6.4.6 Follow CFO advice on the establishment and proposed operating model of new business units and trading accounts. It is essential that the robustness of all new commercial proposals and significant expansion of existing business units is established through CFO input at the concept and development stage(s).
- 6.4.7 Ensure that appropriate accounting principles (as guided by the CFO) are applied in relation to Council trading accounts, including any tax implications, where applicable.
- 6.4.8 Ensure that each business unit prepares an annual business plan in time to incorporate the impact of their activities on the General Fund into Council budgets.
- 6.4.9 Review financial and non-financial performance of each business unit to ensure they continue to deliver on the Council's strategic priorities, and they remain

financially sustainable. Ensure financial performance review reports are delivered in time to be presented alongside Council's annual outturn.

7. External Arrangements

7.1 PARTNERSHIPS

Partnerships can exist in many forms and play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. East Suffolk Council works in partnership with others – public agencies, private companies, community groups and voluntary organisations. ESC's leadership role in partnerships is to bring together the contributions of the various stakeholders. We therefore need to deliver a shared vision of partnership services based on our strategic priorities.

- 7.1.1 A partner is defined as either:
- (a) An organisation (private or public) undertaking, part funding or participating as a beneficiary in a project; or
 - (b) A body whose nature or status gives it a right or obligation to support the project.

CFO Responsibilities

- 7.1.2 Advise on effective controls and the key elements of entering any partnership – to ensure that resources are not wasted. Examples include, but are not limited to:
- (a) A scheme appraisal for financial viability in both the current and future years, together with capital/revenue cash flow forecasts for at least three years
 - (b) Risk appraisal and management
 - (c) Resourcing, including taxation / VAT issues
 - (d) Audit, security, and control requirements
 - (e) Carry-forward arrangements; and
 - (f) Review annual business plan for financial sustainability.
- 7.1.3 Ensure that the partnership accounting and governance arrangements comply with all relevant regulations and codes of practice.
- #### **Strategic Directors/Heads of Service Responsibilities**
- 7.1.4 Ensure that, before entering into any agreement with external bodies, an appraisal of the financial viability of the arrangement is prepared in consultation with the CFO and approved by the Cabinet.
- 7.1.5 Ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the CFO.
- 7.1.6 Ensure that arrangements are in place for cessation of a partnership, including an exit strategy.
- 7.1.7 Ensure that such agreements and arrangements are strategically aligned to the Council's strategic plan.
- 7.1.8 Ensure that all agreements and arrangements are properly documented.
- 7.1.9 Prepare an annual business plan for the partnerships which sit within their service areas.
- 7.1.10 Ensure collective decisions taken by partnerships are approved by the Council in accordance with its scheme of delegation and key decision threshold.

- 7.1.11 Maintain a register of all contracts entered in to with external bodies in accordance with the contract procedure rules.
- 7.1.12 Provide appropriate information to the CFO to determine any requirement for a note to be entered into the Council’s Statement of Accounts in accordance with relevant accounting Codes of Practice is required.

7.2 EXTERNAL FUNDING

External funding is an important source of income; therefore, funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council. Councils are increasingly encouraged to provide seamless service delivery through working closely with communities, other agencies, and private service providers.

In some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Council’s overall corporate/spending plans.

Strategic Directors/Heads of Service Responsibilities

- 7.2.1 Review and document how each proposed funding bid aligns with the Council’s strategic priorities and ensure that only funding that aligns with the Council’s strategic priorities are pursued. Bid submissions only require CFO approval.
- 7.2.2 Once grant offer is received, evaluate the immediate, medium, and long-term budgetary impact of any proposed grant offer. Prepare a business case for all grant funded projects with match funding requirement over £100,000 in consultation with the Chief Finance Officer, for approval by as outlined in 7.2.3. Guidance is provided in the Financial Guidelines on match funding and other financial considerations. A financial appraisal toolkit is provided to aid the evaluation.
- 7.2.3 The net budget impact (i.e., cost of delivery over the MTFs less funding) of delivering the funded activity is to be considered in determining the appropriate approval required prior to the acceptance of external funding in line with the table below:

Approver	Threshold	Cumulative threshold
Guidelines apply	Excluded funding	
Portfolio holder and Section 151 Officer	Up to £250,000	£250,000
Cabinet	£250,001 - £1,000,000	£1,000,000
Council	Over £1,000,000	N/A
Excluded funding		
<ul style="list-style-type: none"> - Statutory or emergency requirements which the Government or related institution choose to fund. For example, funding received in response to national events and policies. - Funding received that support capital schemes (or revenue budgets) already approved in the capital programme, as far as the funding requirements do not exceed our original capital and revenue commitments to the schemes. For example, flood defence. 		

- Funding that has no net capital or revenue cost impact on the council in the current and future periods except where the arrangement:
 - o Changes existing policies, initiate new policies, or cease existing policies; orMaterially extends or reduces Council services

- 7.2.4 Ensure that the CFO is consulted prior to the completion of all applications for external funding and is provided with a written copy of all grant approvals, together with grant and auditing conditions, and that all claims for funds are made in conjunction with Finance staff and submitted by the due date.
- 7.2.5 Agree all grant conditions with the Head of Legal and Democratic Services prior to accepting the grant/ funding.
- 7.2.6 Ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.
- 7.2.7 Records of achievements against key targets to be met must be maintained for both financial and non-financial indicators in the format required by the funding body.
- 7.2.8 Documentation must be made available for access by either internal and/or external audit where required.
- 7.2.9 Ensure that the retention and archiving of records complies with the conditions and requirements of the funding body.

CFO Responsibilities

- 7.2.10 Review proposed funding arrangements to satisfy that they comply with our financial sustainability strategic theme. Ensure that funding applications are approved appropriately based on the thresholds in the table above, subject to exclusions above.
- 7.2.11 Ensure that funding notified by external bodies is received and properly recorded in the Council's accounts.
- 7.2.12 Ensure that match-funding requirements are considered prior to entering into agreements and that future revenue budgets reflect these requirements.
- 7.2.13 Ensure that internal and external audit requirements are met.

7.3 LOCAL AUTHORITY COMPANIES

Councils are seeking ever more innovative ways to achieve financial sustainability, with legislative changes (notably the introduction of a “general power of competence” under Section 1 of the Localism Act 2011) aiding the proliferation of local authority trading companies.

The Council may choose to deliver some services through local authority companies.

Legislation also enables the Council to provide a range of services to others, including controlled companies. Such work may enable a service to maintain economies of scale and existing expertise. Whatever service delivery arrangements are used (either 'in house' or through a company), robust procedures should be in place to ensure that the risks associated with such work are minimised, and that such work is legal.

CFO Responsibilities

- 7.3.1 Advice on the establishment and design of operating model of **new** local authority companies. Review the business plans of all **new** company and business proposals (Or subsidiaries requiring **capital injection or loss cover** from the council).
- 7.3.2 Ensure compliance with all relevant extant companies and tax legislation in relation to the preparation of the Council's Group accounts (consolidating the trading company financial results) and other financial returns.
- 7.3.3 Review financial performance of each local authority company periodically to ensure it remains financially sustainable for the council to retain its shareholding in/ membership of each company.
- 7.3.4 Review the annual business/ service plan of local authority companies to incorporate the impact of their activities on the General Fund into Council budgets.
- 7.3.5 Issue guidance about the financial aspects of services to be delivered by the council to its trading concerns and controlled companies (also known as related parties). Such guidance will be designed to ensure that the trading concern or controlled company is not subsidised by the Council and that all services, officer time and other support provided to the company is charged to the trade or company in accordance with the CIPFA Best Value Accounting Code of Practice.
- 7.3.6 Disseminate financial information that enables the relevant Strategic Director/Head of Service to monitor the cost of services delivered on the Council's behalf by related parties.

Strategic Directors/Heads of Service Responsibilities

- 7.3.7 Follow CFO advice on the establishment and design of operating models of **new** local authority companies. It is essential that the robustness of all new company and business proposals (Or subsidiaries requiring capital injection from the council) is established through CFO input at the concept and development stage(s).
- 7.3.8 Ensure that each local authority company prepares an annual business/ service plan in time to incorporate the impact of their activities on the General Fund into Council revenue and capital budgets.
- 7.3.9 Provide appropriate information to CFO to determine any Accounting Code of Practice requirements.
- 7.3.10 Ensure operational and financial statements and related performance review reports of the companies are delivered in time to be presented alongside Council's annual outturn.

Services to companies

- 7.3.11 Ensure that proposals for the council to provide services to related parties are properly costed in advance in accordance with CFO guidance. It is essential that

contracts are priced as though they were at arm's length and no contract is subsidised by the Council.

- 7.3.12 Ensure that – wherever possible – payment is received in advance of service delivery, but in any event, payments must be promptly paid in accordance with the contract.
- 7.3.13 Ensure service area has the appropriate expertise to deliver services to related parties. Consider conflict of interest in determining resource requirement for delivering services to related parties.
- 7.3.14 Ensure services provided to related parties do not adversely impact on services delivered for the Council.

Services to the council

- 7.3.15 Ensure that contracts awarded to controlled companies by the Council are added to the contracts register in accordance with the contract procedure rules.
- 7.3.16 Where a controlled company delivers services for the council, the relevant head of service/ strategic director remains responsible for overseeing the contract and ensuring the arrangement continues to deliver value for money.

Overseeing a Trading Company - Directorships

- 7.3.17 The Council may choose to appoint representatives to the board of directors of its controlled trading company. A director's principal duty, under the relevant legislation e.g., the Companies Act 2006, is to the company. Members and officers who sit on a board of directors must be aware of the potential for conflicts of interest and therefore make themselves familiar with the applicable scheme of delegation and company law rules on conflict of interest
- 7.3.18 To avoid a conflict of interests arising in the roles of Chief Finance Officer and Monitoring Officer, neither the Chief Finance Officer, nor the Head of Legal and Democratic Services should become directors of a trading company.
- 7.3.19 Unless appointed to the board of directors of a trading company, members and officers must avoid becoming shadow directors of a trading company or compromising the governance arrangements of the trading company and/or the Council. Therefore, unless appointed to the board of directors, members and officers must not:
 - a) participate in board meetings of the company (except as observers)
 - b) take any decision on behalf of the company
 - c) require the trading company to clear or seek approval for its decisions with themselves (Save for reserved matters)
- 7.3.20 Oversight and control of the trading company should be exercised in accordance with its articles of association and shareholders' agreement.

Contract Procedure Rules

1. INTRODUCTION

These Contract Procedure Rules (CPR) are the Council's contract standing orders under section 135 of the Local Government Act 1972. They must be followed every time the Council enters into a contract for works, goods or services.

All public procurement and other applicable laws (including any European Union law directly or indirectly in force in England at the relevant time) must be followed. Such laws override any conflicting provision of the CPR.

Furthermore, the CPR must be read in conjunction with the Council's Constitution, including its Financial Procedure Rules, decision making processes and delegated authorities.

The CPR are the minimum standards which must be adhered to. Particular procurements may require a more thorough procedure than one defined by value alone depending on the identifiable risks to the Council, or it may be beneficial to the Council to secure greater competition. If in any doubt as to the position on any procurement, please consult the Procurement Team.

The CPR aim to promote the highest standards of probity, integrity and impartiality in a clear, fair and understandable supplier selection process. They thereby offer the best defence against allegations of purchases having been made fraudulently or incorrectly. Failure to comply with the CPR, without a valid waiver, may result in disciplinary action against the Officers concerned.

1.1. Overriding principles:

- a) The aim of every procurement exercise should be to achieve Value for Money as part of the general requirement to secure Best Value. In doing so those involved in the process will treat suppliers evenly and equally, without discrimination, acting in a transparent manner.
- b) Subject to those overriding principles, there should also be a focus on, wherever viable, enabling social value and encouraging participation by local businesses in bidding for Council procurement opportunities.
- c) Contractual arrangements should be made, wherever possible, on the Council's terms (standard general terms or standard form contracts, as explained in Rule 5.1). The fall-back position would be to use industry standard model contracts, with supplemental terms for higher risk contracts. Contracting on the supplier's terms should be avoided and only done when agreed with (and with the changes to those terms required by) the Head of Legal and Democratic Services and the Procurement Team.

2. EXCLUDED CONTRACTS AND COMPLEX PROCUREMENTS

2.1. Excluded contracts

Contracts are not subject to these CPR if they are of the following specialist types, which will be managed by the relevant specialist team at the Council in accordance with the Council's Constitution:

- a) Contracts of employment which make an individual a direct employee of the Council;
- b) Agreements regarding the acquisition, disposal or transfer of land only (i.e. without any connected development);
- c) Agreements creating planning obligations (such as those under Section 106 of the Town and Country Planning Act 1990, as amended);

- d) Grant awards or loan advances.

2.2. Complex procurements

Where the procurement involves any of the following criteria the Procurement Team and the Head of Legal and Democratic Services must be consulted:

- a) Where the Total Value exceeds the relevant Public Procurement Threshold (see the link at Rule 3.2, or consult the Procurement Team, for the current thresholds);
- b) Where the opportunity is likely, in view of its particular characteristics, to be of cross-border interest and therefore attract potential suppliers from outside the UK;
- c) Where any staff of the Council or an existing supplier spend the majority of their time providing the services which are to be procured (investigation would be needed to identify any potential TUPE implications in advance and obtain/provide employee liability information);
- d) The procurement involves leasing agreements;
- e) Where it is proposed to use a supplier's own terms or any other form of contract which is not one of those normally used by the Council for other matters (see Rule 5.1);
- f) Procurement of application software with a Total Value above £75,000;
- g) Agreements involving the development of land for public benefit;
- h) Where it is proposed to extend or vary an existing contract (as explained in Rules 5.7 and 5.8 respectively);
- i) Any collaborative procurements (where the Council is working with other authorities to procure), as explained in Rule 6.3;
- j) Any proposed arrangement which could be seen as distorting or threatening to distort competition by favouring certain suppliers (such as land and build contracts, as explained in Rule 6.5);
- k) Where it is proposed to enter into a new contract with an existing supplier without competition (such as a new contract for a line of business software system, as explained in Rule 6.6);
- l) Where it is complex in any other way or involves unusual risks.

3. CORPORATE AGREEMENTS/DEFAULT SELECTION PROCEDURES

3.1. Corporate agreements

A Corporate Agreement is one which has been approved by the Procurement Team in consultation with the Head of Legal and Democratic Services to give sufficient assurance that it complies with the law and specifies terms acceptable to the Council. For example, it might be:

- a) A framework agreement, dynamic purchasing system or similar facility operated by the Council or a suitable external organisation for government or similar public authority buyers; or
- b) A procurement arrangement with an "in-house" service provider, which is controlled by the Council and does almost all of its work for the Council. This is often referred to as a "Teckal" arrangement; specific legal tests determine whether the service provider is exempt from the normal competition requirements under the Public Procurement Regulations.

Such Corporate Agreements aim to streamline procurement by specifying in advance the terms and conditions which will apply and the procedure/options to be followed when procuring work under the Corporate Agreement.

If a Corporate Agreement exists and is suitable for the relevant procurement, Officers should consider with the Procurement Team whether to procure under that Corporate Agreement rather than following the default minimum requirements under Rule 3.2 below.

If you would like to use a Corporate Agreement, please contact the Procurement Team. They will need to assist you to ensure that the requisite procedure is followed and the Council’s requirements are properly specified in the contract which would be procured under the relevant Corporate Agreement.

3.2. Default selection procedures

The following Table A outlines the default minimum selection procedure to be used where the procurement is within these CPR and not complex (see Rule 2 above) and a suitable existing Corporate Agreement (see Rule 3.1 above) is not being used in consultation with the Procurement Team:

Table A: Default minimum selection procedures for Goods, Works or Services:

Estimated Total Value	Selection procedure	Selection recommendations
Less than £5,000	Single quotation in writing (see 4.1 and 4.2 below)	Officer
£5,000 to £75,000	At least three quotations in writing, unless 4.3(ci) or 4.3(h) applies (see 4.1 and 4.3 below)	Officer, Line Manager or Procurement Team
Above £75,000 but below the Public Procurement Threshold	Invitation to Tender issued openly or to at least three suppliers (see 4.1 and 4.4 below)	Officer, Line Manager and Procurement Team
At or above the Public Procurement Threshold	Advice must be sought from the Procurement Team and the Head of Legal and Democratic Services	Consult with the Procurement Team and the Head of Legal and Democratic Services

- a) The **Total Value** includes the whole life cost (and may include the lifecycle cost) of the procurement. See the definition in Rule 8 and consult the Procurement Team if you are unsure about whether any direct or indirect costs are included. For example, individual purchases under a general contract need to be aggregated and a software purchase will generally involve costs beyond the purchase of the system such as necessary implementation, training, support, licensing, updates and maintenance.
- b) The current **Public Procurement Thresholds** can be found at: <https://www.gov.uk/government/publications/procurement-policy-note-0417-new-threshold-levels-2018> or the updated link maintained on the Procurement Team intranet page.

4. OFFICER RESPONSIBILITIES

Officers when purchasing must, at all times, ensure that they:

- a) Behave consistently with the highest standards of integrity;
- b) Ensure open and transparent processes are used;
- c) Strive for Best Value;
- d) Remain impartial;
- e) Comply with the necessary legal requirements, corporate and departmental aims; policies and procedures, and any procurement strategy in place; and

- f) Ensure the inclusion of social value (either social, economic or environmental value). The following defines the specific responsibilities for Officers in each of the procurement processes identified in Rule 3.

4.1. Prior to purchasing, Officers shall:

- a) Make themselves familiar with these CPR.
- b) Define the need. Where this is likely to be complex, seek early input from relevant stakeholders including the Procurement Team, other departments and Legal Services.
- c) Identify if the need can be delivered from within the Council.
- d) In consultation with the Procurement Team, assess the risks associated with the procurement, paying particular attention to:
 - i. risks to people - could staff or members of the public be injured?
 - ii. risks to information - will the supplier be given personal data or confidential information?
 - iii. risks to property - will the supplier have or be working on land/buildings/assets of the Council or others?
 - iv. other specific risks to the Council given the nature of the work and what it will be used for - if a supplier’s work is negligent, could that cause injury, damage or losses?
- e) In consultation with the Procurement Team, use that risk assessment to set the minimum insurance requirements for the supplier, which will be specified in the relevant contract document(s). In addition to the default insurance requirements set out in Table B below, specific insurance arrangements will be needed for specific risks (such as construction projects).
- f) Officers should consult the Procurement Team if they need any further guidance or training to assess risks and set insurance requirements. The Procurement Team will liaise with Legal Services and/or Internal Audit as required.

Table B: Minimum insurance requirements

Insurance type	Default position	Default minimum requirement (per claim, or series of claims arising out of the same cause or source)
Employer’s liability insurance	Required unless the supplier is a small trader who will carry out all of the work themselves	£10 million A lower figure based on the Officer’s risk assessment (but not less than £5 million) may be set for procurements with a Total Value of less than £25,000 where the risk of any injury or illness being suffered by the supplier’s employees is low
Public liability insurance	Required unless there is no risk of the public, the Council or Council staff suffering injury or damage (including any property damage).	£10 million A lower figure based on the Officer’s risk assessment may be set for procurements with a Total Value of less than £25,000 where the risk of the public, the Council or Council staff suffering injury or damage (including any property damage) is low

Professional indemnity insurance	Normally required to protect the Council in the event of breach/negligence, or third party claims caused, by the supplier.	£1 million A lower - or substantially higher - figure may be appropriate depending on the risks. In some cases, a multiple of the Total Value will be a useful reference point, but always use the risk assessment under Rule 4.1: in particular, given the information which will be given to the supplier, the nature of the work and what the work will be used for, if the supplier is negligent, could that cause injury, damage or losses?
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- g) Establish the approximate Total Value of the procurement by considering the full life cost of the procurement including any costs for support, consumables, delivery, disposal, annual renewals, and similar.
- h) Where a procurement exercise would be a Key Decision, ensure the requirements under the Constitution have been followed to enable the procurement to be carried out.
- i) Secure the budget required via the approved Member (or delegated) approval for the expenditure or check that it has been agreed under the approved policy and scheme of delegation as set out in the Constitution.
- j) Check for existing Corporate Agreements (see Rule 3.1) which cover the purchase.
- k) Decide on the appropriate procurement route or, if the procurement is likely to have a Total Value of £75,000 or more or other risks were identified, consult with the Procurement Team.
- l) Note that, for so long as pre-selection stages remain unlawful for procurements below the Public Procurement Threshold, in such procurements the Council cannot use a separate selection stage to reduce the number of potential suppliers before inviting tenders. This does not prevent the Council from assessing suitability by setting evaluation criteria/questions in the invitation documents (under Rule 4.2, 4.3 or 4.4 below) which are proportionate and relevant to the subject matter of the procurement.
- m) If required, conduct pre-tender market engagement (subject to the restrictions in Rule 6.12) with guidance, and support, from the Procurement Team to ensure that no potential supplier is given an improper advantage over other potential suppliers.
- n) Identify Key Success Criteria for what constitutes an acceptable procurement outcome.

4.2. Single Quotation Procedure (Total Value less than £5,000):

Having followed Rule 4.1:

- a) Identify the appropriate contract document(s) to be used by reference to Rule 5.1 below and/or contacting Legal Services or Procurement.
- b) Complete the relevant details in the contract document(s), including the Council’s specification of its requirements, and make them available to the relevant supplier(s) so that they can provide their quotation(s) based on this.
- c) Officers should select a supplier by any reasonable means (e.g. written quotation, online catalogue, etc.)

- d) Where practicable a supplier from the local area should be considered.
- e) Request a final written quote from the supplier.
- f) Reasons for the selection are to be recorded on the Officer's files.
- g) Raise an appropriate Purchase Order to the supplier using the Business Central software, ensuring this refers to or incorporates the relevant contract document(s).

4.3. Multiple Quotation Procedure (Total Value £5,000 to £75,000):

Having followed Rule 4.1:

- a) Identify the appropriate contract to be used by reference to Rule 5.1 below and/or contacting Legal Services or Procurement.
- b) Develop and include in the relevant sections of the Council's invitation to bid documents, so that prospective suppliers can provide their quotations based on this:
 - i. The evaluation criteria (prepared in accordance with Rule 4.6); and
 - ii. The draft contract (including the specification of services/goods/works required by the Council).

These should be specified having considered as a minimum: Key Success Criteria, risks to the service and process, use of property and information, costs and performance indicators. The Procurement Team can assist with developing the relevant criteria/specification as required.

- c) Officers should then either:
 - i. **Invitations to selected potential suppliers**
select 2 or more (where the Total Value is less than £25,000) or 3 or more (where the Total Value is £25,000 to £75,000) specific potential suppliers to invite to bid (including at least one local supplier, where practicable without improperly excluding other suppliers, as explained in Rule 6.13 below); or
 - ii. **Open opportunities**
using the Council's e-sourcing system to do so, opt to publish the opportunity nationally using [Contracts Finder](#) with or without any other advertisement.
NB - If the opportunity is advertised at all (such as in newspapers or on the Council's website to attract local or wider interest), it must also be published on Contracts Finder.
- d) The period allowed for responses should be adequate, considering the complexity of the Council's requirements, to provide a reasonable opportunity for suppliers to prepare and submit a quotation. This will normally be at least 10 working days.
- e) Invitation to bid documents should be sent or made available to the suppliers via the Council's e-sourcing system either to the selected suppliers or in an open opportunity. Access to the Council's e-sourcing system will be arranged by the Procurement Team on request.
- f) The Council's e-sourcing system will publish open opportunities to the Contract Finder system automatically.
- g) Evaluate the bids against the specified evaluation criteria, liaising with the Procurement Team and the Finance Team to check the information provided by the suppliers and investigate the financial status of the supplier(s).

- h) If less than two bids are received (where the Total Value is less than £25,000) or less than three bids are received (where the Total Value is £25,000-£75,000), consult with the Procurement Team and follow their recommendations as to whether to arrange a new invitation to bid or obtain other evidence demonstrating that (because of the nature of the opportunity, an absence of suitable competitor suppliers or otherwise) the bid(s) received represent Value for Money.
- i) If it is proposed to make advance payments to the supplier before receiving the relevant goods, works or services, seek approval from the Section 151 Officer before proceeding (see Rule 6.9).
- j) Identify the winning bid.
- k) Record with the Procurement Team the details of the purchase, including reasons for the selection and for any absence of local suppliers in the winning bid and/or bids received.
- l) All communications with suppliers must remain (and should be headed) “subject to contract” until a binding contract is entered in to with (awarded to) the selected supplier in accordance with Rule 5.
- m) Formal groups should be established for contract mobilisation plans, service improvements, contract variations, performance monitoring and any other contract management processes.

4.4. Tender Procedure (Total Value more than £75,000 but below the Public Procurement Threshold):

Having followed Rule 4.1 above:

- a) Officers should engage the assistance of the Procurement Team as soon as it is anticipated that a tender may be required. A procurement resource will then be assigned to the project/purchase.
- b) The Procurement Team will assist Officers with the following steps, including design of scope, critical success factors and mitigation of risks/costs.
- c) Check that it would not be preferable to procure under any suitable Corporate Agreement which may be in place (see Rule 3.1 above).
- d) Identify the appropriate contract to be used by reference to Rule 5.1 below and/or contacting Legal Services.
- e) Develop and include in the relevant sections of the Council’s invitation to tender documents, so that prospective suppliers can provide their tenders based on this:
 - i. The evaluation criteria (prepared in accordance with Rule 4.6); and
 - ii. The draft contract (including the specification of services/goods/works required by the Council).

These should be specified having considered as a minimum: Key Success Criteria, risks to the service and process, use of property and information, costs and performance indicators. The Procurement Team can assist with developing the relevant criteria/specification as required.

- f) Officers should then either:
 - i. **Invitations to selected potential suppliers**
select 3 or more specific potential suppliers to invite to tender (including at least one local supplier, where practicable without improperly excluding other suppliers, as explained in Rule 6.13 below);
or
 - ii. **Open opportunities**

using the Council's e-sourcing system to do so, opt to publish the opportunity nationally using [Contracts Finder](#) with or without any other advertisement.

NB - if the opportunity is advertised at all (such as in newspapers or on the Council's website), it must also be published on Contracts Finder.

- g) Reasons for inviting only selected potential suppliers must be recorded with the Procurement Team.
- h) Where the Procurement Team believe it is in the best interests of the Council, they may, in consultation with the Officer, seek authority from a Chief Officer to override a decision not to publish an opportunity openly.
- i) As noted under Rule 4.1 above, for so long as pre-selection stages remain unlawful for procurements below the Public Procurement Threshold, the Council cannot use a separate selection stage to reduce the number of potential tenderers before inviting tenders.
- j) The period allowed for responses should be adequate, considering the complexity of the Council's requirements, to provide a reasonable opportunity for suppliers to prepare and submit a tender. This will normally be at least 20 working days.
- k) Invitation to tender documents should be sent or made available to the suppliers via the Council's e-sourcing system either to the selected suppliers or in an open opportunity. Access to the Council's e-sourcing system will be arranged by the Procurement Team on request.
- l) The system will publish open opportunities to the Contract Finder system automatically.
- m) The Procurement Team will manage evaluation of tenders against the specified evaluation criteria and liaise with the Finance Team to check the information provided by the suppliers and investigate the financial status of the supplier(s).
- n) If the Finance Team advise against proceeding with the relevant tenderer and/or it is proposed to make advance payments to the tenderer before receiving the relevant goods, works or services, seek approval from the Section 151 Officer before proceeding (see Rule 6.9).
- n) All communications with tenderers must remain (and should be headed) "subject to contract" until a binding contract is entered in to with (awarded to) the selected tenderer in accordance with Rule 5.
- o) Formal groups should be established for contract mobilisation plans, service improvements, contract variations, performance monitoring and any other contract management processes.

4.5. Procurement above the Public Procurement Threshold

- a) Advice should be sought from the Council's Procurement Team where the Total Value is likely to exceed the Public Procurement Threshold.
- b) A business case must be prepared for all procurements over the Public Procurement Threshold to include:
 - Nominated contract manager,
 - Risk assessments (see Rule 4.1(d)) and risk register,
 - Contingency measures (including early termination and exit strategy).
- c) The Procurement Team will then work with you to carry out a procurement exercise which complies with the requirements of the Public Procurement

Regulations and includes information/financial status checks and other safeguards in line with those which apply under Rule 4.4.

4.6. Evaluation Criteria and Evaluation

Evaluation Criteria

- a) Evaluation criteria for procurements below the Public Procurement Threshold may be price only.
- b) However, the evaluation criteria should normally be prepared to enable the most economically advantageous tender or bid (MEAT), as explained below, to be identified, ensuring that all such criteria are appropriate for and proportionate to the relevant procurement. It is advisable to liaise with the Procurement Team to develop suitable criteria for the relevant procurement and the weighting to be given to those criteria.
- c) Evaluation criteria for procurements above the Public Procurement Threshold would be prepared by the Procurement Team, in consultation with the relevant Officers, to enable the most economically advantageous tender (MEAT) to be identified on the basis of price or cost, using a cost-effectiveness approach. This may include the best price-quality ratio, assessed on the basis of criteria (such as qualitative, environmental and/or social aspects) which relate to the works, supplies or services to be provided under the relevant contract in any respect and at any stage of their life cycle. The cost element may take the form of a fixed price or cost on the basis of which suppliers will compete on quality criteria only. The criteria may include, for example:
 - i. quality, including technical merit, aesthetic and functional characteristics, accessibility, design for all users, social, environmental and innovative characteristics and trading and its conditions;
 - ii. organisation, qualification and experience of staff assigned to performing the contract, where the quality of the staff assigned can have a significant impact on the level of performance of the contract; and/or
 - iii. after-sales service and technical assistance, delivery conditions such as delivery date, delivery process and delivery period or period of completion.
- d) Evaluation criteria shall not include Non-Commercial Considerations except in accordance with advice from the Head of Legal and Democratic Services, include matters which unlawfully discriminate against suppliers outside the UK or have the effect of conferring an unrestricted freedom of choice on the Council. They shall ensure the possibility of effective competition and be accompanied by specifications that allow the information provided by the tenderers to be effectively verified in order to assess how well the tenders meet the evaluation criteria.
- e) It will be important to specify in the invitation document the relative weighting given to each of the evaluation criteria, except where this is price alone. Those weightings may be expressed by providing for a range with an appropriate maximum spread. Where weighting is not possible for objective reasons, the criteria are to be indicated in decreasing order of importance.

Evaluation

- f) Any clarifications of any invitation, or requests to clarify a quotation/tender, may only be provided/made in accordance with Rule 4.7 below.
- g) Post Tender Negotiation is to be the exception and subject to Rule 4.8 below.
- h) Where the evaluation criteria are not price alone (i.e. MEAT is used), a member of the Procurement Team should facilitate the formal evaluation process and evaluators

must record reasons for and be able to justify their scores under the scoring mechanism specified in the invitation document.

- i) Minimum criteria compliance checks, including checking for complete quotations/tenders, should be carried out prior to any other evaluation. Where a quotation/tender is incomplete, contact the Procurement Team for advice on how to proceed. In case of doubt, evaluators shall verify effectively the accuracy of the information and proof provided by the prospective suppliers.
- j) Pricing should be checked with any pre-tender estimates, and any significant variations should be examined and resolved by raising clarification questions in accordance with Rule 4.7.
- k) Arithmetic in compliant tenders should be checked where practicable. Any identified mathematical errors should be notified to the supplier for clarification in accordance with Rule 4.7. Any correction or other change proposed by the prospective supplier cannot be made unless it is approved by the Procurement Team.
- l) If the bid total does not reflect the pricing matrix provided, the rates should be taken as correct and the prospective supplier asked to stand by those rates or withdraw the bid.

4.7. Clarifications

- a) The Council may issue clarifications of an invitation (on its own initiative or in response to enquiries from prospective suppliers) either in writing or in person, but written records shall be kept and (except for communications which the Procurement Team have confirmed can properly be withheld on the basis that they contain commercially sensitive information from suppliers and do not confer an unfair advantage on any supplier) made available to all prospective suppliers (by publication on the Council's e-procurement system or otherwise).
- b) The Council may ask suppliers to clarify their quotations/tenders but must do so in consultation with the Procurement Team, in accordance with the restrictions in Rule 4.8 below on Post Tender Negotiation and through the Council's e-sourcing system to ensure the clarification is properly recorded or, if that is not possible, with a written record.

4.8. Post Tender Negotiation

- a) Discussions with prospective suppliers after submission of a tender/bid and before the award of a contract, with a view to obtaining adjustments in price, delivery, quality or content (i.e. **Post Tender Negotiations**) must be the exception and not the rule and, wherever possible, conducted through the Council's e-sourcing system to ensure they are properly recorded. These should only be carried out with full involvement of the Procurement Team, in consultation with the Head of Legal and Democratic Services and in accordance with the following provisions.
- b) In procurements above the Public Procurement Threshold, no Post Tender Negotiation is possible unless specifically allowed under the Public Procurement Procedure used or in accordance with advice from the Head of Legal and Democratic Services.
- c) Any Officer appointed by the Chief Officer to carry out Post Tender Negotiation must ensure that all Post Tender Negotiations are conducted on a "subject to contract" basis and should ensure that there are recorded minutes of all negotiation meetings.

- d) Any Post Tender Negotiations must be carried out by a team of at least two Officers, one of whom must be from the Procurement Team or, if not available, a department independent of the Officer(s) dealing with the relevant procurement.
- e) Where a Post Tender Negotiation would lead to a material change to the specification, price or any other contract terms, negotiations should cease, and a new tender will be required unless the Head of Legal and Democratic Services advises otherwise.

4.9. Notifying (debriefing) suppliers

- a) Once a successful supplier has been selected, unless the Procurement Team agree that notifications and a standstill period are not compulsory or appropriate:
 - i. all suppliers who submitted quotations/tenders must be notified of the selection in writing, with their scores and those of the successful supplier; and
 - ii. the notifications to the unsuccessful suppliers shall include feedback regarding their performance comparative to the successful supplier.
- b) Once the notifications have been communicated to the suppliers, a standstill period (previously known as an Alcatel period) of at least 10 calendar days ending on a working day will commence, to allow the Council to take into account any representations made by the unsuccessful suppliers within that standstill period.
- c) Where a challenge occurs:
 - i. The Head of Legal and Democratic Services must be notified immediately.
 - ii. The Procurement Team should be informed.
 - iii. The Officer will not award the contract and all communications relating to the challenger must be referred to Legal Services to handle.
- d) At the appropriate time, the Council will then decide whether to enter into the relevant contract award document.
- e) Where the Procurement Team agree that there will be no standstill period and a supplier requests the reasons for a Contracting Decision this should be provided within 15 working days. Details of the information to be provided should be discussed with the Procurement Team.

5. CONTRACTUAL REQUIREMENTS

5.1. Contract requirements

- a) The following Table C outlines the default minimum forms of contract to be used where the procurement is within these CPR and not complex (see Rule 2 above) and a suitable existing Corporate Agreement (see Rule 3.1 above) is not being used in consultation with the Procurement Team.
- b) The specified standard forms should not be amended, and other forms should not be used, except in consultation with Legal Services.
- c) The Council’s standard form agreements are available from Legal Services or Procurement, and supplemental or alternative terms can be prepared, on request.

Table C: Minimum contract form requirements

Risks Assessed (see Rule 4.1) as low?	Total Value	Form of contract to be used
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Yes	Less than £5,000	The appropriate version of the Council’s general terms and conditions, as updated by Legal Services from time to time (Officers can use their purchase order to amend any specific provisions of the general terms, but only in accordance with guidance from the Head of Legal and Democratic Services)
NA	£5,000 to £75,000	Either: (a) the Council’s standard form agreement for services/goods/works, as appropriate; or (b) standard forms of contract issued by an appropriate industry body (such as NEC4 or JCT contracts or construction-related procurements)
NA	Above £75,000	Either: (a) the Council’s standard form agreement for services/goods/works, as appropriate; or (b) standard forms of contract issued by an appropriate industry body (such as NEC4 or JCT contracts or construction-related procurements) <u>with supplemental terms to include the Council’s minimum standard requirements for higher value procurements, as outlined in Rule 5.2(b).</u>

5.2. Clauses required within agreements

- a) All contracts shall, irrespective of value:
 - i. Be completed in writing;
 - ii. Specify what is to be supplied (the works/materials/services);
 - iii. Specify the delivery dates/periods;
 - iv. Specify the provisions for payment (how much and when);
 - v. Specify whether the price includes or excludes Value Added Tax;
 - vi. Specify the minimum insurance requirements, as set by the Officer in accordance with Rule 4.1; and
 - vii. Include provisions for the Council to terminate the contract.
- b) All contracts of purchase with a Total Value above £75,000 must also specify:
 - i. That the contractor may not assign, subcontract, transfer, licence or otherwise dispose of any part or whole of their rights or obligations under the contract without prior written consent of the Council (not to be unreasonably withheld);
 - ii. Health and safety requirements;
 - iii. Any ombudsman or appeal requirement including escalation for complaints or conflict resolution;
 - iv. Data protection requirements (if relevant);
 - v. That charter standards are met (if relevant);
 - vi. Equality and diversity requirements;
 - vii. Freedom of information and environmental information requirements;
 - viii. Whistleblowing requirements;

- ix. Anti-bribery requirements, obliging the supplier to comply with the Bribery Act 2010 and enabling the Council to terminate for any breach by the supplier;
- x. Requirements for Consultants and Agents working on behalf of the Council to comply with the Constitution, including these CPR and the Financial Procedure Rules;
- xi. Rights of access to relevant documentation and records for monitoring and audit purposes;
- xii. Intellectual property rights (if required); and
- xiii. Performance monitoring and contract management requirements.

5.3. Contract award (signing or sealing)

- a) All contracts, including those to be made using purchase orders, must be concluded formally in writing before the supply, service or works begin, except in exceptional circumstances and then only with the written consent of a Chief Officer.
- b) The Officer shall confirm that the proposed contract has been procured in accordance with the Constitution, including these CPR and the Financial Procedure Rules. It will be important to refer to the full Constitution for the detailed relevant requirements, but the Officer will normally need to verify in particular:
 - i. Whether the Total Value is within existing budget allocations and, if it is not, that approval has been obtained from Cabinet;
 - ii. If the Total Value does not exceed £30,000, that the Officer approval has the relevant financial authorisation limits and approval levels to enter into the contract;
 - iii. If the Total Value is between £30,000 and £250,000, that approval has been obtained from the relevant Portfolio Holder or from Cabinet; and
 - iv. If the Total Value exceeds £250,000 or is otherwise a Key Decision, that the procurement has been included on the Forward Plan and approval has been obtained from Cabinet.
- c) The signature provisions in the contract documents are to be finalised depending on the requirements set out in Table D below.
- d) Contract documents should then be sent to the successful supplier on the basis that:
 - i. the contract documents remain “subject to contract” unless and until they are signed on behalf of the Council;
 - ii. they are asked to sign the contract document(s) where and as indicated (but not date them) and return them to the Council; and
 - iii. the Council would take this as their authority to date the documents to complete them if/when any necessary final internal approval has been obtained by, and it has been signed on behalf of, the Council.
- e) The Officer responsible for securing signature of the contract documents must ensure that the person signing for the supplier has authority to bind it.
- f) Contracts should then be signed or sealed by the Council in accordance with the following minimum requirements. The Officer shall then date and send a copy of the contract document to the supplier at the appropriate time.

Table D: Minimum completion requirements

Does Rule 5.4(b), below, apply?	Total Value	Method of completion
Yes	Any	Execution as a deed

No	Less than £5,000	Signature or e-mail of Officer
	£5,000 to £75,000	Signature of Line Manager
	£75,000 to the Public Procurement Threshold	Signature of Chief Officer
	Above the Public Procurement Threshold	Execution as a deed

5.4. Execution as a deed

- a) As set out above, contracts should be executed as a deed if the value is above the Public Procurement Threshold.
- b) Contracts should also be executed as a deed if:
 - i. the Council might wish to exercise rights in respect of the contract more than 6 years after the contract ends, or
 - ii. the price is nominal and does not reflect the actual value of the goods/services, or
 - iii. there is any doubt about whether an individual signing a simple contract would be authorised to bind the supplier.
- c) A sample signature box for contracts to be executed as a deed, where the supplier is a company, is below:

The parties have executed this deed on the date specified above	
Executed as a deed by [full name of supplier, e.g. SUPPLIER 123 LIMITED], acting by [two Directors/one Director and the company secretary/one director in the presence of:]	Signature
[Witness signature	Name
Witness name	Director
Witness address	[Signature
Witness occupation	Name
	Director]
Executed as a deed (but not delivered until the date specified above) by affixing the common seal of EAST SUFFOLK COUNCIL in the presence of:	Signature
	Name
	Title
	Signature
	Name
	Title

- d) Use of the Council’s seal to execute as a deed shall be administered by Legal Services, who will not affix the seal or witness the sealing without the authority of Cabinet, a Committee, a Cabinet Member, the Chief Officer or the relevant Strategic Director or Head of Service acting under delegated powers.

5.5. Signature as a simple contract

- a) A sample signature box for contracts to be signed by an Officer, Line Manager or Chief Officer as set out in Table D above, because they do not need to be executed as a deed, is below:

The parties have entered into this agreement on the date specified above	
Signed on behalf of [full name of supplier, e.g. SUPPLIER 123 LIMITED] by	Signature Name Title
Signed on behalf of EAST SUFFOLK COUNCIL by:	Signature Name Title

5.6. Document circulation and retention

- a) Copies of contracts are to be kept and circulated by the Officer, and the originals are to be retained, as set out in Rule 7.2.

5.7. Contract extensions

- a) It is recognised there will be instances where extending (sometimes called “renewing”) the length of a contract, by exercising an existing extension option in the existing contract, can provide better value than reopening it to competition.
- b) Contracts may only be extended in the following circumstances. For any contracts involving sums at or approaching the applicable Public Procurement Threshold or where there is any doubt as to whether the proposed extension satisfies these requirements, Officers will need to consult the Procurement Team and/or Legal Services as appropriate in advance.

Total Value of the original contract and all extensions, including the proposed extension	Circumstances of the original procurement
Less than the applicable Public Procurement Threshold	The proposed extension of the duration of the contract would be on the terms of extension provided for in the original contract, such that no negotiation is required.
At or more than the applicable Public Procurement Threshold	The proposed extension of the duration of the contract would be on the terms of extension advertised, tendered and evaluated in the original procurement and provided for in the original contract, such that no negotiation is required.

- c) To extend a contract, it will be necessary to prepare a formal notice to the supplier in the terms required by the relevant contract. Officers should liaise with the Procurement Team and Legal Services at an early stage if they need any guidance or to prepare such notice so that it is ready to serve before any deadline in the contract.

5.8. Contract variations

- a) Variation in the scope, duration and/or other terms of an existing contract can also provide better value than retendering, but can only be carried out through or in consultation with the Procurement Team, in consultation with Legal Services as appropriate, because detailed restrictions may apply and it will be necessary to:

- i. instruct Legal Services to prepare a variation agreement to be entered in to between the Council and the supplier; and
 - ii. ensure that any negotiations and other communications with the supplier are carried out on a “subject to contract” basis unless and until the variation agreement is entered in to.
- b) In general, where the Total Value of the original contract and all extensions and variations, including the proposed variation, is **less than the applicable Public Procurement Threshold**, the contract may only be varied if:
 - i. The procedure under Rule 6.6 has been followed for line of business software systems; or
 - ii. Each of the following conditions have been satisfied:
 - 1) the proposed variation would not materially change the scope of the original contract or there was a contractual review clause or other option in the original contract to allow for such a variation; and
 - 2) the proposed variation would not represent an increase of more than 50% of the Total Value of the original contract; and
 - 3) if the proposed variation extends the duration of the original contract, it does not do so for more than one year from the end of the duration of the original contract; and
 - 4) the Officer’s case for the better value for the Council in not opening the opportunity to competition has been approved by the Procurement Team and the Head of Legal and Democratic Services.
- c) In general, where the Total Value of the original contract and all extensions and variations, including the proposed variation, **may reach or exceed the applicable Public Procurement Threshold**, subject to advice in the relevant circumstances from the Procurement Team and Legal Services, based on the law at the time these CPR were made the contracts may only be varied if:
 - i. In the case of contracts for goods or services:
 - 1) the value of the proposed variation is less than **10%** of the initial contract value and less than the relevant Public Procurement Threshold; and
 - 2) the overall nature of the contract remains unaltered; or
 - ii. In the case of contracts for works:
 - 1) the value of the proposed variation is less than **15%** of the initial contract value and less than the relevant Public Procurement Threshold; and
 - 2) the overall nature of the contract remains unaltered; or,
 - iii. The proposed variations:
 - 1) were explicitly provided for in the original procurement and contract documents in clear, precise and unequivocal review clauses which stated the scope and nature of possible variations as well as the conditions under which they may be used; and
 - 2) do not alter the overall nature of the contract.
 - iv. The proposed variations:
 - 1) are made because additional works, goods or services have become necessary but a change of supplier cannot be made for “economic or technical reasons” (such as interchangeability or interoperability of

- existing equipment) or changing supplier would cause “significant inconvenience” or “significant duplication of costs”; and
- 2) would have a value which does not exceed 50% of the initial contract value; and
- 3) are published by the Council by notice in the Official Journal of the European Union (or as otherwise required by applicable law).
- v. The proposed variations:
 - 1) need to be made due to circumstances which a “diligent contracting authority” could not have foreseen; and
 - 2) do not alter the overall nature of the contract; and
 - 3) would have a value which does not exceed 50% of the initial contract value; and
 - 4) are published by the Council by notice in the Official Journal of the European Union (or as otherwise required by applicable law).
- vi. The proposed variations are not deemed “substantial” to the contract. This type of variation must not be made without guidance from Legal Services. For example, a modification will be “substantial” where it introduces conditions which, had they been part of the original procurement, would have allowed for the admission of other candidates or for the acceptance of a different tender, or attracted additional participants, changes the economic balance of the contract in favour of the supplier in a way not provided for in the initial contract or Framework Agreement, extends the scope of the subject-matter considerably or introduces a new contractor, except where this is permitted.
- d) Where a proposed variation does not fall within one of these categories, the opportunity must be let under a new, relevant competitive process.

5.9. Contract Management

- a) Efficiencies secured under competitive processes will only be realised with effective contractual management.
- b) Named Officer(s) within the relevant department will be responsible for the day to day operational management of any new contract in their area.
- c) Procurement will assist in contract management, particularly in cross-functional (or cross-authority) agreements, with roles being established with departments at contract mobilisation. Using diagram 1 below as a guide, all contract management will be agreed at a suitable level between points A and B, depending on the input required from each in the circumstances:



- d) Requirements on contract management are to include (as a minimum)
 - i. An annual review (in consultation with the Finance Team) of the financial status of any supplier in contract with the Council
 - ii. Annual check for validity of any required certifications and evidence of current insurance cover
 - iii. Annual review of any required policy documentation

- iv. Regular review meetings at agreed intervals to discuss:
 - 1) Contractual performance (key performance measures)
 - 2) Social value delivery
 - 3) Innovations or other potential savings in areas relating to the contract or opportunities to improve the range of services provided.
 - 4) Risk identification, evaluation and management on subjects relating to the contract
 - 5) Customer complaints and compliments.
 - 6) Any data protection issues.

NB – the intervals for these review meetings will vary depending on the complexity of the contract/commodity and the Total Value. As a rule of thumb, the review meetings for any contract with a high-risk element or above the Public Procurement Threshold should be held at least quarterly and can be more frequent where performance or risk management are identified as an issue.

- e) For all agreements with a Total Value above the Public Procurement Threshold a report must go annually, via the Chief Executive, to the relevant Cabinet Member regarding:
 - i. Achievement of contractual objectives within the period
 - ii. Current contractual direction (e.g. continue, review or retender now)

6. OTHER PROCUREMENT PRINCIPLES

6.1. Prevention of corruption:

- a) Officers involved with procurement must comply with the Officers Code of Conduct and must not invite or accept any gift or reward in respect of the award or performance of any contract.
- b) It is the Officer's responsibility, if challenged, to prove that anything alleged to have been done or received was not done or received corruptly.
- c) High standards of conduct are obligatory, corrupt behaviour will lead to dismissal and is a crime under the Bribery Act 2010.

6.2. Declaration of interests:

- a) If it comes to the knowledge of a Member or Officer of the Council that a contract in which they have a pecuniary interest (an interest relating to money) has been, or is to be, entered into by the Council then they must immediately give written notice to the Monitoring Officer.
- b) Written notice is required irrespective of whether the pecuniary interest is direct (where they are a named party) or indirect (for example, where they or someone connected with them (such as their partner or relative) are a board member, employee, stakeholder or beneficial owner).
- c) The Monitoring Officer shall maintain records of all declaration of interests notified by Members and Officers in accordance with Rule 6.2.
- d) The Monitoring Officer shall ensure that the attention of all Members is drawn to the Members' Code of Conduct.

6.3. Collaborative Procurements:

- a) Collaborative procurement arrangements are typically those with another local authority, government team, statutory undertaker or public service

purchaser/consortium, who can secure better terms from suppliers by purchasing separate services collectively.

- b) Collaborative procurements must follow the same applicable laws, including the Public Procurement Regulations, as all other procurement. They may also involve specific risks, such as potential liabilities for or caused by other authorities if the arrangement is not structured and documented (with, for example, several liability provisions) to manage such risks.
- c) Where another authority (or other identified public procurement body) is leading on a procurement exercise then it is accepted that this will be done under their contract standing orders.
- d) However, the Officer must first consult the Procurement Team, the Section 151 Officer and the Head of Legal and Democratic Services about the proposed arrangements.

6.4. External work:

- a) The Head of Legal and Democratic Services must be consulted where contracts to work for or provide any advice or other services or goods to an organisation outside of the Council are proposed.

6.5. Land and build contracts

- a) This type of agreement is encountered where (for example) a developer will only sell land which the Council wishes to purchase for development (such as for social housing) if the developer has the right to carry out the construction work for the Council.
- b) Such agreements are complex because opportunities to purchase land can be extremely time sensitive/restricted (where the opportunity to acquire a key site may be lost to third parties if the Council cannot quickly negotiate acceptable terms with the seller) and would not normally be subject to the Public Procurement Regulations, but agreements for public works contracts are subject to the Public Procurement Regulations and other legal restrictions will apply, such as those which are designed to prevent arrangements which distort or threaten to distort competition by favouring certain suppliers.
- c) Accordingly, Officers should consult the Procurement Team and the Head of Legal and Democratic Services about any potential land and build arrangements at the earliest opportunity and prepare to submit to them for consideration:
 - i. details of the circumstances, including proposed arrangements to advertise the Council's requirements for such sites or, if the Officer believes that only one particular site is suitable, full details explaining why no reasonable alternative or substitute exists based on objective criteria which do not artificially narrow down of the parameters of the procurement (NB in any event, contracts with a Total Value at or above the relevant Public Procurement Threshold would have to follow one of the permissible Public Procurement Procedures); and
 - ii. at the appropriate stage, an independent open market valuation of the land to be acquired taking into account all conditions which would apply, including those which would operate to the seller's advantage (such as the right to carry out the construction work for the Council on specified cost/profit terms).

6.6. Line of business software systems

- a) A line of business software system is one which the Council considers:
 - i. is critical to normal business/service delivery; and

- ii. would be costly and disruptive to replace with an alternative system.
- b) Where the Council procures a line of business software solution, there may be a disparity between the viable length of a contract (for example, five years) and the length of the useful life of that system (for example, 20 years). In a market where there is high probability of technological advances, changes in ways of working and changes in market direction, it cannot realistically be assumed that contracts can be negotiated to cover the potential useful life of the software.
- c) In general, where the Total Value of the original contract and all relevant renewals, new agreements, extensions and variations, including the proposed new agreement/variation, **may reach or exceed the applicable Public Procurement Threshold**, a new contract with the existing supplier may only be entered into (whether by variation/renewal of the original contract or entry into a new contract) without a Public Procurement Procedure or otherwise reopening the opportunity to competition:
 - i. in accordance with advice from the Procurement Team and Legal Services, based on the specific circumstances and the law at the relevant time;
 - ii. if the Head of Digital and Programme Management confirms that the relevant system is a line of business system and that any conditions advised by Legal Services (whether by reference to Rule 5.8 or otherwise) are satisfied; and
 - iii. with the approval of the Head of Legal and Democratic Services.
- d) In general, where the Total Value of the original contract and all relevant renewals, new agreements, extensions and variations, including the proposed new agreement/variation, is **less than the applicable Public Procurement Threshold**, a new contract with the existing supplier may only be entered into (whether by variation/renewal of the original contract or entry into a new contract) without a Public Procurement Procedure or otherwise reopening the opportunity to competition:
 - i. if the Head of Digital and Programme Management confirms that the relevant system is a line of business system; and
 - ii. the Officer's case for the better value for the Council in not opening the opportunity to competition (whether because the costs and disruption of moving to a new system would be prohibitive or otherwise) has been approved by the Procurement Team and the Head of Legal and Democratic Services.

6.7. Electronic Procurement:

- a) All procurement should be conducted electronically within the Council unless reasons can be provided to the Procurement Team as to how this would adversely affect a fair competitive process.
- b) The Procurement Team manage an Electronic Sourcing System for which access can be provided as required.

6.8. British and International Standards

- a) Where standards are to be used these must properly reflect the expected requirements or quality.
- b) When using British standards any comparable acceptable standard from the EU must be accepted in lieu of the British standard as long as it either meets or exceeds the standard requested.
- c) Where a standard from outside the EU is provided guidance should be sought from the Head of Legal and Democratic Services.

6.9. Financial status of/security from suppliers

- a) The Officer shall consult the Section 151 Officer as to the need for security (such as a Parent Company Guarantee) and whether it is appropriate to proceed with a proposed supplier with or without such security when:
 - i. the Total Value looks likely to exceed £500,000; or
 - ii. the award would be based on evaluation of the parent company of the proposed contracting party; or
 - iii. it is proposed to make advance payments before receiving the relevant goods, works or services; or
 - iv. there is a concern regarding the financial stability of the contracting party; or
 - v. the potential risks in the contract warrant it.
- b) The Officer must consult the Section 151 Officer as to the need for a Bond when:
 - i. the Total Value looks likely to exceed £1,000,000, or
 - ii. there are concerns about the stability of the contracting party and it is proposed to make advance payments before receiving the relevant goods works or services.

6.10. Supplier Lists

- a) Supplier lists should not be held or used by the Council except where these have been developed through usage of a dynamic purchasing system (or a similar Corporate Agreement) set up by the Procurement Team or other approved external purchasing body in accordance with the Public Procurement Regulations.

6.11. Exemptions to CPR

- a) Some of the provisions of these CPR are intended to correspond with general legal requirements, including the Public Procurement Regulations. Officers will need to liaise at an early stage with the Procurement Team (who will consult Legal Services as necessary) to assess whether a proposed course of action would be contrary to such legal requirements and ensure that the position is explained in any application for a waiver from these CPR.
- b) The Council and its Cabinet have power to waive any requirements within these CPR for specific projects. Officers should note that, if such a decision would constitute a Key Decision, the procedure for Key Decisions under the Constitution would also need to be followed.
- c) In exceptional circumstances, a Chief Officer also has the power, under scheme of delegation in the Constitution, to waive any requirements within these CPR, provided that:
 - i. the Total Value does not exceed the Public Procurement Threshold, or the Head of Legal and Democratic Services has been consulted and approves the proposed waiver by reference to the relevant provisions of the Public Procurement Regulations; and
 - ii. the relevant Cabinet Member is consulted.
- d) The procedure for seeking an exemption from the CPR is as follows:
 - i. the exemption application form is to be obtained by the Officer from the Procurement Team, completed in draft by the Officer and sent to the Procurement team for review;
 - ii. the Procurement Team will liaise with the Officer to finalise the exemption application form and consult with the Head of Legal and Democratic Services;

- iii. if the exemption is sought from the Council or its Cabinet, the exemption form will be produced with the relevant report to Council/Cabinet;
 - iv. if the Chief Officer grants an exemption under Rule 6.11(c), they will sign the application form, which is to be submitted to the Section 151 Officer for countersignature;
 - v. the Procurement Team must keep records of all exemptions and the reasons for them.
- e) The Section 151 Officer must monitor the use of all exemptions.

6.12. Pre-Tender Market Engagement

Officers may engage the market by consulting potential suppliers prior to any procurement providing:

- a) Any consultation with the market is not able to be viewed as prejudicial to any potential supplier or any subsequent procurement.
- b) That no individual supplier is given information that could be advantageous in creating a bid which is not made available to all suppliers so that no potential supplier is prejudiced.
- c) That they do not seek or accept assistance in preparing any invitation to bid from anyone with a commercial interest in the process, if this may prejudice the equal treatment of all potential suppliers or distort competition.
- d) They seek early advice from the Procurement Team.

6.13. Local suppliers

- a) When encouraging participation by local businesses in bidding for Council procurement opportunities, it will be important to guard against anything which has the effect of unlawfully subsidising a particular supplier, giving a particular supplier an improper advantage over other potential suppliers, or acting against competition law or other legal requirements.
- b) While Officers must keep this in mind, they will normally avoid such risks by ensuring that they treat suppliers evenly and equally, without discrimination, acting in a transparent manner, in accordance with the CPR.

6.14. Social Value

- a) The Public Services (Social Value) Act 2012 requires that all procurements consider social value in their design.
- b) The Council's own Social Value Policy requires that Social Value is maximised in any and all contracting or commissioning work.
- c) Therefore, unless agreed with the Procurement Team, all contracts should seek to include at least one of the 3 social value elements (social, environmental or economic), proportionate to the value of the contract.
- d) Offices should consult with the Procurement Team and/or the Communities Team if they require any assistance with developing social value initiatives.

7. CONTRACT REGISTER

7.1. Completing the Contract Register

- a) The Procurement Team shall be responsible for keeping the Contract Register for the Council.
- b) The Officer shall give notice of all contracts awarded to the Section 151 Officer and the Procurement Team as soon as practicable following signature and completion.
- c) Such notice is to include as a minimum:

- i. The parties to the contract
 - ii. The subject of the contract
 - iii. The date of the contract (the date the contract has been signed by both parties and dated to enter into it)
 - iv. The term (duration) of the contract (when the contract begins and expires, or the delivery date, handover date or other date of completion)
 - v. Estimated Total Value of the contract
 - vi. The authority relied on to enter into the contract (Cabinet, Key Decision, Chief Officer Decision, etc)
 - vii. The name of the Chief Officer and the designated Contract Manager responsible for the contract
 - viii. Other details as may be required by External Audit or Central Government.
- d) A current template of all fields required is available from the Procurement Team.
 - e) The Procurement Team will update the corporate Contract Register.

7.2. Contract Safekeeping

- a) A copy of all contracts, (including the information required by Rule 7.1 for the contracts register and a copy of the risk assessment completed in accordance with Rule 4.1) must be forwarded to the Procurement Team.
- b) The original executed and completed copy of any contract over the Public Procurement Threshold and any other contract which involves higher than usual risks for the Council must be passed to the Head of Legal and Democratic Services for safe keeping.
- c) Officers are responsible for keeping a copy of all contracts for ready reference and contract management by their Department.
- d) The contracts and associated documentation must normally be retained for a minimum of 6 years after the expiration of the contract, and longer if there are associated liabilities that extend beyond this. For example, contracts executed as a deed should be retained for a minimum of 12 years.
- e) Unsuccessful bids and associated documentation should normally be kept for 6 years from award of contract.
- f) Officers should consult Legal Services if they need any guidance as to how long to retain any original or copy contract documents.

8. DEFINITIONS

Please refer to the Glossary of Terms at the end of the constitution.

Officer Employment Procedure Rules

1. Recruitment and Appointment

1.1 Declarations

- (a) The Council will draw up a statement requiring any candidate for appointment as an Officer to state in writing whether they are the parent, grandparent, husband, wife, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing Councillor or Officer of the Council; or of the spouse or partner of such persons.
- (b) No candidate so related to a Councillor or an Officer will be appointed without the authority of the relevant senior Officer or an Officer nominated by them.

1.2 Seeking Support for Appointment

- (a) Subject to paragraph (c), the Council will disqualify any applicant who directly or indirectly seeks the support of any Councillor for any appointment with the Council. The content of this paragraph will be included in any recruitment information.
- (b) Subject to paragraph (c), no Councillor will seek support for any person for any appointment with the Council.
- (c) Nothing in paragraphs (a) and (b) will preclude a Councillor from giving a written reference for a candidate for submission with an application for appointment.

2. Recruitment of Head of Paid Service, Members of Strategic Management Team or Heads of Service

2.1 Where the Council proposes to appoint a Head of Paid Service, member of the Strategic Management Team or Head of Service and it is not proposed that the appointment be made exclusively from among existing Officers, the Council will:

- (a) Draw up a statement specifying:
 - i. the duties of the Officer concerned; and
 - ii. any qualifications or qualities to be sought in the person to be appointed;
- (b) Make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and
- (c) Make arrangements for a copy of the statement to be sent to any person on request.

2.2 Where a post has been advertised as provided in this procedure rule the authority shall:

- (a) interview all qualified applicants for the post; or
- (b) select a short list of such qualified applicants and interview those included on the short list.

2.3 Where no qualified person has applied, the Council shall make further arrangements for advertisement in accordance with this procedure rule.

3. Appointment of Head of Paid Service

3.1 The Council will approve the making of a formal offer of appointment of the Head of Paid Service following the receipt of a report from the Appointments Committee, recommending that such an offer be made.

- 3.2 The Council may only approve the making of a formal offer of appointment of the Head of Paid Service where no material or well-founded objection has been made by any Member of the Cabinet. Therefore, the Appointments Committee must notify the Proper Officer of the name of the applicant to whom it wishes to make the offer of employment together with any other particulars that the Committee consider are relevant to the appointment.
- 3.3 The Proper Officer must notify every Member of the Cabinet and supply them with the above information and give each Cabinet Member five working days (from the start date on which each Cabinet Member received the notification from the Proper Officer) within which to object to the making of the proposed offer of employment. There must be no material or well-founded objection to the proposed appointment from any of the Cabinet Members so notified. Any such objections received within the relevant time period are to be notified to the Proper Officer by the Leader of the Council.
- 3.4 Once the Appointments Committee is satisfied that no (material or well-founded) objections have been received from Cabinet Members, the Committee can recommend to Council the making of a formal offer of employment to the successful candidate.

4. Appointment of Other Members of Strategic Management Team and Heads of Service

- 4.1 The Appointments Committee will appoint members of the Strategic Management Team and Heads of Service, other than the Head of Paid Service.
- 4.2 An offer of employment as a member of the Strategic Management Team and Head of Service shall only be made where no material or well-founded objection from any Member of the Cabinet has been received. Therefore, the Committee must notify the Proper Officer of the name of the applicant to whom it wishes to make the offer of employment together with any other particulars that the Committee consider are relevant to the appointment.
- 4.3 The Proper Officer must notify every Member of the Cabinet and supply them with the above information and give each Cabinet Member five working days (from the start date on which each Cabinet Member received the notification from the Proper Officer) within which to object to the making of the proposed offer of employment. There must be no material or well-founded objection to the proposed appointment from any of the Cabinet Members so notified. Any such objections received within the relevant time period are to be notified to the Proper Officer by the Leader of the Council.
- 4.4 Once the Appointments Committee is satisfied that no (material or well founded) objections have been received from Cabinet Members, the Committee can make a formal offer of employment to the successful candidate.

5. Other Appointments

- 5.1 *Officers below Head of Service.* The appointment of Officers below Head of Service (other than assistants to political groups) is the responsibility of the Head of Paid Service or his / her nominee and may not be made by Councillors.
- 5.2 *Assistants to Political Groups.* The appointment of an assistant to a political group shall be made in accordance with the wishes of that political group.

6. Disciplinary Action and Dismissal

- 6.1 The Head of Paid Service, Monitoring Officer and Section 151 Officer may be suspended whilst an investigation takes place into alleged misconduct. That suspension will be on full pay and last no longer than two months.
- 6.2 Disciplinary action or dismissal of the Head of Paid Service, Monitoring Officer and Section 151 Officer may only occur in accordance with the procedures set out below:
- (a) Councillors will not be involved in the disciplinary action against any Officer below Head of Service or the dismissal of any Officer below Head of Service except where such involvement is necessary for any investigation or inquiry into alleged misconduct, though the Council's *disciplinary, capability and related procedures*, as adopted from time to time may allow a right of appeal to Members in respect of disciplinary action.
 - (b) In the case of the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer, any suspension for the purpose of investigating any allegation of misconduct can be made by the Monitoring Officer in relation to the Head of Paid Service; or the Head of Paid Service in relation to the Chief Finance Officer or the Monitoring Officer, in consultation with the Council Leader and Chairman of the Appointments Committee and any suspension will be on full pay and for a period of no longer than two months.
 - (c) Any disciplinary action involving the Head of Paid Service, Monitoring Officer or Chief Finance Officer must take place in accordance with the Local Authority (Standing Orders) (England) Regulations 2015, and for the purposes of which, in the following paragraphs:
 - (i) "the 2011 Act" means the Localism Act 2011;
 - (ii) "chief finance Officer", "disciplinary action", "head of the authority's paid service" and "monitoring Officer" have the same meaning as in regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended);
 - (iii) "relevant independent person" means a person appointed under section 28(7) of the 2011 Act;
 - (iv) "local government elector" means a person registered as a local government elector in the register of electors in the authority's area in accordance with the Representation of the People Acts;
 - (v) "the Panel" means a committee appointed by the authority under section 102(4) of the Local Government Act 1972 for the purposes of advising the authority on matters relating to the dismissal of relevant Officers of the authority, and in this case, means the Appointments Committee;
 - (vi) "relevant meeting" means a meeting of the authority to consider whether or not to approve a proposal to dismiss a relevant Officer; and
 - (vii) "relevant Officer" means the chief finance Officer, head of the authority's paid service or monitoring Officer, as the case may be.
 - (d) A relevant Officer may not be dismissed by the authority unless the procedure set out in the following paragraphs is complied with.

- (i) The authority must invite relevant independent persons to be considered for appointment to the Panel, with a view to appointing at least two such persons to the Panel.
- (ii) Any remuneration, allowances or fees paid by the authority to an independent person appointed to the Panel must not exceed the level of remuneration, allowances or fees payable to that independent person in respect of that person's role as independent person under the 2011 Act.
- (e) The authority must appoint to the Panel such relevant independent persons who have accepted an invitation, in accordance with the following priority order:
 - a relevant independent person who has been appointed by the authority and who is a local government elector;
 - any other relevant independent person who has been appointed by the authority;
 - a relevant independent person who has been appointed by another authority or authorities.
- (f) The authority is not required to appoint more than two relevant independent persons but may do so if it wishes.
- (g) The authority must appoint any Panel at least 20 working days before the relevant meeting.
- (h) Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the authority must take into account, in particular:
 - (a) any advice, views or recommendations of the Panel;
 - (b) the conclusions of any investigation into the proposed dismissal; and
 - (c) any representations from the relevant Officer.

7. Definitions

7.1 "Senior Officer" is a member of Strategic Management Team or Head of Service.

7.2 "Relevant independent person" means any independent person who has been appointed by the authority or, where there are fewer than two such persons, such independent persons as have been appointed by another authority or authorities as the authority considers appropriate.

Committee Procedure Rules

~~1. APPOINTMENTS TO COMMITTEES AND SUB-COMMITTEES~~

~~Allocation of Committee and Sub-Committee Seats~~

~~1.1 Whenever:~~

~~(a) The Council is required to review the allocation of seats between political groups;
or~~

~~(b) The Council resolves to carry out such a review; or~~

~~(c) A committee is required to review the allocation of seats on a sub-committee between political groups; or~~

~~(d) A committee resolves to carry out such a review~~

~~the Proper Officer shall submit a report to the Council or committee (as the case may be), showing what allocation of seats would, in their opinion, best meet the requirements of section 15 (4) of the 1989 Act.~~

~~1.2 In the light of such a report, the Council or committee shall determine the allocation of seats to political groups.~~

~~1.3 Whenever an appointment of a voting Member of a committee or sub-committee falls to be made in accordance with the wishes of a political group to whom the seat has been allocated, and whenever such an appointment falls to be terminated in accordance with such wishes, then the Proper Officer shall make or terminate the appointment accordingly.~~

~~Note: The effect of the [Local Government and Housing Act 1989](#) is that, where a seat is allocated to a political group, the decision on which Member of the Council is to fill that seat rests with the Leader of that political group.~~

~~Appointment of Sub-Committees~~

~~1.4 Subject to any resolution by the Council, every committee may appoint sub-committees for such purposes as they think fit and may make arrangements for a sub-committee to discharge any of the functions of the Council which the committee may discharge.~~

~~1.5 The person appointed to preside at the meetings of a committee, and his / her deputy, may attend and speak and move or second motions at a meeting of any sub-committee appointed by that committee, but may not vote unless appointed as a voting Member.~~

~~Note: A Member of the Council has rights at common law to attend, but not to speak or vote, at meetings of any committee or sub-committee where the acquisition of information in this way is necessary for their work as a councillor.~~

~~Note: Under Sections 11 to 15 of the [Local Government and Housing Act 1989](#);~~

~~(a) it is for the Council to decide what committees there shall be and how large they shall be;~~

~~(b) the Council is obliged to allocate the seats to be occupied by Members of the Council to the political groups (if any) into which the Council is divided in accordance with the rules set out in the 1989 Act;~~

~~(c) those political groups then nominate the Members of the Council whom they wish to see occupy those seats; the nominees need not be a Member of the political group which nominates them;~~

~~(d) the Council must then appoint the nominees of the political groups to the seats allocated; the Council itself appoints to any seats which are not allocated to political groups (such cases arise where there are Members of the Council who are not Members of a political group); they also appoint to any seats which have been allocated and but to which no nomination has been made within three weeks.~~

~~Appointment to Other Bodies~~

~~1.6 — Persons appointed by the Council or the Cabinet to serve on other bodies shall be appointed for such time as may be specified or otherwise shall serve until they resign, are dismissed, or their successor is appointed. Such persons may continue to serve, subject to any rules of the body on which they serve, notwithstanding that they may or may not have ceased to be Members of the Council.~~

~~1.7 — In the case of any committee where there is a co-opted Member or Members who have voting rights, that co-optee counts towards the total number of Members for the purpose of establishing a quorum.~~

~~Appointment of Substitute Members of Committees~~

~~1.8 — A Member of a committee or sub-committee who is unable to attend a meeting may arrange for a substitute Member to take their place at the meeting. Members must have undertaken any appropriate training relevant to the committee on which they are substituting.~~

~~1.9 — Substitute Members will have all the powers and duties of any ordinary Member of the committee or sub-committee but will not be able to exercise any special powers or duties exercisable by the person they are substituting.~~

~~1.10 — Substitute Members may attend meetings in the following capacities only:
(a) to take the place of the ordinary Members for whom they are the designated substitute, by giving notice of the substitution via their political group arrangements prior to the commencement of the meeting, either in writing or verbally, to an Officer in the Council's Democratic Services Team;
(b) where the ordinary Member will be absent for the whole of the meeting.~~

~~2. MEETINGS OF COMMITTEES AND SUB-COMMITTEES~~

~~2.1. — The Council may fix the date of ordinary meetings of committees and sub-committees.~~

~~2.2. — Committees and sub-committees may fix the time or place of their ordinary meetings.~~

~~2.3. — For the first ordinary meeting of any committee or sub-committee, the Chairman of the Council or, if a person has been appointed to preside in a committee, that person, may fix any details which have not otherwise been fixed.~~

~~2.4. — For any other meeting of a committee or sub-committee, the Chairman of the Council or the person appointed to preside in that committee or sub-committee, after consultation (so far as practicable) with such persons as appear to them to be representative of the political groups to which have been allocated seats on the committee or sub-committee, may change any of the details of place, date or time already fixed for a meeting of the committee, other than one called under paragraph 4.2.~~

~~2.5. — Evening meetings of committees, sub-committees and task groups shall last no longer than three hours or as near as possible thereto unless the chairman and a majority of~~

~~other Members of the committee or sub-committee so agree in order to conclude the business.~~

3. QUORUM

~~3.1 Except where authorised by statute or ordered by the Council, business shall not be transacted at a meeting unless:~~

~~(a) At a meeting of any committee, there is a quorum of at least five Members present; and~~

~~(b) At a meeting of any sub-committee, there is a quorum of at least three Members present.~~

~~3.2 If during any meeting of a committee a quorum be not present the meeting shall stand adjourned and the consideration of any business not then transacted shall be adjourned to the next ordinary meeting of the committee or to such other time as may be fixed by the chairman of the committee.~~

~~3.3 To provide clarity, the table below sets out the quorum for each of the Council's committees:~~

Appointments Committee	3
Audit and Governance Committee	5
Licensing Committee	5
Planning Committee North	5
Planning Committee South	5
Scrutiny Committee	5
Strategic Planning Committee	7

4. CANCELLATION OF MEETINGS

~~4.1 For any meeting of a committee or sub-committee, the Chairman of the Council or the person appointed to preside in that committee or sub-committee, after consultation (so far as practicable) with such persons as appear to them to be representative of the political groups to which have been allocated seats on the committee or sub-committee, may cancel the meeting, other than one requisitioned under paragraph 5.2.~~

5. EXTRAORDINARY MEETINGS

~~5.1 The person appointed to preside at meetings of a committee or sub-committee, his/her deputy, or the Chairman of the Council may call a special meeting of the committee or sub-committee at any time~~

~~5.2 If,~~

~~(a) A requisition for a special meeting of a committee or sub-committee, signed by at least two, or one quarter of the total number of the voting Members of a committee or sub-committee, whichever is greater, has been presented to the person appointed to preside at their meetings; and~~

~~(b) Either they have refused to call a meeting, or, without them so refusing, no special meeting has been called within seven days of the presentation of the requisition. then, any two, or one quarter of the number, of the Members of the committee or sub-committee, whichever is greater, may forthwith call a special meeting of the committee or sub-committee.~~

~~5.3 — If any person decides to call a special meeting of a committee or sub-committee, they shall forthwith give notice that they have done so to the Proper Officer, specifying the business proposed to be transacted. The Proper Officer shall forthwith give notice to all Members of the committee or sub-committee and all persons entitled to receive their papers.~~

~~6. ORDER OF BUSINESS~~

~~6.1 — The agenda paper shall set out the business to be considered at a meeting of a committee and no business other than that set out in the agenda paper or arising in consequence thereof shall be considered.~~

~~6.2 — The order of business shall be as set out in the agenda paper — provided that, at any time after the minutes have been approved and after an item of business has been disposed of, the chairman, or in their absence the person chosen to preside, or the committee may vary the order of any remaining business where this is considered necessary or desirable.~~

~~7. CHAIRMEN OF COMMITTEES/SUB-COMMITTEES~~

~~7.1 — The Chair and Vice Chair of all Committees of Council shall be appointed by Full Council at the Annual Council Meeting.~~

~~7.3 — The chairman or vice-chairman of a committee shall hold office until their successor is appointed unless they resign or cease to be a Member of the committee.~~

~~8. RULES OF DEBATE~~

~~8.1 — The general provisions of the [Council Procedure Rules](#) as to rules of debate shall, with all necessary changes having been made, apply to all meetings of committees and sub-committees except those parts of such procedure rule which relate to standing and to speaking more than once.~~

~~9. QUESTIONS ON NOTICE~~

~~9.1 — A Member of a Committee may ask the Chairman of that committee a question on any matter in relation to which the Council has powers or duties or which affect the East Suffolk Council and which falls within the terms of reference of that committee.~~

~~10. VOTING IN COMMITTEE~~

~~10.1 — Except as provided in the Council Procedure Rules all matters shall be determined by a show of hands, except where, by motion moved, seconded and duly carried before the matter is voted upon, the committee decide that voting shall be by ballot.~~

~~10.2 — In the case of an equality of votes the chairman shall have a second or casting vote.~~

~~11. RECORDED VOTE~~

~~11.1 — Before a vote is taken by way of show of hands, at least half of the members of the committee present may request that the voting on the matter be recorded so as to show how each Member present and voting gave their vote. Such record shall be entered in the minutes of the meeting together with a record of any Member present but not voting.~~

~~12. REFERENCING UP~~

- ~~12.1 This procedure rule applies where arrangements have been made for the discharge of a function of the Council by a committee or sub-committee.~~
- ~~12.2 Where a relevant matter (the “initial matter”) has been voted upon by a committee or sub-committee and not fewer than two-fifths of the voting Members present at the meeting, immediately after the question has been put to the vote, ask that the provisions of this Procedure Rule should be applied, the decision of the committee or sub-committee on the initial matter shall not take immediate effect, but shall be referred :-~~
- ~~(a) in the case of a decision of a committee, to the next appropriate meeting of the Council, and~~
 - ~~(b) in the case of a decision by a sub-committee, to the next appropriate meeting of the committee (“the relevant committee”) which constituted that sub-committee.~~
- ~~12.3 A decision on a matter referred under paragraph 12.2 shall take effect only when reviewed and approved:~~
- ~~(a) by the Council, where the decision was taken by a committee; and~~
 - ~~(b) by the relevant committee, where the decision was taken by a sub-committee.~~
- ~~12.4 Nothing in paragraph 12.2 or 12.3 above shall be construed as preventing a matter referred to a committee under paragraph 12.2(b) from being referred by that committee to the Council under paragraph 12.2(a).~~
- ~~12.5 In paragraph 12.2 above a relevant matter is a matter arising in relation to functions falling to be discharged by a committee or sub-committee of the Council in pursuance of arrangements made under section 101 of the Local Government Act 1972.~~
- ~~12.6 Paragraph 12.2 above shall not apply to any question arising on an item of business:~~
- ~~(a) where the committee or sub-committee has, under an obligation arising from the nature of the business to be transacted, heard representations from persons other than Members of the Council and those appointed by the Council to discharge a function in connection with the committee or sub-committee,~~
 - ~~(b) which concerns the appointment, discipline or dismissal of a member of the authority’s staff; or~~
 - ~~(c) which concerns the determination of a planning application relating to District Council development.~~

Scrutiny Procedure Rules

1. ~~ARRANGEMENTS FOR THE SCRUTINY COMMITTEE~~

- ~~1.1. The Council will have a Scrutiny Committee, consisting of thirteen Members. Section 15 of the [Local Government and Housing Act 1989](#) (duty to allocate seats to political groups) applies to the Scrutiny Committee and therefore, its membership shall be politically balanced.~~
- ~~1.2. The Scrutiny Committee may be supported in its work by task and finish groups (“Task and Finish Groups”) to examine issues relevant to the work of the Committee and to report back to the Committee on its findings.~~
- ~~1.3. The Scrutiny Committee and Task & Finish Groups may invite other people to attend and, as appropriate, address the meeting. Such invitees will not have voting rights.~~

2. ~~WHO MAY SIT ON THE SCRUTINY COMMITTEE?~~

- ~~2.1 All Councillors, except Members of the Cabinet may be a Member of the Scrutiny Committee. However, no Member may be involved in scrutinising a decision which they have been directly involved in.~~

3. ~~MEETINGS OF THE SCRUTINY COMMITTEE~~

- ~~3.1 There shall be at least 6 meetings of the Scrutiny Committee in each municipal year. In addition, extraordinary meetings may be called by the Chairman of the Scrutiny Committee or by the Proper Officer if they consider it necessary or appropriate.~~

4. ~~QUORUM~~

- ~~4.1 The quorum for the Scrutiny Committee shall be five and business shall not be transacted at a meeting unless there is a quorum present.~~

5. ~~WHO CHAIRS THE SCRUTINY COMMITTEE MEETINGS?~~

- ~~5.1 The Chairman and the Vice Chairman of the Scrutiny Committee shall be elected by the Full Council at its Annual Meeting.~~

6. ~~WORK PROGRAMME~~

- ~~6.1 The Scrutiny Committee will, subject to any requests from the Council or Cabinet or as a result of a ‘call in’, be responsible for setting its own work programme and in doing so it shall take account of the wishes of those Members of the Committee who are not Members of the political group or groups forming the administration of the Council.~~
- ~~6.2 If the Council or the Cabinet require the Scrutiny Committee to undertake a piece of work then the Committee shall accommodate that request and incorporate it into the Work Programme with the same level of priority that Council or Cabinet gave it.~~
- ~~6.3 In addition, the Scrutiny Committee will report annually to Council on its workings and make recommendations for future work programmes in that report.~~

7. ~~MATTERS REFERRED BY COUNCILLORS TO THE SCRUTINY COMMITTEE~~

- ~~7.1 Any Member of the Scrutiny Committee may refer to the Committee any matter which is relevant to the functions of the Committee by giving notice to the Proper Officer of the Council.~~
- ~~7.2 Any three Members of the Council who are not Members of the Scrutiny Committee may give written notice to the Proper Officer that they wish an item to be included on the agenda of a relevant Scrutiny meeting.~~
- ~~7.3 Any Member of the Council may refer to the Scrutiny Committee any local government matter (as defined in 7.9) which is relevant to the functions of the Committee by completing a Councillor Call for Action (CCfA) Request Form and submitting it to the Chairman of the Scrutiny Committee.~~

- ~~7.4 — Any Member of the authority who is not a Member of the Scrutiny Committee (being the designated Crime and Disorder Committee) may refer to the Committee any local crime and disorder matter (as defined in 7.10) by giving notice in writing to the Chairman of the Scrutiny Committee.~~
- ~~7.5 — On receipt of a notice under 7.1, 7.2 7.3 or 7.4 the matter will be included on the agenda for and discussed at the next available meeting of the Committee. Notices under 7.3 or 7.4 must be served no later than 28 days before the meeting at which the matter is to be discussed.~~
- ~~7.6 — In considering whether to exercise the powers under 7.3 or 7.4 the Member must have regard to any guidance issued by the Secretary of State and any protocol issued by the Council in connection with this power.~~
- ~~7.7 — In considering whether or not to exercise any of its powers in relation to the matter referred under 7.3 or 7.4 the Committee may have regard to any representations made by the Member as to why it would be appropriate to exercise any of its powers. If the Committee decides not to exercise any of those powers in relation to the matter, it must notify the Member of the decision and the reasons for it.~~
- ~~7.8 — Where the Scrutiny Committee exercises its power to make a report or recommendation to the Council or the Cabinet on any matter referred to it by a Member under 7.3 or 7.4, the Committee must provide the Member with a copy of the report or recommendation (subject to paragraph 8B below).~~
- ~~7.9 — Under 7.3 a ‘local government matter’ in relation to a Member means a matter which relates to the discharge of any function of the Council and affects all or part of the ward for which the Member is elected or any person who lives or works in the ward, but excludes any matter:~~
- ~~(a) — Which is a local crime and disorder matter as defined in 7.10~~
- ~~(b) — Relating to a planning decision~~
- ~~(c) — Relating to a licensing decision under the Licensing Act 2003~~
- ~~(d) — Relating to an individual or entity where that person has a statutory right to a review or right of appeal (other than a right to complain to the Ombudsman)~~
- ~~(e) — Which is vexatious, discriminatory or not reasonable to be included in the agenda or discussed at the Scrutiny Committee meeting~~
- ~~(f) — Specified in an order made by the Secretary of State.~~
- ~~7.10 — Under 7.4 a ‘local crime and disorder matter’, in relation to a Member, means a matter concerning:~~
- ~~(a) — Crime and disorder (including in particular forms of crime and disorder that involve anti-social behaviour or other behaviour adversely affecting the local environment), or~~
- ~~(b) — The misuse of drugs, alcohol and other substances, which affects all or part of the ward for which the Member is elected or any person who lives or works in that ward.~~
- ~~7.11 — The determination of whether a matter is a ‘local government matter’ or a ‘local crime and disorder matter’ under 7.9 and 7.10 above shall be made by the Chairman of the relevant Scrutiny Committee in consultation with the Monitoring Officer.~~

8 — REPORTS AND RECOMMENDATIONS OF THE SCRUTINY COMMITTEE

- ~~8.1 — Where the Scrutiny Committee makes a report or recommendation to the Council or the Cabinet, except in relation to a crime and disorder matter, they may publish the~~

~~report or recommendations, and must by notice in writing require the Council or Cabinet:~~

~~(a) To consider the report or recommendation.~~

~~(b) To respond to the Committee indicating what (if any) action the Council or Cabinet proposes to take.~~

~~(c) If the Committee has published the report or recommendation to publish the response.~~

~~(d) If the Committee provided a copy of the report or recommendation to a Member under 7.8, to provide the Member with the response.~~

~~(e) To do all of the above within two months of receiving the report or recommendations or (if later) the notice.~~

~~8.2 It is the duty of the Council or Cabinet to which a notice is given under Rule 8.1 to comply with the requirements specified in the notice.~~

~~8A REPORTS AND RECOMMENDATIONS – OTHER PUBLIC BODIES~~

~~8A.1 The Scrutiny Committee may review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the Scrutiny Committee about their activities and performance. This rule applies where the Scrutiny Committee has carried out such a review and makes a report or recommendations to the public body.~~

~~8A.2 A public body is defined in the ‘Classification of Public Bodies Guidance’ issued by the Cabinet Office on 27 April 2016.~~

~~8A.3 The Scrutiny Committee may by notice in writing to the relevant public body (accompanied by the report/recommendations) request that the public body has regard to the report or recommendations in the exercising of their functions.~~

~~8B PUBLICATION OF REPORTS, RECOMMENDATIONS AND RESPONSE~~

~~8B.1 Where a report or recommendation of a Scrutiny Committee or response of the Council or the Cabinet is published pursuant to section 8A above, and is provided to a Member of the Council or public body under 7.8 or 8A.3, any confidential information must be excluded and any relevant exempt information may be excluded in line with the provisions of Part 1 of Schedule 12A of the Local Government Act 1972.~~

~~8B.2 ‘Confidential information’ means information given to the Council by a government department on terms which forbid its public disclosure or information which cannot be publicly disclosed by a Court Order. The public **must** be excluded from meetings for items where confidential information would be disclosed.~~

~~8C. RECOMMENDATIONS TO CABINET~~

~~8C1 The role and functions of the Scrutiny Committee are as set out in Part 2 of the Constitution.~~

~~8C2 In performing its role the Scrutiny Committee may hold enquiries and investigate the available options and may appoint advisers and assessors to assist them in this process. Members of the Committee may go on site visits, conduct public surveys, hold public meetings, commission research and do all other things that they reasonably consider necessary to inform their deliberations. They may ask witnesses to attend to address them on any matter under consideration and may pay to any advisers, assessors and witnesses a reasonable fee and expenses for doing so.~~

~~8C3 Once it has formed recommendations the Scrutiny Committee will prepare a formal report and submit it to the Proper Officer for consideration by the Cabinet. If the~~

~~proposals are consistent with the existing budgetary and/or Policy Framework, the Cabinet may make a decision on any recommendations. If any recommendation would require a departure from or a change to the existing Budget and Policy Framework then that recommendation must be referred by the Cabinet to the Council with or without a further recommendation from the Cabinet.~~

~~8C4 If the Scrutiny Committee cannot agree on one single final report to the Cabinet, then up to one minority report may be prepared and submitted for consideration by the Cabinet with the majority report.~~

~~8C5 The agenda for each Cabinet meeting shall involve an item entitled "Issues arising from the Scrutiny Committee". Any reports of the Scrutiny Committee referred to the Cabinet shall be included and debated at this point in the agenda (unless they have been or are to be considered in the context of the Cabinet's deliberations on a substantive item on the agenda).~~

~~8C6 Any report of the Scrutiny Committee so referred to Cabinet shall be considered (and if possible, a decision made thereon) within 2 months of the Scrutiny Committee completing that report and making any relevant recommendations applicable to that report.~~

~~8C7 The Chairman of the Scrutiny Committee (or their nominated representative) will be entitled to attend any meeting of the Cabinet and speak (but not vote) on any report from the Committee that is being considered by the Cabinet. (If a minority report is being considered by the Cabinet then one Member who was a party to that minority report shall be similarly entitled to attend and speak (but not vote) at the meeting of the Cabinet which considers that minority report).~~

~~8C8 If following careful and proper consideration by the Cabinet of any report (or reports) from the Scrutiny Committee:~~

~~(a) The Cabinet is unable to agree in whole or in part with any recommendations in the report (or majority report if there be also a minority report) and proposes a decision at variance in whole or in part with any recommendations.~~

~~Or~~

~~(b) The Cabinet in agreeing with any recommendations in the report (or majority report) is thereby supporting proposals that would require in whole or in part a departure from or change to the Council's existing Budgetary and/or Policy Framework.~~

~~The recommendations in the report (or majority report) of the Scrutiny Committee and the recommendations of the Cabinet, shall stand referred to the next available meeting of the Council for further consideration. The Proper Officer shall ensure that the item is placed in the agenda for the next Council meeting. After due consideration of the Council the decision of the Council shall be final.~~

9. ATTENDANCE BY MEMBERS, OFFICERS AND OTHERS

~~9.1 The Scrutiny Committee may also require any Member of the Cabinet, the Head of Paid Service and/or any senior Officer to attend before it to explain in relation to matters within their remit:~~

~~(i) any particular decision or series of decisions;~~

~~(ii) the extent to which the actions taken implement Council policy;~~

~~and it is the duty of those persons to attend if so required.~~

~~9.2 — Where any Member or Officer is required to attend under this provision, the Chairman of the Committee will inform the Proper Officer. The Proper Officer shall inform the Member or Officer in writing giving at least 5 working days notice of the meeting at which they is required to attend. The notice will state the nature of the item on which they is required to attend and whether any papers are required to be produced for the Committee.~~

~~9.3 — Where, in exceptional circumstances, the Member or Officer is unable to attend on the required date, then the Committee shall in consultation with the Member or Officer arrange an alternative date for attendance to take place, within a maximum of fourteen days from the date of the original request.~~

~~9.4 — In this situation the meetings are to be conducted in accordance with the following principles:~~

~~(i) — the investigation shall be conducted fairly and all Members of the Committee shall be given the opportunity to ask questions of attendees, and to contribute and speak~~

~~(ii) — those assisting the Committee by giving evidence shall be treated with respect and courtesy~~

~~(iii) — the investigation shall be conducted so as to maximise the efficiency of the investigation or analysis~~

~~(ii) — any Chief Officer, shall be entitled to accompany a member(s) of their staff to a meeting where they are giving evidence.~~

~~9.5 — The Scrutiny Committee may invite people other than those people referred to above to address it, discuss issues of local concern and/or answer questions. It may wish to hear from residents, stakeholders and Members and Officers in other parts of the public sector and shall invite such people to attend.~~

~~10. RIGHTS OF & SCRUTINY COMMITTEE MEMBERS TO DOCUMENTS~~

~~10.1 — In addition to their rights as Councillors, Members of the Scrutiny Committee have the additional rights to documents, and to notice of meetings as set out in the [Access to Information Procedure Rules](#) in this Constitution.~~

~~10.2 — Nothing in this paragraph prevents more detailed liaison between the Cabinet and the Scrutiny Committee as appropriate depending on the particular matter under consideration.~~

~~11. CALL-IN~~

~~11.1 — When a decision is made by the Cabinet, a committee of the Cabinet, an individual Cabinet Member exercising delegated powers, under joint arrangements, or a Key Decision is made by an Officer, the decision shall be published, including where possible by electronic means, and shall be available at the main offices of the Council normally within 2 working days of being made (this being ‘the date of publication’ for the purposes of paragraphs 11.3 and 11.4 below).~~

~~11.2 — All Members of the Scrutiny Committee will be sent copies of the records of all such decisions within the same timescale, by the person responsible for publishing the decision.~~

~~11.3 — That notice will bear the date on which it is published and will specify that the decision will come into force, and may then be implemented, on the expiry of 5 working days~~

~~after the date of publication of the decision, unless it is 'called in' by the Scrutiny Committee.~~

~~11.4 Within five working days of the date of publication of a decision any two (2) Members of the Scrutiny Committee or any five (5) Members of the Council may 'call in' the matter for review of the decision by the Scrutiny Committee.~~

~~11.5 On receipt of a 'call in' request, the Chairman of the Scrutiny Committee will determine the most appropriate arrangements for consideration of the matter. The relevant Cabinet Member(s), all the signatories to the 'call in', the relevant Strategic Director(s), Head(s) of Service and report author of the 'call in' will immediately be notified of the 'call in' arrangements. All action to implement the decision which is the subject of the 'call in' shall be suspended.~~

~~11.8 Following the meeting of the Scrutiny Committee to consider the call in, all Members of the Council, relevant Officers and stakeholder will be notified as soon as possible of the outcome of the meeting (including any recommendations from the Committee).~~

~~11.9 Having considered the 'call in' the Scrutiny Committee may refer the decision back to the Cabinet for reconsideration, setting out in writing the nature of its concerns.~~

~~11.10 If so referred the Cabinet shall then reconsider the decision within 10 working days, amending the decision or not, before proposing a final decision. The Chairman or any other Member of the Scrutiny Committee shall be entitled to attend the Cabinet meeting and speak to the matter, but not vote.~~

~~11.11 If the Cabinet's proposed final decision is consistent with the views of the Scrutiny Committee then that decision, once taken, is released for immediate implementation and cannot be subject to further 'call in'.~~

~~11.12 If the Cabinet is unable to agree in whole or in part with the conclusions of any recommendations of the Scrutiny Committee, the original Scrutiny report and the Cabinet report shall stand referred to the next available meeting of the Council for further consideration and decision. In reaching a decision the Council shall pay careful regard to the extent to which in whole or in part the proposed decision accords with the Council's existing budgetary and/or Policy Framework. The decision of the Council shall be final.~~

~~12. CALL IN AND URGENCY~~

~~12.1 The call in procedure set out above shall not apply where the decision being taken by the Cabinet is urgent. A decision will be urgent if any delay likely to be caused by the call in process would seriously prejudice the Council's or the public interest. The record of the decision, and notice by which it is made public, shall state whether, in the opinion of the decision making person or body, the decision is an urgent one, and therefore not subject to call in. The Chairman of the Council must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. In the absence of the Chairman, the Vice Chairman's consent shall be required. In the absence of both, the Head of Paid Service or their nominee's consent shall be required.~~

~~12.2 Decisions taken as a matter of urgency must be reported to the next available meeting of the Council, together with the reasons for urgency. (This procedure shall not~~

~~prevent the principle of the decision being subject to review even though, because of urgency it may have been implemented.)~~

~~12.3 The operation of the provisions relating to call in and urgency shall be monitored annually, and a report submitted to Council with proposals for review if necessary.~~

~~13. THE PARTY WHIP IN RELATION TO THE SCRUTINY COMMITTEE~~

~~13.1 For the purposes of this section, the phrase 'party whip' means 'any instruction given by or on behalf of a political group to any Councillor who is a Member of that group as to how that Councillor should speak or vote on any matter before the Council or any committee or sub-committee, or the application or threat to apply any sanction by the Group in respect of that Councillor should they speak or vote in a particular manner.~~

~~13.2 The Council will adopt the convention that there will be no application of any party whip on any Member of the Scrutiny Committee when sitting on this Committee.~~

Part 4 – CODES AND PROTOCOLS

Monitoring Officer Protocol

1. The Monitoring Officer shall discharge their responsibilities with determination and a manner which will enhance the reputation of the Council. In general terms their ability to discharge these duties depends on excellent working relations with colleagues and Members but also the flow of information and access to debate particularly at early stages.
2. The following arrangements and understandings between the Monitoring Officer and colleagues and Members are designed to help ensure the effective discharge of the relevant functions.
 - (a) As a member of the Corporate Leadership Team, the Monitoring Officer will have advance notice of those meetings and agenda and reports and the right to attend and speak.
 - (b) Advance notices of meetings whether formal or informal between member of the Strategic Management Team or Head of Service and Cabinet Members or committee chairmen will be given to the Monitoring Officer where any procedural, vires or other constitutional issues are likely to arise. The Monitoring Officer shall be entitled to attend these meetings as an observer.
 - (c) A member of the Strategic Management Team or Head of Service will alert the Monitoring Officer to all emerging issues of concern including legality, probity, vires and constitutional issues.
 - (d) The Monitoring Officer or their staff will have copies of all reports to Members.
 - (e) They shall endeavour to develop good liaison and working relations with the External Auditor and the Local Government and Social Care Ombudsman and Housing Ombudsman Service including the giving and receiving of relevant information whether confidential or otherwise.
 - (f) The Monitoring Officer shall endeavour to maintain a special relationship with the Chairman of the Council, Chairman of the Audit and Governance Committee and the Scrutiny Committee and to ensure the Head of Paid Service and members of the Strategic Management Team have up-to-date information regarding emerging issues.
 - (g) The Monitoring Officer shall report to the Council on any proposal, decision or omission by the Council, or by or on behalf of the Executive, or any committee or sub-committee of the Council, or any Officer of the Council, or any Joint Committee on which the Council are represented, which has given rise to or is likely to or would give rise to any contravention of any enactment or rule of law or any such maladministration or injustice as is mentioned in Part 3 of the Local Government Act 1974.
 - (h) The Monitoring Officer, together with the Section 151 Officer, shall advise the Cabinet or Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget.
 - (i) The Monitoring Officer shall record and analyse issues raised with them by Members, Officers, the public and other relevant stakeholders.
 - (j) In carrying out any investigation (whether under regulations or otherwise) the Monitoring Officer shall have unqualified access to any information held by the

Council and any employee who can assist in the discharge of the relevant functions.

- (k) The Monitoring Officer shall make enquiries into allegations that the Council's Code of Conduct may have been breached on receipt of a written complaint and after having conferred with one of the Council's Independent Persons appointed in accordance with the Localism Act 2011. If appropriate, having investigated such a complaint, the Monitoring Officer may refer the matter to the Audit and Governance Committee having also referred the written report to the Independent Person.
- (l) The Head of Paid Service, Section 151 Officer and Monitoring Officer shall meet regularly to consider and recommend action in connection with current governance issues and other matters of concern regarding probity.
- (m) The Monitoring Officer shall have control of a budget sufficient to enable them to seek Counsel's opinion on any matter concerning their functions.
- (n) The Monitoring Officer shall keep the Constitution up to date and shall report to the Council from time to time on the Constitution and any necessary or desirable changes, following consultation in particular with the Head of Paid Service and Section 151 Officer. In order to fulfil this responsibility, the Monitoring Officer may compare practices in this Council with those in other comparable authorities, or national examples of best practice.
- (o) In consultation with the Chairman of the Council the Monitoring Officer may defer the making of a formal report under Section 5 LGHA 1989 where another investigative body is involved.
- (p) The Monitoring Officer shall report to the Council from time to time as necessary on the staff, accommodation and resources they require to discharge their functions.
- (q) The Monitoring Officer will appoint a deputy and keep them briefed on emerging issues. The Deputy will act in place of the Monitoring Officer if the Monitoring Officer is absent or unable to act due to conflict or other relevant issues.
- (r) The Monitoring Officer shall endeavour to ensure good communication with clerks to town and parish councils.

3. DEFINITIONS

For the purpose of this protocol a "Senior Officer" is a member of the Strategic Management Team or Head of Service.

Protocol for Member/Officer Relations

1 Introduction

Scope and Purpose

- 1.1 This protocol provides guidance to Members and Officers about how they should interact with each other and outlines some of the appropriate conventions in place within the Council. It cannot cover every eventuality and is not intended to be prescriptive but offers guidance on some issues which commonly arise.
- 1.2 This protocol needs to be considered alongside the Codes of Conduct for Members and Officers. The aim of those codes is to enhance and maintain the integrity of local government with very high standards of personal conduct.

Key Points

- 1.3 The following key points underpin the Member/Officer working relationship:
 - (a) Working relations between Members and Officers must be based on mutual trust and respect.
 - (b) Officers must always remain politically neutral and must not offer advice of a political nature.
 - (c) Officers have a duty to support all Members and provide them with the level of information they need to carry out their roles.
 - (d) Officers will keep discussions with political groups and individual Members confidential unless the group or Member gives permission to discuss the matter with others.
 - (e) Ward Members will be kept informed of relevant matters within their ward and are normally invited to attend public meetings organised by the Council in their ward.
 - (f) Members have a right to access the information which they "need to know" to carry out their duties and responsibilities as a Member.
 - (g) Members must understand and respect the competing pressures and workloads on Officers' time.

2 Definition of the Role of Members and Officers Introduction

- 2.1 Members and Officers are servants of the public. Members are responsible to the electorate and serve only so long as their term of office lasts.
- 2.2 For the effective conduct of Council business, there should be mutual respect and courtesy in all meetings and contacts (both formal and informal) between Members and Officers.
- 2.3 Any behaviour which could be viewed as conferring an advantage or disadvantage should be avoided, as should close personal familiarity between Members and Officers, which could undermine public confidence in the Council.

Members

- 2.4 Members are accountable to and serve the electorate of East Suffolk who determine, every four years, the people they wish to represent them on the Council.
- 2.5 Members, as politicians, may express the values and aspirations of their party-political groups but they must recognise that in their role as Members they have a duty to always act in the public interest.

- 2.6 Members may have several roles within the Council and on external bodies or organisations and need to be alert to the possible conflicts of interest that may arise. Members should always be aware that the role they are performing may impact upon the nature of their relationship with Officers and the expectations that Officers may have of them.
- 2.7 Members are mainly responsible for:
- (a) the political direction and leadership of the Council
 - (b) determining policies, plans and strategies
 - (c) implementing those policies, plans and strategies
 - (d) discharging the Council's regulatory functions
 - (e) monitoring and reviewing, primarily through the Cabinet and Scrutiny functions, the Council's performance in implementing its policies, plans and strategies and delivering its services
 - (f) participating in partnership working
 - (g) representing the Council on national regional and local bodies and organisations
 - (h) representing the views of their communities and individual constituents
- 2.8 Some Members will have additional responsibilities relating to their Membership (and/or Chairmanship) of the Cabinet, Scrutiny Committees/Panels or other committees and subcommittees. These roles may require different relationships with certain Officers.
- 2.9 Officers can expect Members:
- (a) to act within the policies, practices, processes and conventions established by the Council
 - (b) to work constructively in partnership with Officers acknowledging their separate and distinct roles and responsibilities
 - (c) to understand and support the respective roles and responsibilities of Officers and their workloads, pressures, scope of powers and management structures
 - (d) to give political leadership and direction and to seek to further the Council's agreed policies and objectives with the understanding that, subject to the Scheme of Delegation to Officers and the Council's core objectives in decision making, Members have the right to take the final decision on issues
 - (e) to consider the advice given by Officers
 - (f) to treat them fairly and with respect, dignity and courtesy
 - (g) to act with integrity, give support and respect appropriate confidentiality
 - (h) to recognise that Officers work to the instructions of their senior Officers and not to individual Members;
 - (i) not to subject them to intimidation, harassment, or put them under undue pressure
 - (j) have regard to the seniority of Officers in determining what are reasonable requests, taking in to account the relationship between the Member and Officer, and the potential vulnerability of Officers, particularly at junior levels
 - (k) not to knowingly request them to exercise discretion which involves acting outside the Council's policies and procedures
 - (l) not to authorise, initiate, or certify any financial transactions or to enter into any contract, agreement or undertaking on behalf of the Council or in their role as a Member without proper and lawful authority
 - (m) not to use their position or relationship with Officers to advance their personal interest or those of others or to influence decisions improperly

- (n) to always comply with the Members' Code of Conduct, the law, the Constitution and other policies, procedures, protocols and conventions agreed by the Council
- (o) Not to criticize staff or specific Officers publicly, whilst recognizing that Members may wish publicly to criticize the activities of the Council or specific decisions of the Council.
- (p) To avoid inappropriate involvement in day to day managerial and operational decisions which are matters for Officers (see paragraph 2.12).

Officers

- 2.10 Officers are employed by and are responsible to the Council. Their job is to give advice to Members and the Council and to carry out the Council's work under the direction and control of the Council, its Cabinet, Committees and Sub-Committees.
- 2.11 The primary role of Officers is to advise, inform and support all Members and to implement the lawfully agreed policies of the Council.
- 2.12 Officers are responsible for day to day managerial and operational decisions within the Council.
- 2.13 In performing their role Officers will act professionally, impartially and with political neutrality. Whilst Officers will report a Member's view on an issue, the Officer should not be influenced or pressured to make comments, or recommendations which are contrary to his professional judgement or views.
- 2.14 Officers should:
 - (a) work in partnership with Members in an impartial and professional manner
 - (b) implement decisions of the Council and its subordinate bodies which are lawful, have been properly approved in accordance with the requirements of the law and the Constitution, and are duly recorded
 - (c) assist and advise all parts of the Council. Officers must always act to the best of their abilities in the best interests of the Council as expressed in the Council's formal decisions
 - (d) respond to enquiries and complaints in accordance with the Council's standards
 - (e) be alert to issues which are, or are likely to be, contentious or politically sensitive, and be aware of the implications for Members, the media or other sections of the public
 - (f) always to act with integrity, honesty, respect, dignity and courtesy
 - (g) provide support and learning and development opportunities for Members to help them in performing their various roles
 - (h) not use their relationship with Members to advance their personal interests or to influence decisions improperly
 - (i) always comply, with the Officer Code of Conduct, and such other policies or procedures approved by the Council
 - (j) not publicly criticize any Member of the Council, the Council itself, or its decisions.
- 2.15 Officers do not have to support Members in any role other than that of Member and will not engage in actions incompatible with this protocol. Officers cannot get involved in political activities.

3 Officer Advice to Party Groups

- 3.1 Officers cannot be instructed to attend party political group meetings or write reports for such meetings. Any requests for advice or attendance shall be directed

through the Group Leaders or Chairmen for the relevant Committee or the Cabinet Member concerned.

- 3.2 The request shall be made to the Chief Executive or relevant Strategic Director, or in their absence to the next appropriate Officer. An Officer accepting an invitation to one group or individual will not decline an invitation to advise another group or individual on the same subject. Any request received and advice given shall be the subject of strict confidentiality, unless agreed otherwise.

4 Briefings for Cabinet and Committees

- 4.1 The principles outlined above do not obviate the necessity for regular contact on matters affecting the Council between Senior Officers and the leaders of political groups, or on matters affecting Cabinet Members' responsibilities or those of committee Chairmen.
- 4.2 It is recognised that groups may wish to give preliminary consideration to matters of Council business in advance of such matters being considered by the relevant decision-making body. Political groups may at their own discretion decide to engage jointly in such deliberations. Officers may be called upon to support and contribute to such deliberations, provided they maintain a stance of political neutrality.
- 4.3 Support includes briefings for the Cabinet and committees, and briefings for Members related to their individual role, e.g. Cabinet Member or Scrutiny Chairman. Officers should be asked to give advice on Council business only, and not on matters which are of a party-political nature. Support and advice on Council business is available to all political groups.
- 4.4 Usually, only the Chief Executive, Strategic Directors, Heads of Service or Managers may be asked to provide the support outlined in paragraphs 3 and 4. Requests for attendance should be made in sufficient time to allow proper preparation.
- 4.5 Due consideration will be given to the timing of meetings to avoid onerous demands being made on Officers. The time spent advising a group or individual will be reasonable, given the demands on the time of all concerned.

5 Support Services for Members

- 5.1 The role of Officers is to assist Members in discharging their role as Members of the Council. Officers must not be used in connection with party political campaigning or for private purposes. Council resources (e.g. Member services, stationery, photocopying) may only be used for Council business or where such use is conducive or incidental to that role.

6 Members' Access to Information

- 6.1 All political groups are equally entitled to request copies of background information underpinning decisions including essential financial information. All such requests and the replies shall remain confidential to that Party, although Parties may at their discretion choose to share that information between Political Groups.
- 6.2 Members are reminded of the need to consider whether such information is likely to fall within the categories of Confidential or Exempt Information (as defined in this Constitution) and to treat it accordingly. Release of information to Members will be subject to the laws on confidentiality and disclosure of information and the Code of Conduct.

- 6.3 The common law right of Members is based on the principle that any Member has a right to inspect Council documents so far as their access to the documents is reasonably necessary to enable them to properly perform their duties as a Member of the Council. This is referred to as the "need to know" principle.
- 6.4 The exercise of this common law right depends upon the Member's ability to demonstrate that they have the necessary "need to know". A Member has no right to a "roving commission" to go and examine documents of the Council.
- 6.5 The question must initially be determined by the Chief Officer whose team holds the documents in question, with advice from the Head of Legal and Democratic Services. If the Chief Officer refuses to supply the information requested by the Member, the Member may refer the matter to the Monitoring Officer who will review the decision.
- 6.6 In some circumstances (e.g. a committee Member wishing to inspect documents relating to the functions of that committee), a Member's need to know will normally be presumed. In other circumstances (e.g. a Member wishing to inspect documents which contain personal information about third parties), a Member will normally be expected to justify the request in specific terms and may be required to do so in writing.
- 6.7 Draft Council, Cabinet, committee or sub-committee reports and working papers will be considered as work in progress and so may not be requested under these rules.

7 Reports

- 7.1 The Chief Executive, Strategic Directors and Heads of Service may initiate reports on any matter where they believe the Council, Cabinet, committee or sub-committee should make a decision or should be informed.
- 7.2 Where such a report affects another service, the appropriate Strategic Director and Head of Service must be consulted. The appropriate Cabinet Member shall be consulted prior to the publication of a Cabinet report which concerns their Portfolio. Reports shall communicate all relevant information and professional opinions, together with appropriate recommendations. The Cabinet Member may make suggestions as to the content and timing of the report.

8 Scrutiny Committee

- 8.1 Scrutiny Committee may require Senior Officers and Members to attend and provide any information required to answer questions (other than those which they would be entitled to refuse to answer in a court of law). Detailed provisions are contained within the Scrutiny Procedure Rules.

9 Ward Members

- 9.1 It is recognised that because of the workload of both Members and Officers, it is impractical for Ward Members to be advised of everything that is happening within the Council which affects their ward. However, the Ward Members (and, where appropriate, neighbouring Ward Members) should be kept informed and consulted on significant matters affecting their Ward (other than planning applications which can be accessed via the Planning Portal). Officers will need to exercise their judgement in deciding which matters are "significant" in this context. In exercising this judgement, Officers will take into account the significance, publicity value or

contentiousness of the issues. Where matters contained in reports to the Cabinet or a committee or sub-committee are considered to be of particular relevance to a single ward or identifiable group of wards, those wards will be identified in the report. In the case of public meetings in a particular locality, Ward Members will normally be invited to attend and can expect to be consulted on any form of consultation exercise on local issues.

- 9.2 So far as decision making is concerned, Members remain accountable to the whole electorate of the District and must make decisions on matters which come before them which balance the interests of the electorate as a whole.

10 Correspondence

- 10.1 Where an Officer copies correspondence addressed from one Member to another, it should be made clear to the originator and should not be sent to any Member of another group without the originator's consent.
- 10.2 Members' correspondence with Chief Officers should not be copied to Cabinet Members or Scrutiny Committee Chairmen unless the originating Member consents.
- 10.3 Official letters from the Council should normally be sent out in the name of the appropriate Officer, rather than a Member. It may be appropriate in certain circumstances (e.g. representations to a Government Minister) to address correspondence in the name of the Member, but this is the exception rather than the rule. Letters which create obligations or give instructions must not be sent out in the name of a Member.
- 10.4 Any Members who receive correspondence in their capacity as Cabinet Members shall respond to the correspondence in their official capacity only. Such correspondence shall be copied to the Leader of the Council except when doing so would constitute a breach of professional confidence.

11 Media Management

- 11.1 All press releases will be written by the Council's Communications Team and should be approved by the relevant Cabinet Member or by the chairman and vice-chairman of the appropriate committee / sub-committee before issue. If the relevant Cabinet Member is not available, the Leader or Deputy Leader of the Council should be consulted. If neither the chairman nor vice-chairman of a committee is available, a representative of his / her group, nominated by the Leader or Deputy Leader of the group, should be consulted.
- 11.2 All local government publicity material must comply with the Local Government Act 1986 and the Code of Recommended Practice on Local Authority Publicity. The Communications Team should be contacted with any queries in this respect. Specific guidelines in the Code apply to election period and particular care must be taken at this time.
- 11.3 Approaches for information from the press which relate exclusively to matters of fact should be dealt with by the Council's Communications Team. Where approaches from the media relate to political matters or political controversy, the media should be directed, in seeking comments, to the Leader of the Council or relevant Cabinet Member (in relation to executive functions) and to the chairman of the relevant committee or, if they are not available, the vice-chairman (in the case of Scrutiny, and regulatory committees). It is recognised that the Communications Team will

have to exercise their judgement in assessing whether a matter is or is likely to be the subject of political controversy.

- 11.4 Council publicity should not be used to publicise individual Members, except where they are acting to represent the Council as a whole

12 Ceremonial Events

- 12.1 Ceremonial events would normally be attended by the Chairman or Vice-Chairman of the Council, unless they relate specifically to initiatives led by the Cabinet or a particular committee, in which case the Cabinet Member, Chairman or Deputy Chairman of that Committee would attend.
- 12.2 In addition, local Members should be informed and, where possible and appropriate, invited to participate.

13 Inspection of lands, premises, etc.

- 13.1 A Member shall not, unless authorised to do so by the Council or the relevant committee or the head of the relevant department, inspect any lands, premises, or works which the Council have a right or duty to inspect.
- 13.2 A Member shall not issue any order with regard to any matter under the jurisdiction of the Council or as regards any works which are being carried out by or on behalf of the Council or give any instructions to any employee of the Council.

14 Complaints

- 14.1 Where a Member's conduct is considered inappropriate, contact should be made in the first instance with the Chief Executive or Monitoring Officer.
- 14.2 If it is a matter of party discipline, then the matter will be investigated by the party itself, otherwise such matters will be investigated by the Chief Executive or Monitoring Officer or a person duly authorised by them. In serious cases, or case where it appears that a Member may have breached the Code of Conduct, a written complaint may be made to the Monitoring Officer.
- 14.3 A written complaint about the conduct of a Member of this Council (or about a Member of one of the Town or Parish Councils of the district) may be made to the Monitoring Officer [using the form on the Council's website](#);
- 14.4 Whilst this Protocol gives guidance only to Members on the most frequently encountered issues, a breach of the guidance may be regarded as bringing the Protocol and the Council into disrepute
- 14.5 For the purposes of the Protocol, a Chief Officer includes the Chief Executive, Strategic Directors and Head of Service.
- 14.6 Matters relating to Officer conduct will be dealt with solely by the Head of Paid Service and or their nominated Officer.

Officer Code of Conduct

1 Introduction

- 1.1 The public is entitled to demand and expect that local government employees will conduct themselves at the highest standard and with complete integrity. Officers are expected to demonstrate political neutrality when dealing with members of the public or elected Councillors.
- 1.2 This code has been drawn up to help employees of the Council to understand what is expected of them. Observance of this code will help to maintain and improve standards and protect employees from misunderstanding or criticism.
- 1.3 The code is based on a model produced, after consultation, by the local authority associations and the former Local Government Management Board. A copy of this code is made available to every employee of the Council.
- 1.4 Clearly, some provisions will be more relevant to individuals than others - and will depend on an employee's particular job. If Officers require further advice, assistance or clarification of any information contained within this code, please refer to your manager, or contact the HR team or the Monitoring Officer.
- 1.5 The code recognises the challenges that Officers face in an increasingly commercially orientated environment (e.g. local authority companies, trusts, joint partnership ventures etc.). There has always been a demand for transparency in local government and so ensuring that all Officers are aware of, and adhere to, this code helps to maintain and promote high standards of conduct.

2 Standards

- 2.1 Officers are expected to give the highest possible standard of service to the public and, where it is part of their duties, to provide appropriate advice to Councillors and fellow employees with impartiality.
- 2.2 Officers will be expected, through agreed procedures and without fear of recrimination, to bring to the attention of the appropriate level of management any concerns that they have about the provision of services.
- 2.3 Officers should report to their manager any improper action or breach of procedure. Please see the Whistle Blowing Policy for assistance on how to raise matters which are of concern.

3 Disclosure of information

- 3.1 A great deal of information is now available to the public and most reports produced for Councillors are in the public domain unless there are good reasons for keeping them confidential.
- 3.2 The Council also has to comply with the Freedom of Information Act 2000 (FOI) and the Environmental Information Regulations 2004(EIR). However, Officers must take care not to disclose confidential information and should seek guidance from their manager if in doubt about any item. FOI/EIR requests are co-ordinated by the Customer Service Team, although service teams will be expected to provide information to enable the requests to be responded to.
- 3.3 **Officers** should not use any information obtained in the course of their employment for personal gain or benefit, nor should they pass it on to others who might use it in such a way. Any particular information received by an employee from a Councillor

which is personal to that Councillor and does not belong to the Council should not be disclosed by the employee without the prior approval of that Councillor, except where such disclosure is required or sanctioned by the law.

3.4 The General Data Protection Regulation (GDPR) has six key principles:

- Lawfulness, fairness and transparency
- Purpose limitation
- Data minimization
- Accuracy
- Storage limitation
- Integrity and confidentiality (security)

3.5 Further details of the 6 principles are included at Appendix A to this document. Information about the GDPR can be found on the Council's intranet (FRED).

4 Political neutrality

4.1 Officers serve the Council as a whole and may be required to advise political groups. In doing so they must not compromise their own political neutrality and must serve all groups equally. The individual rights of all Councillors must be respected.

4.2 Officers are, of course, entitled to maintain their own political views but must not allow these views to impact on the work they do. In some cases posts will be "politically restricted".

4.3 The Council is required to maintain a list of posts that are subject to restriction on political activity and this list is available from the HR team.

5 Conduct of staff in pre-election period

5.1 Prior to any election there will be a "pre-election period" (PEP) which is notified to all Officers of the Council.

5.2 There is a need for employees to be on their guard against political partiality in PEPs. In this connection political slogans should not be displayed as part of Officers' official duties.

6 Relationships

6.1 No special favour may be shown to friends, partners, and relatives or to current or former employees. Officers must disclose to their manager all personal relationships, whether of a business or private nature, which might have the potential to bring about a conflict of interest between their work and those with whom they have a personal relationship.

6.2 Examples of personal relationships which may give rise to conflicts of interest in the workplace include:

- a family relationship;
- a business/commercial/financial relationship;
- a close personal friendship;

However, personal relationships are not restricted to these examples and if Officers are concerned about a potential conflict of interest, they should discuss this with their manager.

7 Councillors

7.1 Officers are responsible to the Council through the Corporate Leadership Team (CLT).

For some, their role is to give advice to Councillors and senior managers and all are there to carry out the Council's work. Mutual respect between employees and Councillors is essential to good local government. Close personal familiarity between employees and individual Councillors can damage the relationship and prove embarrassing to other Officers and Councillors and should, wherever reasonable and possible, be avoided.

8 The local communities and service users

- 8.1 Officers should always remember their responsibilities to the communities they serve and ensure courteous, efficient and impartial service delivery to all within those communities, as set out in the policies of the Council. The Council has published customer access standards and all Officers are expected to meet these objectives as a minimum when dealing with local communities and service users.

9 Contractors

- 9.1 All relationships of a business or private nature with external contractors, potential contractors, agency staff, consultants or co-opted Members should be made known, in writing, to your manager. Orders and contracts must be awarded on merit, by fair competition against other tenders, and no special favours should be shown to businesses run by, for example, friends, partners or relatives in the tendering process. No part of the local community should be discriminated against.
- 9.2 Officers who engage or supervise contractors or have any other official relationship with contractors and have previously had or currently have a relationship in a private or domestic capacity with contractors, must declare that relationship in writing to their manager.

10 Appointments and other employment matters

- 10.1 Officers involved in appointments should ensure that these are made on the basis of merit. It would be unlawful for an employee to make an appointment which was based on anything other than the ability of the candidate to undertake the duties of the post. In order to avoid any possible accusation of bias, employees should not be involved in an appointment where they are related to an applicant or have a close personal relationship outside work with them.
- 10.2 Similarly, Officers should not be involved in decisions relating to discipline, promotion or pay adjustments for any other employee who is a relative, partner etc. or with whom they have (or have had) a personal relationship.
- 10.3 The Council has detailed procedures for managing staff which must be followed in all cases relating to supervision or recruitment. These are available on the Council's intranet. The HR team is available to offer assistance and advice on such matters.

11 Criminal Convictions

- 11.1 If an Officer receives any type of criminal conviction (including driving offences that lead to points on licences) during the course of their employment with the Council, it is their duty to disclose the matter to their manager. The manager, in liaison with the HR Team, will make a decision as to whether this impacts on their employment. Failure to disclose a criminal conviction may lead to disciplinary action being taken against the employee.

12 Outside commitments

- 12.1 Some Officers have conditions of service which require them to obtain written consent to take on any other outside employment. All employees should be clear about their contractual obligations and should not take outside employment which conflicts with the Council's interests, and/or which has not been the subject of written consent. Please speak with your manager or HR about any other employment activity and before you make any decisions on the matter.
- 12.2 An Officer's off-duty hours are their personal concern but there needs to be realisation that some actions could impact upon the authority. Employees should not subordinate their work duty to private interests and put themselves in a position where duty and private interests conflict.
- 12.3 The Council will not preclude Officers from undertaking additional employment, but any such employment must not, in the view of the Council, conflict with or react detrimentally to the Council's interests, or in any way weaken public confidence in the conduct of its business.
- 12.4 Officers above Scale Point 23 shall devote their whole-time service to the work of the Council and shall not engage in any other business or take up any other additional appointment without the express consent of the Council.

13 Intellectual Property

- 13.1 This is a generic term that includes inventions, creative writings and drawings. If these are created by an Officer during the course of their employment then, as a general rule, they belong to the employer. Inventions are the property of the employer if:
- They have been made in the course of the employee's normal duties; or
 - They have been made in the course of duties specifically assigned to the employee and where invention might be reasonably expected; or
 - They have been made in the course of the employee's duties and at the time the employee had a special obligation to further the interests of the employers (because of the nature of their duties and particular responsibilities arising from them).

14 Personal interests

- 14.1 The Council is responsible for spending public money and must therefore ensure that everything is seen to be done in an impartial and transparent way. The system outlined below is designed to protect both Officers and the Council from any false accusation of bias or corruption.
- 14.2 Officers are required to declare an interest if they are involved in anything outside of work which could lead to a situation where they might reasonably be influenced to make a decision or to take an action at work which is not in the Council's best interests, or which shows favouritism to a certain person or body.
- (a) Non-financial interests
- Officers must declare to their manager any non-financial interests that they have, such as directorships of companies, trusteeships, governorships, voluntary roles (e.g. secretary, treasurer, coach) or positions of management or control in other organisations (e.g. clubs, societies, associations, charities), or any family connections with other businesses or organisations that may do business with the Council.

Such declarations should be made annually on the declaration of interests form which can be found on the Council's intranet, including a "nil" return.

(b) Financial interests

Officers must declare to their manager any financial interests which they have such as directorships, trusteeships, partnerships, or family connections with other businesses or organisations that may do business with the Council and from which they gain income or other material benefit.

Such declarations should be made annually on the declaration of interests form which can be found on the Council's intranet, including a "nil" return.

(c) Membership of organisations not open to the public

Officers should declare to their manager membership of any organisation not open to the public without formal membership and commitment of allegiance and which has secrecy about rules or membership or conduct (e.g. Freemasons, some friendly societies etc.).

The form should be completed as soon as possible after an Officer realises that they have an interest and no later than 28 days after they become aware of it. Failure to disclose such interests may lead to disciplinary action being taken against the Officer. If an Officer has no interests to declare, they are required to submit a "Nil" return on an annual basis.

15 Equality issues

- 15.1 All Officers should ensure that policies relating to equality issues as agreed by the Council are complied with in addition to the requirements of the law. All members of the local community, customers, job applicants and employees have a right to be treated with fairness and equity. In particular, employees must comply with all of the Council's policies, practices and procedures relating to the Equalities Act 2010.
- 15.2 In situations such as the requirement to give an interview under caution an Officer should not be treated any less favourably than a member of the public in a similar situation.

16 Separation of roles during tendering

- 16.1 Officers involved in the tendering process and dealing with contractors should be clear on the separation of client and contractor roles within the Council. All Officers who have both a client and contractor responsibility must be aware of the need for accountability and openness.
- 16.2 Officers in contractor or client units must exercise and display fairness and impartiality when dealing with all customers, suppliers, tenderers, other contractors and sub-contractors.
- 16.3 Officers who are privy to confidential information on tenders or costs for either internal or external contractors must not disclose that information to any party or organisation which is not entitled to it.
- 16.4 Officers who may be contemplating a management buyout or may be considering tendering for any work usually delivered by the Council should, as soon as they have formed a definite intent, inform their manager and withdraw from the contract awarding processes.

- 16.5 Officers should ensure that no special favour is shown to current or recent former employees or their partners, close relatives or associates in awarding contracts to businesses run by them or employing them in a senior or relevant managerial capacity.
- 16.6 Officers must fully comply with the Council's Procedure Rules, Financial Procedure Rules and Contract Procedure Rules.
- 16.7 The rules around these areas are designed to protect the employee as much as the Council.

17 Corruption

- 17.1 Corruption would include receiving or giving any payment, gift (other than a gift of a nominal value), hospitality, or any other benefit from any person or organisation who a member of staff deals with in their work, irrespective of what it is in respect of, including tips, and payment for additional 'private work'. It is also irrelevant whether any benefits are directly to an Officer or to the Officer's family or friends.
- 17.2 Any case of suspected corruption will be fully investigated and any proven cases will be treated as gross misconduct and criminal prosecutions undertaken.

18 Use of financial resources

- 18.1 Officers must ensure that they use public funds entrusted to them in a responsible and lawful manner. They should strive to ensure value for money to the local community and to avoid legal challenge to the Council.

19 Hospitality, gifts and sponsorship

- 19.1 Not all offers of gifts and hospitality to Officers of the Council will be made in good faith, for example suppliers may be trying to influence the award of contracts. To protect both Officers and the Council from any accusations of favouritism, all offers need to be considered carefully and decisions recorded.

National Guidance

- (a) The NJC for Local Government Services states at 2.1 on official conduct employees will maintain conduct of the highest standard such that public confidence in their integrity is sustained.
- (b) There will be occasions when Officers are unsure whether they should accept gifts or offers of hospitality from clients or contractors. The following notes are intended to help staff make the right decision.
- (c) Officers must be aware that the offering and acceptance of gifts could result in criminal proceedings (under the Bribery Act 2010). It is obviously wrong for an Officer to accept inducements for personal gain in exchange for treating a client or contractor favourably. On the other hand, it would be churlish to refuse minor items which are of only nominal value.

Gifts

- (a) Officers should refuse gifts made to them personally, or to a family member, by a person or organisation which has, or seeks, dealings with the authority. Excepted from this rule are minor promotional gifts distributed to a wide range of people and not uniquely to one Officer (e.g. pens, calendars, diaries etc. given usually at Christmas time for use in the office) of up to £10 in value, or gifts given in thanks for good service, such as a box of chocolates, plant or flowers up to the value of £10. All gifts above this value should be refused. Where it is felt that this will

cause embarrassment, Officers should explain to the donor that they are not able to accept such gifts, and thank the donor for their kindness, nonetheless. If received by post, Officers should return the gift to the donor with a polite email making it clear that no individual has gained personal advantage from the gift.

(b) If you are in any doubt you should seek advice from your manager.

Hospitality

Invitations to lunch or some other function from a person or organisation which has or is seeking dealings with the Council must be treated with care. A modest working lunch to discuss business or attendance at a reception or promotion which is proportionate and not extravagant, and which has been approved by an Officer's manager is acceptable.

Examples of offers which must be refused include:

- an overnight stay at a hotel
- holidays or hotel accommodation
- theatre tickets
- membership of clubs
- regular or frequent acceptance of corporate hospitality, particularly from the same source
- hospitality in the immediate period before tenders are invited or during the tender process
- hospitality unconnected to work, even if the hospitality is taken in the Officer's own time
- hospitality which the Officer or their manager thinks is lavish, extravagant or excessive, even if the hospitality is taken in the Officer's own time

If Officers are aware that hospitality will be offered at a meeting or event, they should discuss it with their manager beforehand, and if approved, make the necessary declaration prior to attending. Otherwise, all offers of hospitality should be declared as soon as possible after the event.

If Officers are in any doubt, they should seek advice and approval from their manager.

20 Register

20.1 All offers of gifts and / or hospitality must be recorded on a form which can be found on the Council's intranet. The form requires that the date of any offers of gifts/hospitality must be included, together with the financial value of it, and the name of the donor. Also, the reasons for acceptance of any gift or hospitality must be included on the form. The form must be approved by an Officer's manager and in the case of the Chief Executive Officer, by the Monitoring Officer.

21 Public Meetings

21.1 Invitations to attend public meetings in an official capacity should only be accepted where attendance by an Officer is considered appropriate by the Strategic Director or Head of Service. However, attendance should be restricted to meetings which are:

- clearly not part of any party-political activity
- manifestly open to all

22 Breach of this Code of Conduct

- 22.1 Breach of this Code may amount lead to disciplinary proceedings being brought against the Officer concerned.

APPENDIX A

DATA PROTECTION PRINCIPLES

The General Data Protection Regulation and Data Protection Act 2018 set out six key principles.

Personal data shall be:

1. Processed lawfully, fairly and in a transparent manner in relation to individuals (**'lawfulness, fairness and transparency'**);
2. Collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; further processing for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes shall not be considered to be incompatible with the initial purposes (**'purpose limitation'**);
3. Adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed (**'data minimisation'**);
4. Accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay (**'accuracy'**);
5. Kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes subject to implementation of the appropriate technical and organisational measures required by the GDPR in order to safeguard the rights and freedoms of individuals (**'storage limitation'**);
6. Processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures (**'integrity and confidentiality'**).



Suffolk Code of Conduct

The role of councillor across all tiers of local government is a vital part of our country's system of democracy. It is important that as councillors we can be held accountable and all adopt the behaviours and responsibilities associated with the role. Our conduct as an individual councillor affects the reputation of all councillors. We want the role of councillor to be one that people aspire to. We also want individuals from a range of backgrounds and circumstances to be putting themselves forward to become councillors.

As councillors, we represent local residents, work to develop better services and deliver local change. The public have high expectations of us and entrust us to represent our local area, taking decisions fairly, openly, and transparently. We have both an individual and collective responsibility to meet these expectations by maintaining high standards and demonstrating good conduct, and by challenging behaviour which falls below expectations.

Importantly, we should be able to undertake our role as a councillor without being intimidated, abused, bullied, or threatened by anyone, including the general public.

This Code has been designed to protect our democratic role, encourage good conduct and safeguard the public's trust in local government.

Introduction

The Local Government Association (LGA) has developed this Model Councillor Code of Conduct, in association with key partners and after extensive consultation with the sector, as part of its work on supporting all tiers of local government to continue to aspire to high standards of leadership and performance. It is a template for councils to adopt in whole and/or with local amendments.

All councils are required to have a local Councillor Code of Conduct.

The LGA will undertake an annual review of this Code to ensure it continues to be fit-for-purpose, incorporating advances in technology, social media and changes in legislation. The LGA can also offer support, training and mediation to councils and councillors on the application of the Code and the National Association of Local Councils (NALC) and the county associations of local councils can offer advice and support to town and parish councils.

Definitions

For the purposes of this Code of Conduct, a “councillor” means a member or co-opted member of a local authority or a directly elected mayor. A “co-opted member” is defined in the Localism Act 2011 Section 27(4) as “a person who is not a member of the authority but who

- a) is a member of any committee or sub-committee of the authority, or;
- b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

For the purposes of this Code of Conduct, “local authority” includes county councils, district councils, London borough councils, parish councils, town councils, fire and rescue authorities, police authorities, joint authorities, economic prosperity boards, combined authorities and National Park authorities.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The LGA encourages the use of support, training and mediation prior to action being taken using the Code. The fundamental aim of the Code is to create and maintain public confidence in the role of councillor and local government.

General principles of councillor conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, councillors and local authority officers; should uphold the [Seven Principles of Public Life](#), also known as the Nolan Principles.

Building on these principles, the following general principles have been developed specifically for the role of councillor.

In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of councillor.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

Application of the Code of Conduct

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a councillor.

This Code of Conduct applies to you when you are acting in your capacity as a councillor which may include when:

- you misuse your position as a councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a councillor;

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a councillor.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct. Town and parish councillors

are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring Officer.

Standards of councillor conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a councillor. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a councillor:

1.1 I treat other councillors and members of the public with respect.

1.2 I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in councillors.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, the relevant social media provider or the police. This also applies to fellow councillors, where action could then be taken under the Councillor Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's councillor- officer protocol.

2. Bullying, harassment and discrimination As a councillor:

2.1 I do not bully any person.

2.2 I do not harass any person.

2.3 I promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as

offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the council As a councillor:

3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.

Officers work for the local authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

4. Confidentiality and access to information As a councillor:

4.1 I do not disclose information:

- a. given to me in confidence by anyone**
- b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless**
 - i. I have received the consent of a person authorised to give it;**
 - ii. I am required by law to do so;**
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or**
 - iv. the disclosure is:**
 - 1. reasonable and in the public interest; and**

2. **made in good faith and in compliance with the reasonable requirements of the local authority; and**
3. **I have consulted the Monitoring Officer prior to its release.**

4.2 I do not improperly use knowledge gained solely as a result of my role as a councillor for the advancement of myself, my friends, my family members, my employer or my business interests.

4.3 I do not prevent anyone from getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute As a councillor:

5.1 I do not bring my role or local authority into disrepute.

As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other councillors and/or your local authority and may lower the public's confidence in your or your local authority's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring your local authority into disrepute.

You are able to hold the local authority and fellow councillors to account and are able to constructively challenge and express concern about decisions and processes undertaken by the council whilst continuing to adhere to other aspects of this Code of Conduct.

6. Use of position As a councillor:

6.1 I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a member of the local authority provides you with certain opportunities, responsibilities, and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

7. Use of local authority resources and facilities As a councillor:

7.1 I do not misuse council resources.

7.2 I will, when using the resources of the local authority or authorising their use by others:

- a. act in accordance with the local authority's requirements; and**
- b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which I have been elected or appointed.**

You may be provided with resources and facilities by the local authority to assist you in carrying out your duties as a councillor.

Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport
- access and use of local authority buildings and rooms.

These are given to you to help you carry out your role as a councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the local authority's own policies regarding their use.

8. Complying with the Code of Conduct As a Councillor:

8.1 I undertake Code of Conduct training provided by my local authority.

8.2 I cooperate with any Code of Conduct investigation and/or determination.

8.3 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.

8.4 I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

It is extremely important for you as a councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.

Protecting your reputation and the reputation of the local authority

9. Interests As a councillor:

9.1 I register and disclose my interests.

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority .

You need to register your interests so that the public, local authority employees and fellow councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises.

The register

also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in **Table 1**, is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.

10. Gifts and hospitality As a councillor:

10.1 I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.

10.2 I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.

10.3 I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.

In order to protect your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a councillor. If you are unsure, do contact your Monitoring Officer for guidance.

Appendix A – The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B Registering interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
5. [Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it]

- * Only relevant where an executive function has been delegated to an individual

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which ***directly relates*** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
8. Where a matter arises at a meeting which affects –
 - a. your own financial interest or well-being;
 - b. a financial interest or well-being of a relative or close associate; or
 - c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in **Table 2**

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter (referred to in paragraph 8 above) ***affects*** the financial interest or well-being:
 - a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
 - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. [Where you have an Other Registerable Interest or Non-Registerable Interest on

a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it]

* Only relevant where an executive function has been delegated to an individual

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by them in carrying out their duties as a councillor, or towards their election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the councillor or their spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.

Subject	Description
Land and Property	Any beneficial interest in land which is within the area of the council. ‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or their spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer
Corporate tenancies	Any tenancy where (to the councillor’s knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or their spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and (b) either— (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or their spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class.

* ‘director’ includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registerable Interests

You must register as an Other Registerable Interest :

- a) any unpaid directorships
 - b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority
 - c) any body
 - (i) exercising functions of a public nature
 - (ii) directed to charitable purposes or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)
- of which you are a member or in a position of general control or management

Code of Good Practice/Guidance for Members - Planning and Rights of Way

1 INTRODUCTION

- 1.1 Planning applications, the allocation of sites within the Development Plan and the way in which they are decided is subject to a great deal of public and media interest. Planning decisions affect the daily lives of everyone and the private lives of individuals, landowners and developers, and therefore on many occasions will be contentious. Because of this it is important that the system of making decisions is seen to be open and impartial, consisting of sound judgements made for justifiable reasons.
- 1.2 The Council has powers under the [Highways Act 1980](#) and the [Town and Country Planning Act 1990](#) to make orders for the creation, diversion and extinguishment (or stopping up) of public footpaths, bridleways and restricted byways, and to enter into agreements for the creation of footpaths and bridleways. The changes made by such orders and agreements affect the right of the public to cross private land and so can be contentious and the subject of impassioned debate. Because of this it is important that the system of making decisions on changes to the public rights of way network is seen to be open and impartial, consisting of sound judgements made for justifiable reasons.
- 1.3 This Code of Practice has been drawn up to set out clearly the way in which the Council deals with planning, public path orders and other applications.
- 1.4 It complements the [Suffolk Code of Members' Conduct](#) and [Officers' Code of Conduct](#) which address a range of aspects of Members' and Officers' conduct in carrying out official duties. Further information on the provision of the Code can be obtained from the Council's [Monitoring Officer](#), telephone 01394 444336.

2 BASIC PREMISE

- 2.1 The basis of the planning system is the consideration of private proposals against wider public interests. The Town and Country Planning Acts provide that decisions on individual proposals should be made in accordance with the Development Plan unless material planning considerations justify a departure from those policies. The Development Plan for East Suffolk Council consists of the Suffolk Coastal Local Plan, the Waveney Local Plan and the Minerals and Waste Local Plan. In addition, the Broads Local Plan is part of the Development Plan for the district.
- 2.2 [The Highways Act 1980](#) and the [Town and County Planning Act 1990](#) both lay down precise criteria to be met for the making and confirmation of public path orders. The legislation is supplemented by advice contained in the Department of Environment, Food and Rural Affairs (DEFRA) Circular (1/09) 'Guidance for Local Authorities' and other circulars and Regulations. The basic premise is to ensure that appropriate balanced consideration is given to the impact of changes to the network upon both the landowner's / occupier's interests and the public's right.
- 2.3 Within the context of the legal provisions, the successful operation of the planning and rights of way system relies on ensuring that Members and Officers act in a way which is not only fair but is clearly seen to be so. The respective roles of Members and Officers are set out in this Code of Practice.
- 2.4 The Government has placed a high priority on speed in the determination of planning applications and the practice contained in this code has to take account of this Government priority.

- 2.5 If a Councillor acts in breach of this Code this could potentially amount to a breach of the Council's Code of Conduct and have potential consequences for that Councillor. If an Officer acts in breach of this Code this may result in action under the Council's Disciplinary Procedure.

3 DECISION MAKING ON PLANNING AND RIGHTS OF WAY APPLICATIONS

- 3.1 Consideration should be given when appointing Members to the North and South Planning Committees, that there are a number of Members who serve across both Committees for consistency on decision making across the district as a whole.

3.2 The Role of Committee Members

Members of the Planning Committee, in making decisions on planning and rights of way applications, will:

- Act fairly and openly;
- Approach each application with an open mind;
- Carefully weigh up all the material planning or rights of way considerations;
- Avoid undue contact with interested parties
- Ensure that reasons for decisions are clearly stated.

- 3.3 The planning system exists to balance the consideration of private proposals against the wider public interest. Members must take into account the interests of all of the District, together with the Government's national planning priorities, and will act in a way which is not only fair but is clearly seen to be so.

- 3.4 Members will be free to vote on applications however they consider appropriate within the context set by the Town and Country Planning Act or Highways Act and shall not have pre-judged the outcome prior to their consideration at the committee meeting of all relevant available information. Members should not, prior to the meeting, give an undertaking as to the stance they will take on the determination of a planning application, e.g. at a Town or Parish Council meeting, or to an interested party. They should indicate that any view they might put forward might change in the light of the Planning Officer's report and the Committee's discussion.

- 3.5 Committee Members will also have a role (see 3.8 below) on behalf of their ward to present local views, but Members must make it explicit when acting in that role. The decision-making role and its impartiality must not be prejudiced by any such action.

- 3.6 Members can expect Officers to give them help in answering questions on planning or rights of way matters.

- 3.7 Members will not give instructions to Officers, and they will not put pressure on Officers to make a particular recommendation on an application.

3.8 The Role of Members

The representational role of Members is a key part of the planning and rights of way process. Subject to compliance with the terms of the Members' Code of Conduct, in fulfilling that role Members will be given the opportunity in respect of all applications to:

- Respond in writing to Officers on the merits of the application;
- Attend any committee site meetings for applications within their ward;
- To make representations to the determining committee.

- 3.9 Members shall not give instructions to Officers, nor should they place pressure on Officers in order to secure a particular recommendation on an application.

3.10 Members can expect Officers to give them every help and assistance in answering questions relating to planning matters.

3.11 The Role of the Planning Referral Panel

The Planning Referral Panel will be called by the Head of Planning and Coastal Management, as necessary, for consultative purposes to agree the route for determining a planning application subject to the criteria set out in [Part 2 Section E \(Delegation to Officers\)](#).

3.12 The Planning Referral Panel will consider referral if the 'minded to' decision by Planning Officers is contrary to comments received from the Town or Parish Council, a Ward Member or a Statutory Consultee.

3.13 The Planning Referral Panel is a consultative panel with the Head of Planning and Coastal Management. The Head of Planning and Coastal Management will have final say on items to be referred for Committee decision rather than exercising delegated Officer powers.

3.14 The Role of Officers

In respect of applications to be determined by the Planning Committee, Officers will:

- Provide professional and impartial advice;
- Make sure that all information necessary for a decision to be made is given, including the substance of any objections and the views of those consulted;
- Set the application in the context of the Development Plan or Highway Authority policy and practice, and all other material considerations;
- Provide a clear and accurate written analysis of the issues;
- Give a clear recommendation;
- Be responsible for carrying out the decisions of the Planning Committee.

3.15 In respect of planning decisions that are taken under delegated authority the case Officer for the application will prepare a brief written resume of key issues and a recommendation. This written report will be considered by a senior Officer, given the appropriate delegated authority by the Head of Planning and Coastal Management, who may exercise that authority to determine the application. In no circumstances will the case Officer determine the application.

3.16 In respect of Public Path Order decisions that are taken under delegated authority, the Head of Communities may exercise that authority to determine an application where there are no unresolved objections. A brief written résumé of key issues, the decision and reasons for it will be prepared and placed on the application file. Further details of public path orders and agreements made by the Council, are available on the [Suffolk Public Rights of Way website](#).

3.17 The Council recognises that Chartered Town Planners and other Professional Officers shall not make or subscribe to any statements or reports which are contrary to their own professional opinions and the appropriate Professional Institute's Code of Conduct.

4 DISCUSSIONS WITH APPLICANTS

4.1 Pre-application meetings for planning matters with prospective applicants are encouraged but will normally only involve Officers. They may involve Members acting in a representative role where approached by a prospective applicant, such meetings should not normally involve Members of the Planning Committee which may be making the decision on the intended application. Exceptions are where the Planning

Committee has, by resolution, determined that a pre-application meeting shall exceptionally involve Members and where the meeting is limited to providing advice on the proper process to follow, involving which Officer to contact for further advice. Committee Members may also wish to pass applicants on to a neighbouring District Councillor.

- 4.2 Where pre-application meetings involve Members appointed by the Planning Committee a note of the discussion will be taken and will be made available for public inspection subject to the usual rules about Access to Information, when an application is submitted. At least one Officer will be present at all such meetings. The same provisions will apply where following a determination of an application consideration is being given to a fresh application.
- 4.3 It will be made clear at pre-application meetings that:
- Only Officers' initial and provisional views can be given, based upon the provisions of the Development Plan and other material planning considerations;
 - No decisions can be made which would bind or otherwise compromise the decision of the Council;
- 4.4 A written note will be made of all substantive meetings. A follow-up letter should be normal practice when documentary evidence has been left with the Council.
- 4.5 A note will be taken of telephone conversations where express advice on the planning merits of a proposal has been given. The meeting note and the follow-up correspondence shall be placed on the relevant file, should an application materialise following initial discussions.
- 4.6 Members will not take part in post-submission meetings with applicants or other parties, unless:
- Section 5 of this Code of Practice allows this; or
 - the matter has been reported to the Planning Committee and the Councillors concerned have been appointed by the Committee

5 CONSULTATION AND LOBBYING

- 5.1 The Council is required by legislation to give certain publicity and consult certain key parties on particular planning and rights of way applications. The Council supplements the statutory requirements with its own practice on consultation.
- 5.2 Attached as Appendix A is a statement of the Council's current practice of consultation on planning applications.
- 5.3 Attached as Appendix B is a statement of the Council's current practice of consultation on rights of way applications.
- 5.4 In all instances interested parties are asked to make their representations in writing in order that a true record of the representation can be placed on the appropriate file for public inspection and to be used in informing the decision-making process. Representations can be submitted electronically or submitted in hard copy form.
- 5.5 It is quite common for applicants and other interested parties to wish to discuss a proposed development with Members before an application is determined. This can aid the understanding of issues involved. However, to avoid compromising their position before they have received all the relevant information, evidence and arguments, Members of the determining committee may choose, as a matter of principle, not to meet applicants or interested parties. Where they do choose to meet relevant parties they will:

- Not express an opinion which could be taken as firm support or opposition to a proposal;
 - Not organise support or opposition for a proposal or lobby other Members;
 - Inform lobbyists or objectors of the importance of their views being submitted in writing to the Council;
 - Advise the Chairman of the Planning Committee or the Head of Planning and Coastal Management of the existence of any party that appears to be trying to exercise undue or unreasonable pressure on Members of the Council.
- 5.6 Members should take great care to maintain impartiality when attending public meetings in relation to planning matters. They should consider carefully whether it is appropriate to attend in the first place. If they do wish to attend it is advisable to invite the relevant Officer also. At such meetings it is preferable for no view on the merits or otherwise of a proposal to be given.

6 COMMITTEE PROCEDURES

- 6.1 The Planning Committee papers will be available, in accordance with the Access to Information Act provisions, at least five clear working days prior to the meeting.
- 6.2 All applications presented to the Planning Committee for determination will have a full written report from Officers, including the substance of objections, and the views of those who have been consulted on the proposal, a clear explanation of the relevant Development Plan policies or legislation, site related history, any other material planning considerations or relevant information, a reasoned consideration of the proposal and a clear recommendation.
- 6.3 Any material information which is received after the written report has been prepared but more than 24 hours before the start of the Planning Committee meeting will be presented orally by Officers. Information received within 24 hours of the start of the meeting will only presented where it is brief and can be readily conveyed to the Committee.
- 6.4 The Head of Planning and Coastal Management will have the discretion to withdraw any item from the agenda of the Planning Committee subsequent to the preparation of the report, but prior to a discussion by the Planning Committee if the circumstance of the application has changed within that period.
- 6.5 Where an application is determined in accordance with an Officers' report the decision will be as set out in that report subject to any amendments which Officers or Members may put forward at the meeting.
- 6.6 Where the Planning Committee disagrees with the Officers' professional advice, the reasons for rejecting a report's recommendation will be clearly stated at the meeting and recorded in the minutes. Members need to be sure that when they do not follow Officers' professional advice, their decisions are based on sound planning reasons. Members shall be aware that they may be required themselves to justify their decision at appeal.
- 6.7 The Council considers that there are benefits in allowing public speaking at Planning Committee meetings. A summary of the adopted practice is set out in Appendix C.
- 6.8 Where a planning obligation is required in respect of a development proposal, the Officers' report to the Planning Committee will set out the reasons for this and indicate any principal terms that the obligation might contain. If the Planning Committee requires additional or amended obligations they shall be clearly specified by the

Planning Committee and in all cases the detail will also be recorded in the minutes of the meeting.

- 6.9 A register is kept of planning obligations entered into and an annual report will be made to the Strategic Planning Committee summarising progress in the receipt and use of financial sums or development in kind received in accordance with a planning obligation.

7 SITE VISITS

- 7.1 All sites are investigated by Officers as part of the application process. However, there may be circumstances when Members will wish to visit specific sites, for example, to understand local conditions and the relationship of a proposed development or rights of way proposal and the surrounding area, where these features cannot be assessed from the submitted drawings, illustrative material or from outside the site.
- 7.2 Formal site visits will be held when there is a clearly identified material benefit for holding one and the Planning Referral Panel agrees with the relevant Planning Officer that there is a need to do so to provide a better understanding of the proposals or the Planning Committee so requests that a visit be held.
- 7.3 All Members attending formal site visits by the Planning Committee shall be accompanied by an appropriate Officer(s) of the Council.
- 7.4 The site visit is not part of the consideration of the merits of an application and therefore public rights to attend the meeting do not apply.
- 7.5 If access to private land is necessary, then Officers will secure the prior agreement of the landowner. All appropriate measures will be taken to ensure that the site visit takes place in a manner which is legally compliant and pursuant to government guidance so as not to compromise anyone's health and safety.
- 7.6 The purpose of the site visit is fact finding. Officers will be able to point out relevant features of the site and surroundings. Members will be able to see the physical features of the site
- 7.7 When on a site visit, the Members of the Planning Committee should not make any comments that could create an impression that they have already formed a firm position on the merits of the application. The decision on the application should not be made until the formal meeting of the Planning Committee when the Members will have before them all the necessary information to be able to make an informed decision.

8 DISCLOSURE OF INTERESTS AND HOSPITALITY

- 8.1 Members are required to comply with the requirements of the Suffolk Code of Conduct, including registration of their interests, making the appropriate declarations of interest and declaring the receipt of any gifts or hospitality of at least £25 in value. Officers are required to comply with the Officer Code of Conduct, including the registration of their interests and making appropriate declarations of any offers of gifts or hospitality worth £10 or more.
- 8.2 Members need to declare the receipt of any gifts or hospitality of at least £25 in value as a local non-pecuniary interest, on their Register of Interests' form. Officers need to declare the offer of any gifts or hospitality of £10 or more on the e-form which can be

found on the Council's intranet. Any hospitality or gifts above the financial limit that have been offered but not accepted will also need to be registered by Officers.

9 DISTRICT COUNCIL APPLICATIONS

- 9.1 Where the District Council wishes to carry out development which requires planning permission or make alterations to the rights of way network, it will need to make an application for its own development before development may be carried out. The appropriate application will be submitted by the Chief Executive or his duly authorised nominee and will be dealt with by the Council as Local Planning Authority in the same way as those submitted by private applicants.
- 9.2 No District Council application will be determined under delegated authority but will be determined by the appropriate Planning Committee.

10 APPLICATIONS SUBMITTED BY MEMBERS AND OFFICERS

- 10.1 All applications which are submitted by or on behalf of Members, or any Officers of the Council or their spouse / partner in their private capacity, will be reported to the Planning Committee for a decision, rather than being dealt with in accordance with the Scheme of Delegation to Officers.
- 10.2 The Member / Officer concerned will inform the Head of Planning and Coastal Management of the submission of their application to ensure that the above-mentioned procedure can be adopted.
- 10.3 No Member or Officer concerned will take part in the processing or determination of the application, and if normally present at the determining Planning Committee meeting, will declare a prejudicial interest in the normal manner and leave the meeting for the consideration of that item of business.

11 TRAINING

- 11.1 To facilitate the effective working of the planning system, all Members of the Council are expected to undertake training in the principles of the planning system, rights of way and the procedures followed by the Council in determining applications. The precise contents of this training will be determined from time to time by Officers in consultation with Members.
- 11.2 [The Suffolk Public Rights of Way website](#) provides details on rights of way principles and legislation, particularly as relevant to the Council's rights of way role and is updated regularly.
- 11.3 Members of the Planning Committee will be expected to have undertaken training on current planning and rights of way procedures and the principles of the planning system. When significant changes to the planning system or policy applicable to the District occurs updated information or training as appropriate will be provided to all Members of the Planning Committee – information / training which all Members of the Council will be invited to benefit from if they so wish.
- 11.4 A programme of training will be available each year, covering issues of current importance as well as updating knowledge. From time to time, specialist training will be provided to cover particular topics or to look at matters in greater depth.
- 11.5 Members who have not participated in appropriate training cannot be Members of the Planning Committee. Only in the most exceptional cases when there are no trained Members available and a Planning Committee meeting would be potentially inquorate, should a Member who has not received training take part in making a decision on a planning or rights of way application. A record of Member training in planning will be maintained.

11.6 As part of the annual monitoring role of the Strategic Planning Committee, the training and provision of information undertaken and provided each year will be reviewed.

12 COMPLAINTS

12.1 If there is concern that the Code of Practice set out in this document has not been adhered to you should contact your local ward councillor or you should write to:

For Planning matters:	
Head of Planning and Coastal Management	philip.ridley@eastsuffolk.gov.uk
For Rights of Way matters:	
Head of Planning and Coastal Management	philip.ridley@eastsuffolk.gov.uk
Suffolk Code of Conduct or Officers' Code of Conduct matters:	
Monitoring Officer	Chris.bing@eastsuffolk.gov.uk

12.2 The Council has adopted a Complaints Procedure which may be followed in the event that the initial enquiry is not resolved to the complainant's satisfaction. A copy of the Complaints Procedure is available on the [Council's website](#), or from the Council Offices

STATUTORY PUBLICITY - Planning

Nature of Development	Publicity Required
Development where application accompanied by environmental statement	Advertisement in newspaper and site notice
Departure from development plan	Advertisement in newspaper and site notice
Affecting public right of way	Advertising in newspaper and site notice
Major Development	Advertisement in newspaper, site notice and neighbour notification as appropriate
Minor Development	Site notice and neighbour notification as appropriate
Development affecting the setting and character of a listed building	Advertisement in newspaper and site notice
Development affecting the character or appearance of a Conservation Area	Advertisement in newspaper and site notice
Agricultural permitted development where Local Planning Authority indicates a need for its prior approval	Site notice posted by developer
Telecommunications	Site notice
Householder Applications	Site notice and neighbour notification as appropriate

INFORMAL PUBLICITY ARRANGEMENTS

The planning Officer dealing with a case has discretion to notify a neighbour direct, or not, as they consider desirable having regard to adopted guidelines. Notification is carried out having regard to the following guidelines:

- 1 Notification will take place when, in the opinion of the inspecting Officer, demonstrable harm may be caused to the amenities of a neighbouring property resulting in:
 - a) loss of privacy;
 - b) loss of peaceful enjoyment;
 - c) loss of daylight or sunlight;
 - d) adverse visual impact;
 - e) or other adverse effect.
- 2 The person notified will be the occupier of the neighbouring property affected by the proposals;
- 3 'Neighbouring property' is any residential property having a boundary contiguous with, or abutting, an application site but does not include a property separated from the site by a public highway;
- 4 Notification will not be undertaken simply because a neighbour's outlook over adjoining property is affected or because a solely private interest is involved e.g. a private right of way;
- 5 Where application proposals affect properties over a wider area, the local town / parish council will be able to express a local view but where the impact could be substantial,

consideration will be given to advertising the application by press advertisements as an item of general interest.

STATUTORY CONSULTATION – Rights of Way

The Council is required by legislation to consult statutory undertakers and other affected councils on applications for public path orders. In addition, the Council follows national best practice to achieve unopposed orders wherever this is possible, as recommended by the 'Rights of Way Review Committee Practice Guidance Note No 1'. Upon receipt of a technically correct application the Council will consult widely with representatives of user groups and other bodies and individuals it considers may be affected by or interested in proposals as appropriate.

In all instances consultees and interested parties are asked to submit their views in writing in order that a true record can be placed on the appropriate file and used in informing the decision-making process. A period of 28 days is usually allowed for consultation responses, but this can be extended at the discretion of Officers if consultees require extra time. Responses can be submitted electronically or in hard copy form.

At the end of the consultation process it is usual procedure for the views of the consultees to be forwarded to applicants for consideration. Officers are responsible for managing such subsequent negotiation as is deemed useful in respect of the Council's intention to achieve unopposed public path orders wherever possible.

Negotiation may result in changes to the original proposals and re-consultations will be carried out as appropriate.

PUBLIC SPEAKING PROCEDURES FOR PLANNING COMMITTEE MEETINGS

Subject to the procedure detailed below, there is a right to speak for, or against, any applications for rights of way, planning permission or similar applications (e.g. Listed Building). There is no right to speak on enforcement issues, which appear on the agenda of the Planning Committee.

PROCEDURE WHEN AN ITEM IS SCHEDULED TO BE REPORTED TO A PLANNING COMMITTEE

Progress on applications can be monitored online by visiting the Council's website – www.eastsuffolk.gov.uk. This will indicate if the application is going to be considered by the Planning Committee and, if so, when. The following would normally be permitted to speak:

- representative of Town / Parish Council or Parish Meeting;
- applicant or representative;
- objector;
- relevant ward Members

The intention is that only one person would speak from each of the above parties.

PROCEDURES AT PLANNING COMMITTEE MEETINGS

Interested parties who wish to speak will be able to register to do so, using an online form. Registration may take place on the day that the reports for the scheduled meeting are published on the Council's website, until 5.00pm on the day prior to the scheduled meeting. A link to the online form will be included on each published agenda.

[Online registration form to speak at Planning Committees.](#)

ORDER OF SPEAKING

The order of debate will be as follows:

1. Introduction by Planning Officer or relevant Officer for rights of way applications;
2. Representations by objector (objecting to the recommendation);
3. Representations by relevant town or parish council (in exceptional circumstances the Chairman may allow more than one parish council to send a representative by prior agreement where a development proposal is of such magnitude that it affects several parishes);
4. Representations by applicant or representative;
5. Ward Member(s)
6. Planning Committee general debate.

DURATION OF SPEAKING

Speakers, other than Ward Members, will be given a maximum of three minutes to speak in presentation, with the Chairman having absolute discretion as to how many and in what form questions are allowed over and above the three-minute presentation. No speaker will be given a second opportunity to speak to ensure equality of representation. All questions should be based upon matters of fact only and channelled exclusively through the Chair. There will be no general debate, including those engaged in public speaking, given that the purpose of allowing public speaking is to make appropriate representations and to tease out matters of fact.

ILLUSTRATIVE MATERIAL

If a speaker wishes to refer to illustrative material, which they wish to be displayed at the meeting, then this must be provided to the Officers 24 hours in advance of the meeting so that appropriate arrangements can be made for its display.

If the application is deferred until the next meeting for further information, negotiations or a site visit, either before or after public speaking, speakers will have the opportunity to present their views again.

There will be an Officer present at all meetings to ensure that procedures are properly followed.

Members' ICT Protocol

1. Introduction

East Suffolk Council (ESC) has an expectation that Councillors will use ICT to enable them to effectively deliver all aspects of their role and will therefore provide all necessary ESC ICT resources and ICT support. However, it is important that the use of ICT is managed to ensure that ESC complies with all relevant legislation, regulatory codes of practice, policies and ICT best practice. This document has been developed to provide clear guidance on ICT use for Members.

2. Scope

This protocol applies to all Members who have access to ESC ICT resources.

3. Definitions

ICT resources are defined as all elements of ICT infrastructure and environment and includes:

- ESC email account and file storage
- Data network and enterprise business applications such as Microsoft Office
- Portable computer devices such as laptops and smartphones provided by the ESC ICT Service as part of the Members' ICT solution
- Electronic files, data and information accessed through the above

4. Guidance on the use of ICT Resources

4.1 ICT Security

All ICT usage must be in compliance with corporate ICT Security Policy and ICT Acceptable Use Policy.

4.2 Use in respect of Council Business

ESC ICT resources are provided for all ESC related business activities and those related to other public bodies or organisations on which Members are the ESC representative or nominee. Members should be aware that use of personal IT for such activities may incur risks to ESC or residents' data.

Members should use ESC ICT resources in accordance with ESC Health and Safety standards; guidance on the safe use of such equipment is available from Corporate Health & Safety Advisor

ESC ICT resources should not be used for any party-political activities or election campaigning

Members should use their ESC email address for all ESC related email communication and contact arrangements. ESC email addresses should not be used for any election material or party-political statements.

Inappropriate use of ESC ICT resources could be a breach of the Suffolk Code of Conduct and could give rise to formal complaints being made against a Councillor. Any queries about the Suffolk Code of Conduct in relation to ICT resources should be directed to the Monitoring Officer.

5. Responsibilities

Members must take reasonable precautions in the care and use of ESC ICT resources. If ICT equipment is damaged, lost or stolen, this should be immediately reported to ICT Service

Desk on 01502 523555. All ICT resources issued to Members remain the property of ESC and should be returned to ESC in the event that a Member ceases to be an East Suffolk Councillor. Access to ESC email and other systems will be suspended and terminated within 3 working days of the councillor ceasing to hold office.

Members must return any ICT resources on the request of the ICT Service for the purposes of audit, repairs or maintenance. A replacement device will be provided if required. Members will likely receive sensitive and personal data in the course of their duties and should be aware of their responsibilities under data protection and the need to comply with all relevant legislation including the GDPR (General Data Protection Regulations). The ESC Data Protection Lead (Head of Internal Audit) can provide guidance on any aspect of compliance with data protection and dealing with personal information. Members also need to be aware that data held on their ESC systems may be subject to FOI (Freedom of Information) requests.

ESC does not permit the automatic forwarding of corporate emails (member@eastsoffolk.gov.uk) to other external providers due to security implications. Whilst Members can forward individual emails to personal or other email accounts they should be aware of the data protection implications of this.

6. Support

All ESC ICT resources are maintained and supported to agreed operational and security standards by the ICT team who also provide a dedicated Member ICT Support line which is available during normal office hours for any Member ICT support issue. ICT advice and guidance for all users is published on the Corporate Intranet (FRED) as well as notifications on any disruptions to ICT.

7. Printing and Scanning

Members have access to the corporate printing service and can collect any printing securely from MFD (multi-functional device) at any ESC office location (East Suffolk House, Riverside, Marina, Woodbridge Library, Felixstowe Library and Beccles Library). Print requests which are not printed and collected within 72 hours will be automatically deleted. Personal printers or printing consumables are not supplied as part of Members ICT. Members can use the MFDs to scan documents for their ESC business for electronic storage and management.

Part 5 – MEMBERS’ SCHEME OF ALLOWANCES

SCHEME OF MEMBERS’ ALLOWANCES FOR EAST SUFFOLK COUNCIL AGREED 22 JANUARY 2020, WITH INDEXATION ADDED – AMENDED MARCH 2022 TO TAKE ACCOUNT OF THE 1.75% INCREASE APPLICABLE FROM 1 APRIL 2021. AMENDED APRIL 2023 TO TAKE ACCOUNT OF THE 5% COST OF LIVING INCREASE APPLICABLE FROM 1 APRIL 2022.

1. Basic and Special Responsibility Allowances

- 1.1 A basic allowance is payable to all Councillors as set out in the Table below. No claim is required.
- 1.2 In addition, Special Responsibility Allowances are payable to those Councillors holding the offices set out in the Table below. These are paid monthly and no claims are required.
- 1.3 A Councillor who does not wish to receive basic and/or Special Responsibility Allowances may give notice in writing to the Chief Executive. The notice can be withdrawn (in writing) at any time and the Allowances will be reinstated from the date of that second notice.
- 1.4 Basic and Special Responsibility Allowances accrue on a daily basis and are payable from the date on which the Councillor takes office and will cease on the date on which the office ceases.
- 1.5 These Allowances count as earnings for Income Tax and National Insurance and the appropriate deductions will be made.
- 1.6 The link between increases in officers’ pay and increases in Members’ Allowances is to be maintained so that any annual pay increases applied to officers’ pay will be similarly applied to Members’ Allowances (including to the Basic Allowance and Special Responsibility Allowances).
- 1.7 Up to two Special Responsibility Allowances will be paid to each Member – 100% of the highest eligible allowance and 25% of the second highest allowance provided the second allowance does not relate to a position on the same Committee.

Table of Member Allowances	Amount (rounded up)
Basic Allowance	£8,233.17
Leader of the Council	£20,582.93
Deputy Leader of the Council	£13,749.39
Cabinet Members	£7,986.17
Assistant Cabinet Members	£5,516.22
Planning Committee Chairmen (N) and (S)	£7,080.53
Planning Committee Vice-Chairmen (N) and (S)	£3,457.93
Scrutiny, Audit & Governance and Licensing Committee Chairmen	£5,516.22
Scrutiny, Audit & Governance and Licensing Committee Vice-Chairmen	£2,716.95
Chairman of the Council	£10,291.46
Vice- Chairman of the Council	£3,457.93
Planning Committee Members (N) and (S)	£1,728.97
Licensing Committee Members	£823.32

Community Partnership Chairmen	£2,716.95
Leaders of Opposition Parties/Groups (based on minimum of 3 in Opposition Party/Group: Leader Allowance ÷ 55 x number in Party/Group)	£1,122.72 (Leader ÷ 55 = £374.24x 3)

2 Travelling and Subsistence Allowances for Members and Independent Persons

- 2.1 Travelling and subsistence allowances may be claimed by Councillors, Co-opted Members and Independent Persons to reimburse expenses that they have necessarily incurred in the performance of an approved duty.
- 2.2 Claims must be made via the online Oracle Fusion system accessible from the Council's Intranet. Guidance on using the system may be obtained from the Democratic Services Team. The claims must provide full and clear details of the duties to which they relate. Claims should be made regularly and not allowed to accrue for several months and will only be paid a maximum of 3 months following the date of the duty.
- 2.3 The current rates of these Allowances are shown below.
- 2.4 The definition of an approved duty for this purpose is shown below. An essential consideration is that the duty must be approved in advance of its performance. All formal meetings of the Council, Cabinet and Committees are so approved.
- 2.5 A profit element may occur; a P11D will be used if applicable in the following June. Subsistence Allowances will be taxed where receipts are not produced.
- 2.6 Payments are made on the nineteenth day of each month and will normally include claims received by the first day of the relevant month. Late claims will be paid in the following month. Payment is by bank credit and an advice slip will be issued in respect of each payment made.

Travelling Allowances

- (a) Public service transport — the actual costs incurred. The Council has determined that travel by rail should be by standard class. Travel warrants may be obtained for rail journeys. Payment will be made on production of a receipt.
- (b) Taxi fares - in cases of urgency or where no public transport is reasonably available, the actual fare and any reasonable gratuity paid, on the production of a receipt. Otherwise, payment will be limited to the appropriate fare for travel by public transport.
- (c) Members' own vehicles - a single payment irrespective of engine capacity of 45p per mile for cars (this rate does not attract tax up to a maximum of 10,000 miles and the Council has previously determined that no lump sum payment will be made); 24p per mile for mopeds; 24p per mile for motor cycles and 20.0p per mile for bicycles. The above rates are equal to those currently approved by the HMRC, and as of 6 April 2016 are exempted from tax and National Insurance contributions for all miles travelled in Members' own vehicles. Travel allowance rates will be varied in line with future revisions to HMRC statutory mileage rates.
- (d) Carriage of passengers - the rates specified in (c) above may be increased in respect of the carriage of passengers, not exceeding four, to whom a travelling allowance would otherwise be payable under any enactment, by 5p per mile per passenger.

- (e) Tolls, ferries and parking fees — the actual fees paid, and payment will be made on production of a receipt.
 - (f) Other modes of travel - prior approval from the Proper Officer is required for travel by air. Payment will be made on production of a receipt.
- 2.7 In addition to the above and to recognise the time spent travelling around the larger District, Members may claim an amount equivalent to the Real National Living Wage for every hour or part thereof of any “standard journey” that routinely takes in excess of a 2 hour round trip within the District.

Subsistence Allowances

- 3.1 No subsistence will be paid for breakfast, lunch or tea. However, an evening meal allowance will be paid where purchased outside of the District for the actual cost of an evening meal up to a maximum of £25.00 on the production of a receipt where an overnight stay is required (except that the Monitoring Officer is able to approve greater amounts in exceptional circumstances, examples of which would be the need to purchase a meal in Central London or if attending a meeting at a rural conference where it was not possible to find alternative provision). An evening meal allowance will only be paid on the production of a receipt. No overnight subsistence allowances will be payable.
- 3.2 The booking of Conferences, accommodation and travel arrangements for Members which have been approved will continue to be coordinated by Council Officers, where possible, to maximise any discounts that can be achieved.

Dependent Carers’ Allowances

- 4.1 The Allowance for specialist care of dependents (in circumstances previously approved by the Council’s Monitoring Officer) is set at a maximum of £20.00 per hour, per carer/nurse, for actual costs incurred.
- 4.2 The Allowance for care of child dependents (in circumstances previously approved by the Council’s Monitoring Officer) is set at:
Babysitting – up to a maximum of £10 per hour.
Child minding – up to a maximum of £10 per hour, unless provided free of charge under a government scheme, for actual costs incurred.
- 4.3 Payment of the Dependant Carers Allowance is subject to the production of a receipt and should not be provided by a family member. Payment made on the production of receipts.

Co-Opted Members of the Council

- 5.1 To be paid an amount per meeting, the amount being the Basic Allowance multiplied by between 1% to 4%, the % to be determined at the discretion of the Chairman of the Committee on which the co-opted Member sits.

Additional notes

- 6.1 Basic and Special Responsibility Allowances and Co-optee Allowances are subject to Income Tax under the PAYE system and to National Insurance deductions.
- 6.2 HMRC may consider claims for tax relief for expenses incurred as a Councillor or Co-optee and may require reasonable proof of those expenses. For further information please visit the HMRC website.

- 6.3 National Insurance contributions will be deducted when the Allowances payable in any month exceed the prescribed threshold. You will be exempt from paying National Insurance once you have reached the state pension age.
- 6.4 The receipt of these Allowances can affect entitlements to Benefits and they must be disclosed as income when claiming Housing Benefit and other means tested benefits.
- 6.5 A record of all claims and payments is maintained and is open to public inspection. A record of the payments made to each Councillor and Co-opted Member must be published annually.
- 6.6 Councillors and Co-opted Member must remain responsible for the accuracy of their own claims.

Approved duties

- 7.1 The duties for which travelling and subsistence allowances may be claimed are set out below. Effectively, the rules are designed to allow claims for travel and subsistence where appropriate for any formal duty carried out on behalf of the District Council:
- 7.2 Attendance at any meeting of the Council and its Committees, Joint Committees, Sub-Committees, Panels and Working Parties, where a Councillor is a Member of that Committee or acting as a Substitute Member, provided that the meeting is formally established and arranged in advance and is open to at least two Councillors. (The exception to this would be where the Chairman of the relevant Committee, Joint Committee etc. has specifically extended an invitation to non-Members of the Committee to attend).
- 7.3 Attendance at meetings of any outside bodies, or committees and sub-committees of those bodies, provided the member has been appointed as the Council's representative, either ad hoc or on a continuing basis and no other arrangements exist for the payment of expenses to the Members of that body.
- 7.4 Meetings and engagements undertaken by the Leader of the Council, Deputy Leader or Cabinet Members through the course of their duties and as part of their specific roles and responsibilities.
- 7.5 Leader/Deputy Leader of the Opposition Groups where meetings have been called by the District Council/officers and where the Opposition Leader(s) have been invited to attend for specific meetings for consultation purposes.
- 7.6 Attendance at meetings of Town and Parish Councils within a Member's Ward, which the member attends as a representative of the District Council.
- 7.7 Attendance at meetings with at least one constituent within a Member's Ward, the Member may claim mileage in excess of any travel further than a 10 mile round trip from their home when the Member attends as a Ward Councillor, representing the District Council.
- 7.8 Attendance at any meeting or event, including site visits, at the invitation of the Chief Executive or an Officer authorised by the Chief Executive to assist with the functions of the Council.
- 7.9 Attendance at official and courtesy visits of a civic nature within the United Kingdom at the request of the Chief Executive or an Officer authorised by the Chief Executive.
- 7.10 Attendance at conferences, seminars and meetings which relate to the interests of the district or any section of the local community and for which the Council has appointed the member as a delegate or where the conference fees are paid under a general authorisation.

- 7.11 Attendance at any training courses/Member briefings at the invitation of the Chief Executive or an officer authorised by the Chief Executive or where such training is arranged by the Council, a Committee or Sub-Committee.
- 7.12 Attendance at consultative and/or informative meetings approved by the Council, a committee or sub-committee with groups or local taxpayers to discuss Council business.
- 7.13 Attendance at Court, Inquiries or Tribunal hearings on behalf of the Council where attendance is requested by the Chief Executive or an Officer authorised by the Chief Executive.
- 7.14 Attendance at meetings, forums, panels and task groups of the Local Government Association. (Note: where a member has been appointed in a representative role on behalf of the LGA such claims will be reimbursed by the LGA).

NOTE: Party political meetings and attendance at Member/Ward Surgeries are specifically excluded from this Scheme, and travel expenses will not be paid under the East Suffolk Council Members' Allowances Scheme for these meetings.

Glossary of Terms

Term	Definition
Agent	(In the context of the Contract Procedure Rules) A person or organisation acting on behalf of the Council or on behalf of another organisation
Annual General Meeting (AGM)	The first meeting of the Council in each municipal year, usually held in May
Audit and Governance Committee	A committee (group of councillors) who meet to review the work of the Council, in particular with regard to finance and audit. The committee is entirely separate from the Cabinet and provides independent assurance to the Council as to the adequacy of the Council's risk management and internal controls. The committee also promotes and maintains high standards of behaviour by Councillors and deals with any allegations of a breach of the Members Code of Conduct
Best Value	The duty which Part I of the Local Government Act 1999 places on local authorities to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness, as implemented by the Council. Guidance is available at https://www.gov.uk/government/publications/revised-best-value-statutory-guidance . (See also Value for Money)
Bond	An insurance policy in the form of either a Performance Bond or a Guarantee Bond: if the contractor does not do what it has promised under a contract with the Council, the Council can claim from the insurer the sum of money specified in the bond. A bond is intended to protect the Council against a level of cost arising from the contractor's failure
Budget and Policy Framework	The key policy documents that set out the Councils position on key activities and set the budget for each year. Documents that make up the Budget and Policy Framework must be approved by Full Council. A list of these documents is shown in Part 2 Section B of this constitution
Cabinet	(See also Executive) The Cabinet/Executive is made up of the Leader, a Deputy Leader and up to eight other Cabinet Members who are chosen and appointed by the Leader. The Cabinet are responsible for the Executive decisions of the Council and take most of the decisions on service delivery. A list of responsibilities can be found in Part 2, Section B of this constitution
Cabinet Member	A Member of the Cabinet to whom political responsibility is allocated for certain functions
Cabinet Portfolio	A range of functions and services of the Council that are grouped together and allocated to a particular Cabinet Member

Calendar of Meetings	The agreed schedule of Council, Cabinet, and Committee meetings for the municipal year, as agreed by the Council at its annual general meeting (AGM)
Call-in	Within five working days of the date of publication of any decision that is made by the Cabinet, a committee of the Cabinet, an individual Cabinet Member exercising delegated powers, under joint arrangements, or by an Officer, any two (2) Members of the Scrutiny Committee or any five (5) Members of the Council may ‘call-in’ the matter for review by the Scrutiny Committee. The Call-in provision does not apply to urgent decisions.
Chairman of the Council	The Chairman of the Council is elected by the Council at their annual general meeting (AGM) each year. The Chairman sits at the head of Council meetings and runs the meetings in accordance with the constitution. The Chairman also carries out some civic and ceremonial roles on behalf of the Council
Chief Executive	The lead Officer of the Council who is ultimately responsible for the operational management of the Council, its Officers, and for the delivery of all the Council’s Services within the budget and policy framework set by Members
Chief Officer	(In the context of the Contract Procedure Rules) A Member of the Strategic Management Team or Officer delegated to deal with the contract in question
Committee	A group of councillors who are appointed to carry out specific functions. Some committees are given the power to make decisions for the Council, e.g. regulatory committees such as Planning Committee
Conflict of interest	A situation or circumstance in which an individual has competing interests or loyalties which may impair their ability to make an unbiased decision
Constitution	The legally binding constitutional document approved and adopted by the Council which: <ul style="list-style-type: none"> • allocates powers and responsibility within the Council and between it and others • delegates authority to act to the Cabinet, Committees, Portfolio Holders, Strategic Directors, Heads of Service, and Officers • regulates the behaviour of individuals and groups through Procedure Rules, Codes and / or Protocols
Consultant	A Person employed for a specific length of time to work to a defined project brief with clear outcomes to be delivered, who brings specialist skills or knowledge to the role, and where the Council has no ready access to employees with the skills, experience or capacity to undertake the work
Contract	Includes any contract and any deed which does not fall within Rule 2.1 of the Contract Procedure Rules (excluded contracts)
Contract Register	The register to be kept and maintained by the Procurement Team recording details of all contracts entered into by the Council (see Rule 7 of the Contract Procedure Rules).

Contracting Decision	Any of the following decisions: <ul style="list-style-type: none"> • withdrawal of Invitation to Tender • whom to invite to submit a Quotation or Tender • Shortlisting • Award of contract • Termination of a contract
Contracts Finder	The facility for private firms to find opportunities to win national and local government contracts above a low minimum value (www.gov.uk/contracts-finder)
Constituents	Residents living in the area that the Council or Councillor represents
Corporate Agreement	A procurement facility approved and managed by the Procurement Team (in consultation with the Head of Legal and Democratic Services) to support the Council’s aim of achieving Value for Money. This may, for example, be a Framework Agreement operated by the Council or a suitable external organisation for government buyers (such as the Crown Commercial Service).
Corporate Leadership Team	The Corporate Leadership Team is made up of the Chief Executive, the two Strategic Directors, and all of the Heads of Service of the Council
Corporate objectives	The key priorities and values of the Council. These are set out in more detail in the Council’s Business Plan
Councillor	(See also Member) An elected Member of the Council
Data Protection Act 1998	Statutory requirement that the Council must <ul style="list-style-type: none"> • not use or disclose data except as registered • hold only adequate and relevant data • keep data accurate and up to date • give a print of the data to the individual concerned if requested
Executive	(See also Cabinet) The Cabinet/Executive is made up of the Leader, a Deputy Leader and up to eight other Cabinet Members who are chosen and appointed by the Leader. The Cabinet are responsible for the Executive decisions of the Council and take most of the decisions on service delivery. A list of responsibilities can be found in Part 2, Section B of this constitution
Extraordinary meetings	Meetings of the Council which are not scheduled in the Calendar of Meetings but are called, usually at short notice, to deal with a particular issue(s)
Financial Procedure Rules	The Council’s financial regulations, as set out within Part 3 of this Constitution
Forward Plan of Key Decisions	(See also Key Decision) A plan showing the upcoming significant decisions that the Council intends to take.
Framework Agreement	(In the context of the Contract Procedure Rules) An agreement between one or more authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.

	Examples of Framework Agreements include those awarded by The Crown Commercial Service and others.
Full Council	A meeting of all Members of the Council
Governance arrangements	The structure of committees and meetings that sets out how the council takes decisions and how decisions are scrutinised.
Head of Service	An Officer of the Council employed as a Head of Service (see Management Structure Chart for responsibilities). (In the context of the Contract Procedure Rules) A Head of Service, or another Officer of the Council nominated to act in the capacity of Head of Service, for the purposes of the Contract Procedure Rules and a specified procurement exercise
Intellectual Property	A generic term that includes inventions, creative writings and drawings. If these are created by the Officer during the course of his/her employment then, as a general rule, they belong to the Council
Invitation to Tender	Invitation to tender documents in the form required by the Contract Procedure Rules included within this constitution
Key Decision	Key decisions are those which have a significant impact on the Council or where there will be spending or savings of over £250k within agreed budgets
Leader of the Council	After each election, the party with the most elected Councillors nominates one of their Councillors to be the Leader of the party. At the Council's annual general meeting (AGM) the Full Council then votes to elect them to become the Leader of the Council
Line Manager	An Officer's immediate superior, responsible for their day-to-day management. (In the context of the Contract Procedure Rules) The Officer's immediate superior or the Officer designated by the Strategic Director or Head of Service to exercise the role reserved to the line manager by the Contract Procedure Rules
Member	(See also Councillor) An elected Member of the Council
Minutes	A written record of the debate and decisions reached at meetings
Monitoring Officer	The Officer appointed to fulfil the statutory role of Monitoring Officer, whose duties are set out in Part 2 of this constitution. For East Suffolk Council this is the Head of Legal and Democratic Services.
Most Economically Advantageous Tender (MEAT)	See Rule 4.6 of the Contract Procedure Rules
Nominated Suppliers and Sub-Contractors	Those persons specified in a main contract for the discharge of any part of that contract
Non-commercial Considerations	(In the context of the Contract Procedure Rules) (a) The terms and conditions of employment by contractors of their workers or the composition of, the arrangements for the promotion, transfer or training of or the other opportunities afforded to, their workforces ('workforce matters'). (b) Whether the terms on which contractors, contract with their sub-contractors constitute, in the case of contracts with

	<p>individuals, contracts for the provision by them as self employed persons of their services only.</p> <p>(c) Any involvement of the business activities or interests of contractors with irrelevant fields of government policy.</p> <p>(d) The conduct of contractors or workers in industrial disputes between them or any involvement of the business activities of contractors in industrial disputes between other persons ('industrial disputes').</p> <p>(e) The country or territory of origin of supplies to, or the location in any country or territory of the business activities or interests of, contractors.</p> <p>(f) Any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees.</p> <p>(g) Financial support or lack of financial support by contractors for any institution to or from which the authority gives or withholds support.</p> <p>(h) Use or non-use by contractors of technical or professional services provided by the authority under the Building Act 1984.</p> <p>There are exceptional circumstances in which some such matters can be taken into account, but only with advice from the Head of Legal and Democratic Services. For example, workforce matters and industrial disputes, as defined in paragraphs (a) and (d), may cease to be non-commercial considerations to the extent necessary or expedient to comply with Best Value; or where there is a transfer of staff to which TUPE may apply.</p>
Officer	A member of staff employed by the Council. (In the context of the Contract Procedure Rules) The Officer designated by the Strategic Director or Head of Service to deal with the contract in question
Ordinary meetings	Meetings of the Council that are scheduled in advance and appear in the agreed Calendar of Meetings
Parent Company Guarantee	(In the context of the Contract Procedure Rules) A contract which binds the parent of a subsidiary company as follows: if the subsidiary company fails to do what it has promised under a contract with the Council, the Council can require the parent company to do so instead
Political Neutrality	Officers serve the Council as a whole and may be required to advise political groups. In doing so they must remain neutral and serve all groups equally
Politically Restricted	Officers are entitled to maintain their own political views but must not allow these views to impact on the work they do. In some cases posts will be 'politically restricted' meaning the post-holder may not hold the office of councillor (except for a Town/Parish Council) and may not be a member of a political party or have any close connections to a political group or its activities such as canvassing at elections or speaking or writing publicly on party political matters
Post Tender Negotiations	(In the context of the Contract Procedure Rules) Discussions with prospective suppliers after submission of a tender/bid and before the

	award of a contract, with a view to obtaining adjustments in price, delivery, quality or content
Procurement Team	The Council's central procurement unit charged with providing strategic direction and advice to secure Value for Money in matters pertaining to the Council's procurement and partnership activities
Public Procurement Procedure	(In the context of the Contract Procedure Rules) The procurement procedure or other requirements which apply in the relevant circumstances under the Public Procurement Regulations where the Total Value exceeds the Public Procurement Threshold and the Officer has not received confirmation from Legal Services that the procurement is exempt
Public Procurement Regulations	(In the context of the Contract Procedure Rules) The laws applying to the Council (including any European Union law directly or indirectly in force in England) at the relevant time. When the Contract Procedure Rules were made, these were the Public Contracts Regulations 2015
Public Procurement Threshold	(In the context of the Contract Procedure Rules) The contract values at which the Public Procurement Regulations apply, as amended from time to time (see Rule 3.2 of the Contract Procedure Rules).
Quorum	The minimum number of Members that must be present at a particular meeting to make the proceedings of that meeting valid
Quotation	(In the context of the Contract Procedure Rules) A quotation of price and any other relevant matter (without the formal issue of an Invitation to Tender)
Relevant Contract	See Rule 2.1 of the Contract Procedure Rules
Scheme of Delegation	The section of the constitution which sets out how decision-making will be carried out by the Council including which functions which will be passed to Cabinet, Committees, Members or Officers
Scrutiny Committee	A committee (group of councillors) who meet to review and challenge the work of the Cabinet and the Council as a whole. The committee also holds inquiries into matters of local concern in which citizens often take part.
Section 151 Officer	The Officer appointed to fulfil the statutory role of Section 151 Officer, whose duties are set out in Part 2 of this constitution. For East Suffolk Council, this is the Chief Finance Officer (CFO).
Shortlisting	(In the context of the Contract Procedure Rules) The process of selecting bidders who are to be invited to quote or bid or to proceed to final evaluation
Strategic Director	An Officer of the Council employed as a Strategic Director (see Management Structure Chart for responsibilities). (In the context of the Contract Procedure Rules) A Strategic Director, or another Officer of the Council nominated to act in the capacity of Strategic Director, for the purposes of the Contract Procedure Rules and a specified procurement exercise
Strategic Management Team	The Strategic Management Team is made up of the Chief Executive and the two Strategic Directors of the Council

Supervising Officer	(In the context of the Contract Procedure Rules) The Line Manager’s immediate superior
Supplier List	(In the context of the Contract Procedure Rules) A preselected list of suppliers used by a department – See Rule 6.8 of the Contract Procedure Rules
Tender	(In the context of the Contract Procedure Rules) A bidder’s proposal submitted in response to an Invitation to Tender
Total Value	(In the context of the Contract Procedure Rules) The whole of the value or estimated value (in money or equivalent value) for a single procurement or disposal calculated as follows: (a) where the contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period (b) where the procurement involves recurrent transactions for the same type of item, by aggregating the value of those transactions in the coming 12 months (c) where the contract is for an uncertain duration, by multiplying the monthly payment by 48 (d) for feasibility studies, the value of the scheme or contracts which may be awarded as a result (e) for Nominated Suppliers and Sub-contractors, the total value shall be the value of that part of the main contract to be fulfilled by the Nominated Supplier or Sub-contractor.
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006 No. 246): subject to certain conditions, these regulations apply where responsibility for the delivery of works or services for the Council is transferred from one organisation (e.g. private contractor or local authority in-house team) to another (e.g. following a contracting out or competitive tendering process) and where the individuals involved in carrying out the work are transferred to the new employer. These regulations seek to protect the rights of employees in such transfers, enabling them to enjoy the same terms and conditions, with continuity of employment, as existed with their former employer. Broadly, TUPE regulations ensure that the rights of employees are transferred along with the business
Value for Money (VfM)	Value for money is not the lowest possible price; it combines goods or services that fully meet the Council's needs, with the level of quality required, delivery at the time the Council needs it, and at an appropriate price
Whistleblowing	Officers are expected, through agreed procedures and without fear of recrimination, to bring to the attention of the appropriate level of management any deficiency in the provision of service. The Council’s ‘ <i>Whistleblowing Policy</i> ’ provides assistance on how to raise matters which concern Officers

East Suffolk Council Constitution Appendices

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APPENDIX A - COMMITTEE TERMS OF REFERENCE

APPOINTMENTS COMMITTEE

Introduction

The purpose of the Appointments Committee is to oversee the appointment and dismissal of the Council's statutory officers and Strategic Directors.

Main Functions

- Recommends to Council that it confirms the appointment of the Head of Paid Service, Chief Finance Officer (also known as the Section 151 Officer), Monitoring Officer.
- Appointing Strategic Directors

Appointment/Dismissal of Officer Appointed by this Committee

The Appointments Committee will recommend to Council that it confirms the appointment of the Head of Paid Service, Chief Finance Officer, Monitoring Officer and Strategic Directors.

For the consideration of and advice to Council regarding the dismissal of Officers originally appointed by this Committee, this Committee will co-opt two independent persons and then will constitute 'the Panel' for the purposes of the Local Authorities (Standing Orders) (England) Regulations 2015 and will act accordingly.

The Committee will be comprised of three Members (politically balanced). Membership would normally comprise:

- Leader or Deputy Leader of the Council in their absence.
- Cabinet Member for the Service Area concerned or another Cabinet Member in their absence.
- One Member of the Opposition (or nominated substitute in their absence).

Each of the three Members of the Appointments Committee will have one vote and the Chair will be the Leader/Deputy Leader of the Council.

Any Member appointed to the Appointments Committee will be asked to undertake refresher training regarding the interview process, prior to sitting on the Appointments Committee, in accordance with good practice and to ensure that the recruitment process is fair and robust.

Where External Stakeholder Panels form part of the recruitment process, the Leader may invite other Members to participate in the informal part of the process.

AUDIT AND GOVERNANCE COMMITTEE

Introduction

The purpose of the Audit and Governance Committee is to provide an independent and high-level focus on audit, assurance and reporting arrangements that underpin good governance and financial standards.

Main Functions

- Provides independent assurance of the adequacy of the risk management framework and the internal control environment.
- Provides independent review of the Council's governance, risk management and control frameworks
- Oversees the financial reporting and annual governance processes.
- Oversees internal audit and external audit, helping to ensure effective relationships exist and efficient and effective assurance arrangements are in place.

Membership and Meetings

The Audit and Governance (A&G) Committee is independent of Cabinet. No Member of the A&G Committee (or their designated substitute) should be a Member of the Cabinet. Membership shall be in accordance with the political balance rules. The A&G Committee will consist of nine Councillors. Quorum is five.

The A&G Committee shall meet at least four times each municipal year, with the authority to convene additional meetings as circumstances require.

Responsibilities

The A&G Committee will have various responsibilities in the following areas:

Financial Management

- Review the Annual Statement of Accounts and consider if they reflect appropriate accounting principles.
- Review significant accounting and reporting issues, including complex or unusual transactions and judgements made in connection with the preparation of the Annual Statement of Accounts.
- To consider the External Auditor's report, including any difficulties encountered.
- To review and monitor the Council's treasury management policies and practices.

Internal control, governance and risk management

- To consider the effectiveness of the Council's internal control system, including information technology security and control.

- To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- To review the Annual Governance Statement prior to approval and consider whether it properly reflects the Corporate Risk Register, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
- To monitor the effective development and operation of risk management within the Council.
- To monitor progress in addressing risk-related issues reported to the A&G Committee.
- To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any instances of non-compliance.
- Review the findings of any reports provided by regulatory agencies, and any auditor.

Internal Audit

- To review and approve the Internal Audit Charter to ensure that it is appropriate to the needs of the organisation.
- To review and approve the annual internal audit plan and any major changes to it.
- To ensure that Internal Audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its function and is equipped to perform in accordance with appropriate professional standards for internal auditors.
- To consider the effectiveness of Internal Audit.
- To consider reports from the Head of Internal Audit on Internal Audit's performance during the year. These will include:
 - Updates on the work of Internal Audit including key findings, issues of concern and actions taken by management as a result of Internal Audit work.
 - Regular reports on the Quality Assurance Improvement Programme.
 - Reports on instances where the Internal Audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards (April 2013) ('Application Note'), considering whether non-conformance is significant enough that it must be included in the Annual Governance Statement.
- To consider the Head of Internal Audit's Annual Report:
 - The statement of the level of conformance with the Public Sector Internal Audit Standards and Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement.
 - The opinion of the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement.

- To receive reports outlining the action taken where the Head of Internal Audit has concluded that Officers have accepted a level of risk that may be unacceptable or there are concerns about progress with the implementation of agreed actions.
- To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.
- To receive as a standing agenda item, the status of internal audit recommendations, with accompanying Officer's responses.
- Review the assessment of fraud risks and potential harm to East Suffolk Council from fraud and corruption.
- Monitor the counter-fraud strategy, activity and resources.
- Review the Council's Whistleblowing Policy.
- Review the Council's Anti-Money Laundering Policy.
- To ensure the Head of Internal Audit has free and confidential access to the Chair of the A&G Committee.
- Meet with the Head of Internal Audit at least once a year without the presence of other Officers.

External Audit

- To review the performance of the External Auditors and consider the appointment or discharge of the External Auditors.
- To review the External Auditor's proposed scope and approach, including coordination of audit effort with Internal Audit.
- To consider the External Auditor's Annual Audit Letter, relevant reports, and the report to those charged with governance.
- Review and monitor Officer's responsiveness to External Audit's findings and recommendations.
- Review and confirm the independence of External Audit by obtaining statements from the auditors on relationships between the auditors and the Council, including non-audit services.

Standards Functions

- Make recommendations to the Council on the adoption or revision of the Officers' Code of Conduct and Member/Officer Protocol.
- Review the Council's protocols for Councillors dealing with planning and rights of way matters.
- Consider appeals against the Monitoring Officer's refusal to grant a written application made by a Member of the Council for a dispensation under s33 of the Localism Act 2011.
- Receive reports summarising the results of the allegations made and investigations conducted into possible breaches of the Members' Code of Conduct and to determine those cases referred to it by the Council's Monitoring Officer.
- Receive reports on declarations of interests made and gifts or hospitality received by Members and Officers.

Reporting Responsibilities

- To report to those charged with governance on the A&G Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and Internal Audit and External Audit functions.
- To report to Council on a regular basis on the A&G Committee's performance in relation to the terms of reference of the Committee in meeting its purpose.

LICENSING COMMITTEE

Introduction

The purpose of the Licensing Committee is to consider policy issues on licensing matters alongside the hearing and determination of licensing applications in accordance with statutory requirements.

Main Functions

- Determines policy in relation to licensing matters
- Delegates to a Licensing Sub Committee comprising of three Members drawn from the wider Committee to determine licenses (for example individual applications made under the Licensing Act 2023 and Gambling Act 2005).

The Licensing Committee will consist of 15 Councillors. Quorum is five. Members of the public have the right to address the Licensing Committee on any application in which they have an interest.

The Licensing Committee has the power to/responsibility for:

- License hackney carriages and private hire vehicles
- License drivers of hackney carriages and private hire vehicles
- License operators of hackney carriages and private hire vehicles
- License sex shops, sexual entertainment venues and sex cinemas
- License performances of hypnotism
- Register premises and persons for acupuncture, tattooing micropigmentation/ semi-permanent makeup, cosmetic piercing (including ear-piercing) and electrolysis
- License pleasure boats and pleasure vessels
- License market and street trading
- License scrap yards
- License premises for the breeding of dogs
- License pet shops
- License horse riding establishments
- License animal boarding establishments
- License zoos
- License dangerous wild animals

- License persons to collect for charitable and other causes
- Approve food establishments
- Keeping a register of food business establishments
- Register food business premises
- Discharge the licensing functions under the Gambling Act 2005
- Discharge the licensing functions under the Licensing Act 2003
- Control of pollution, statutory nuisances and other environmental protection where they involve:
 - Clearance of properties and the making of demolition orders and prohibition orders; and
 - Regulation and enforcement of the opening hours of shops
- The formation and review of licensing policy in accordance with the provisions of the Licensing Act 2003 and the Gambling Act 2005.
- The formation and review of licensing policies in relation to all licensing functions (with delegated authority being given to the Head of Legal and Democratic Services to make minor changes to the licensing policies arising from legislative changes, having first consulted with the Chairman of the Licensing Committee).

Licensing sub-committee

Hearing and determination of applications in accordance with statutory requirements in respect of the Licensing Act 2003, Gambling Act 2005, The Local Government (Miscellaneous Provisions) Act 1976, Part II and The Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of the Policing and Crime Act 2009 are delegated to be heard and determined by a sub-committee of three Members drawn from a pool of the 15 Members from time to time sitting on the Licensing Committee.

A substitute Member will also be nominated for each hearing but will only take part in the proceedings should one of the three Members be unable to take part.

Members of the public have the right to address the Licensing Sub-Committee on any application in which they have an interest.

The Licensing sub-committee shall be responsible for functions in connection with other environmental protection where they involve:

- Determining an application from a person for a licence, approval, consent, permission or registration;
- Direct regulation of a person; or
- Enforcement of any such licence, approval, consents, permission or direct regulation.

The Licensing sub-committee shall exercise on behalf of the Council the issue, renewal or revocation or suspension of licences and the registration of persons and premises for public control purposes.

OVERVIEW AND SCRUTINY COMMITTEE

Introduction

The purpose of the Overview and Scrutiny Committee is to hold public-service decision-makers and providers to account and facilitate the improvement of public services in East Suffolk. Effective scrutiny enhances accountability, ensures transparency of decision-making, contributes to service improvement, and acts as a 'check and balance' on decision-makers.

Main Functions

- Reviews and/or scrutinises decisions made, or actions taken in connection with the discharge of any of the Cabinet functions.
- Makes reports and/or recommendations to the Full Council or the Cabinet in connection with the discharge of any functions.
- Makes reports or recommendations to the Full Council or the Cabinet with respect to matters affecting the area or its inhabitants.

Membership and Meetings

The Overview and Scrutiny Committee comprises 13 councillors. Quorum is five. No member of the Overview and Scrutiny Committee (or their designated substitute) may be a Member of the Cabinet. The Chair of Scrutiny Committee shall be a member of an opposition group.

This Committee will discharge the functions conferred on the Council by Section 21 of the Local Government Act 2000, and any relevant regulations.

General Role of the Scrutiny Committee

Within its terms of reference, the Overview and Scrutiny Committee may:

- Review or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions.
- Make reports or recommendations to the Council or the Cabinet or any policy, joint or area committee in connection with the discharge of any functions.
- Consider any matter affecting the Council area.
- Consider petitions which have attracted over 600 and up to 1199 signatures and make recommendations to the Council or Cabinet.
- Exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the Cabinet or Cabinet Members exercising delegated powers.
- Create any Task & Finish or Research Groups as required in connection with any functions that are the responsibility of the Overview and Scrutiny Committee.
- Consider matters referred under s21A of the Local Government Act 2000 (Councillor Call for Action).
- Be the Council's designated Crime & Disorder Committee for the purposes of the Police & Justice Act 2006.

Appointments to Outside Bodies

The Council has decided that the Scrutiny Committee will collectively appoint to the following outside bodies:

Specific Functions of the Overview and Scrutiny Committee

Overview

- Assist the Council and the Cabinet in the development of its Budget and Policy Framework where appropriate by in-depth analysis of policy issues.
- Conduct community research and other consultation in the analysis of policy issues and possible options.
- Consider and implement mechanisms to encourage and enhance community participation in the development of policy options.
- Question Members of the Cabinet or Committees or Chief Officers about their views on issues and proposals affecting the district.
- Liaise with external organisations, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working.

Scrutiny

- Review and scrutinise the decisions made by Cabinet and Cabinet Members exercising delegated powers, and the performance of Council Officers in relation to the impact of individual decisions on the performance of a Council service.
- Review and scrutinise the performance of the Council and the Cabinet in relation to its policy objectives, performance targets or particular service areas.
- Question Members of the Cabinet or Committees and Chief Officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects.
- Make recommendations to the Cabinet or Council arising from the outcome of the scrutiny process.
- Review and scrutinise the performance of other public bodies in the Council's area and invite reports from them by requesting them to address the Scrutiny Committee about their activities and performance.
- Question and gather evidence from any person (with their consent).

PLANNING COMMITTEE

Introduction

East Suffolk Council has two area Planning Committees known as Planning Committee North and Planning Committee South. The purpose of each area Planning Committee is to make decisions as the local planning authority on planning applications, development control and similar regulatory matters.

Main Functions

- Determine Planning applications and/or delegate to Officers in terms of who considers an application.

Strategic Planning Committee

- There is also a Strategic Planning Committee which covers the whole District.
- The purpose of the Strategic Planning Committee is to consider, advise or determine applications on matters which impact the whole of the district and monitor the work of the area planning committees and the Council's planning service.
- The Strategic Planning Committee comprises the ten members from Planning Committee North and Planning Committee South plus the Cabinet Member for Planning and Coastal Management. Quorum is seven.

General Delegations

There will be a pool of at least 25 of its Members nominated by the political groups, according to the political balance of the Council, to be available to serve on the area Planning Committees, from which 9 Members will be drawn, also according to the political balance of the Council, to serve on each of the area Planning Committees. Quorum is five.

The Terms of Reference for the area Planning Committees shall be subject to any restrictions set out in this Constitution including matters reserved for Council or for Officers of the Council.

Each Planning Committee has responsibility for the delegated functions set out in these Terms of Reference within its designated area, provided that the Planning Referral Panel can decide that a specific Planning Committee can determine an application or matter which is outside of its designated area, because of the location or impact of that application or matter, including those that may be referred to the Strategic Planning Committee due to their impact on a wider area.

The Strategic Planning Committee may at any time review and make changes to the allocation of parishes within the North and South Planning Committee areas.

Planning Committee North and Planning Committee South

Each area Planning Committee shall meet at least monthly; Planning Committee North shall meet on the second Tuesday of each month and Planning Committee South shall meet on the fourth Tuesday of each month, with additional meetings being called as necessary.

Functions of the Planning Committees

- To determine and advise the Council on all planning and development management applications and any local development proposals and other applications under the

Town & County Planning Act 1990, Town & Country Planning Development Orders and all subordinate legislation (including the Town & Country Planning Act (Public Path Orders) Regulations 1993) and other associated legislation relating to planning, development and building control, including local plans and the National Planning Policy Framework, and including applications in relation to advertisements, listed buildings and any other notices, orders, certificates demands, permissions, consents and grants under any such legislation.

- To carry out the duties and powers of the Council as the local planning authority under the Town and Country Planning Act 1990, and its duties and powers under the Listed Buildings and Conservation Areas Act 1990, the Building Act 1984, Building Regulations and other subordinate legislation.
- To exercise the powers and duties of the local planning authority in relation to the planning of sustainable development within the policies of the local development documents; local development monitoring reports and neighbourhood planning.
- To deal with matters relating to the designation and management of conservation areas and building conservation.
- To deal with applications for grants for repair or maintenance of buildings of architectural or historic interest and matters in connection with the acquisition, restoration and disposal of buildings (excluding terms for the acquisition or disposal of land and property) or materials for conservation purposes.
- To deal with matters relating to tree preservation orders and consents to all work affecting protected trees, statutory notices, highways, hedgerows, reclamation of derelict land, enforcement, structures used for unauthorised display, unauthorised advertisements, defacement of premises, removal of signs at the request of the owner or occupier of premises, deposited plans under the Health & Safety at Work Act 1974, Building Act 1984 and Building Regulations or other subordinate legislation, public rights of way including stopping up and diversions, registration of common land and town/village greens, the creation, stopping up and diversion of highways and other related matters, including without limitation those specified in Schedule 1, Part 1A of the Local Authorities (Functions & Responsibilities) (England) Regulations 2000 relating to town and country planning and development control functions.
- To represent the Council in any appeal against determination of a planning application or matter.
- To delegate these functions, where appropriate, to employees of the Council or any subcommittee.

Each Planning Committee has:

- The power to impose any condition limitation or other restriction on any approval consent licence permission or registration granted in the exercise of those functions and the power to determine any other terms to which any such approval consent licence permission or registration is subject.
- The power to determine whether, and in what manner, to enforce any failure to comply with any approval consent licence permission or registration granted or any failure to comply with the condition limitation or term to which a such approval consent licence permission or registration is subject or any other contravention in relation to a matter with regard to which the function has been exercised.

- The power to amend modify or vary any such approval consent licence permission or registration or any condition limitation or term to which it is subject and the power to revoke any such approval consent licence permission or registration

Each of the area Planning Committees shall have the power to decide to take enforcement action and to institute, defend, and conduct legal proceedings in furtherance of or arising from the discharge of functions delegated to it except where specific functions have been delegated to an employee of the Council.

Strategic Planning Committee

The Strategic Planning Committee will be made up from the two area Planning Committees and should also include the Cabinet Member who is the holder of the Portfolio for Planning. The quorum will be seven.

Strategic Planning Meetings will be held quarterly or as necessary.

Functions of the Strategic Planning Committee

- To consider and advise the Council and Cabinet where appropriate on planning matters impacting the whole of the district, including NSIP applications.
- (Where an application has been referred to the Strategic Planning Committee by the Planning Referral Panel due to its impact on a wider area) to determine and advise the Council on planning and development management applications and any local development proposals and other applications under the Town & Country Planning Act 1990, Town & Country Planning Development Orders and all subordinate legislation (including the Town & Country Planning Act (Public Path Orders) Regulations 1993) and other associated legislation relating to planning, development and building control, including local plans and the National Planning Policy Framework, and including applications in relation to advertisements, listed buildings and any other notices, orders, certificates demands, permissions, consents and grants under any such legislation.
- To review the performance of the Council's planning and rights of way services.
- To carry out an annual monitoring role in relation to the work of the Planning Committees.
- To consider the annual report by Officers of the Council on any planning obligations or conditions which are required by the Council, including a summary of progress in the receipt and use of financial sums or development in kind received in accordance with a planning obligation.
- To consider and advise the Council on responses to Central Government consultations.
- To approve, adopt, review, amend and revise codes of best practice and procedure for planning and other matters, including the Planning and Rights of Way Code of Practice, within its terms of reference and to make the same publicly available.
- To guide the Council in setting its planning policy objectives and priorities.
- To determine fees and charges which are relevant to planning and related matters.
- To review and monitor the operational impact of planning and development control and other policies and to recommend proposals for new initiatives and policy

developments including new legislation or central government guidance and initiatives.

- To consider any recommendations made by reports from the Local Government and Social Care Ombudsman.
- To consider and advise on Planning Appeals.
- To review the training in planning matters undertaken by Members and the provision of information to Members who are appointed to the Planning Committees.

Special Provisions as to Membership

Only Members who have undertaken the appropriate training in accordance with the Planning and Rights of Way Code of Practice may be appointed to any of the Planning committees.

Substitutes

Substitutions are allowed to any of the Planning Committees, subject to being in receipt of appropriate training in accordance with the Planning and Rights of Way Code of Practice.

APPENDIX B – COUNCIL FUNCTIONS

The Local Authorities Functions and Responsibilities Regulations 2000 and the amendment regulation 2008 set out statutory functions of a Council in Schedule One of the regulations. The following table shows where the responsibility lies for those functions (where these are shown in the table to be delegated to committees, refer to the relevant committee’s ‘Terms of Reference’ for further information):

	Function	Responsibility
A	Town and Country Planning and Development Control	Council - delegated to Planning Committee
B	Licensing and Registration functions	Council - delegated to Licensing Committee
C	Health and Safety at work	Council - delegated to Licensing Committee
D	Functions relating to elections	Council
E	Functions relating to the name and status of areas and individuals	Council
EA	Functions relating to Community Governance	Council
F	Power to make, amend, revoke or re-enact bye-laws	Council
G	Power to promote or oppose local or personal Bills	Council
H	Functions relating to pensions etc.	Council
I	Miscellaneous functions as set out in Schedule One	Council - delegated to Licensing Committee

EAST SUFFOLK COUNCIL SPECIFIC FUNCTIONS

In addition to the Statutory Functions above, the following functions are reserved for Council:

- Changing this Constitution;
- Adopting and making any changes to the Council’s Codes of Conduct and arrangements;
- Changing the Policy Framework;
- Setting the Capital Programme, Revenue Budget, Budget and Council Tax;
- Making decisions which would be contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget;
- Electing the Chairman and Vice Chairman of the Council each year at the annual meeting of the Council;
- Electing the Leader of the Council every four years at the Council’s Annual Meeting;
- Resolving to remove the Leader;
- Changing the terms of reference of the Council’s Committees and deciding on their composition and making appointments to them;
- Appointing to any working groups established by the Council;
- Appointing representatives to outside bodies unless the appointment is a Cabinet function or has been delegated by the Council;

- Adopting a Members Allowances Scheme (having regard to the recommendations of an independent remuneration panel);
- Approving the appointment or dismissal of the Head of the Paid Service, the Monitoring Officer or the Section 151 Officer;
- Power to make standing orders including in relation to contracts;
- Power to agree and set the Budget for the Council's establishment;
- Power to appoint Independent Persons in terms of Code of Conduct issues;
- Power to appoint Officers for particular purposes (i.e. Proper Officers);
- Consideration and approval of Neighbourhood Plans;
- Authorising the making of payments or other benefits in cases of maladministration;
- Any other matter which, by law, must be reserved to the Council that has not been delegated elsewhere;
- Anything conducive or incidental to a Council function.

APPENDIX C – CABINET RESPONSIBILITIES

The Local Authorities Functions and Responsibilities Regulations 2000 sets out functions which may be the responsibility of Cabinet under Schedule Two of the regulations. The following table shows where the responsibility lies for those local choice functions:

Function	Responsibility
Any function under a local Act other than a function specified or referred to in regulation 2 or Schedule 1	Cabinet
The determination of an appeal against any decision made by or on behalf of the authority	Cabinet
Any function relating to contaminated land	Cabinet
The discharge of any function relating to the control of pollution or the management of air quality	Cabinet
The service of an abatement notice in respect of a statutory nuisance	Cabinet
The passing of a resolution that Schedule 2 to the Noise and Statutory Nuisance Act 1993 should apply in the authority's area	Cabinet
The inspection of the authority's area to detect any statutory nuisance	Cabinet
The investigation of any complaint as to the existence of a statutory nuisance	Cabinet
The obtaining of information under section 330 of the Town and Country Planning Act 1990 as to interests in land	Cabinet
The obtaining of particulars of persons interested in land under section 16 of the Local Government (Miscellaneous Provisions) Act 1976	Cabinet
The appointment of any individual a) to any office other than an office in which he is employed by the authority; b) to any body other than i) the authority; ii) a joint committee of two or more authorities; or c) to any committee or sub-committee of such a body, and the revocation of any such appointment	Cabinet
The making of agreements with other local authorities for the placing of staff at the disposal of those authorities	Cabinet
Any function of the local authority as a harbour authority (to the extent it does not fall within the first function in this table above.	Cabinet

Discharging Cabinet Functions

Discharge by Officers

So that the Council can ensure that decisions of the Council are taken at the most appropriate level and in a timely manner, unless a function or power is expressly reserved to Members under this Constitution or by operation of law, it will be delegated to Officers in accordance with the Scheme of Delegation to Officers

The Finance Procedure Rules and Contract Procedure Rules of the Constitution impose limits on the amount of expenditure which Officers of the Council may authorise.

The Leader, or a Cabinet Member in respect of decisions within their Portfolio, may, prior to the decision being taken, give notice to the Monitoring Officer to the effect that the decision will no longer be taken by an Officer.

Discharge by Individual Cabinet Members

Each Cabinet Member will be responsible for their decisions which sit with their Portfolio unless the decision:

- Relates to a proposal to alter the Council's budget and policy framework;
- Is to authorise expenditure in excess of £250,000
- Is likely to have a significant impact on the operation of the Council;
- Is likely to have a significant impact on the Portfolio of another Cabinet Member.

The Leader (on advice from the appropriate Chief Officer) shall resolve any ambiguity as to which Portfolio includes a particular decision or matter.

Where a matter or decision is likely to have an impact upon the responsibilities contained within the Portfolio of another Cabinet Member, but this impact is not considered to be significant as set out above, then the Cabinet Member holding the lead Portfolio may make the decision following consultation with the Cabinet Member(s) holding the other relevant Portfolios.

Cabinet Members should consult relevant Officers, the Monitoring Officer and the Chief Financial Officer prior to making any decisions. Where a Chief Officer, the Monitoring Officer, or the Chief Financial Officer, prior to the making of a decision, provides written advice to the effect that one of the exceptions above applies, then the decision in question will stand deferred until the next Cabinet meeting.

The Leader, or a Cabinet Member in respect of decisions within their Portfolio, may, prior to the decision being taken, give notice to the Monitoring Officer to the effect that the decision will no longer be taken by an individual Cabinet Member.

Discharge by full Cabinet

All Cabinet decisions which are not delegated to Officers or Cabinet Members holding a particular Portfolio in the manner set out above will be taken by full Cabinet.

Other Arrangements

The Cabinet may arrange for any decision that it is collectively responsible for to be taken by an individual Cabinet Member, a committee of the Cabinet or under joint arrangements with or by another authority.

Cabinet Procedure Rules

The Cabinet and individual Cabinet Members will comply with the requirements of the Cabinet Procedure Rules of the Constitution in discharging Cabinet functions.

Services and Functions within Cabinet Responsibilities

- Making proposals on the Policy Framework to the Council
- Preparation and recommendation to Council of the Budgets and Council Tax
- Preparation and recommendation to Council of the Capital Programme
- Agreeing strategies and plans at a level below the Policy Framework
- Preparation of a rolling Forward Plan and submission of quarterly report to Council
- Receipt of reports on liaison meetings with town and parish councils and with business interests
- Any function of a local authority in their capacity as a harbour authority
- Economic, environmental or social well-being
- Community Health and Community Safety
- Community Liaison and Development
- Theatres, arts and cultural development
- Economic Development and European issues
- Leisure and Sports
- Recreation and associated Services
- Tourism services and tourism development
- Emergency planning
- Car parks
- Travel concessions
- Public health and safety, environmental services, public conveniences, health service liaison
- Food Safety
- Health and Safety
- Port Health
- Cemeteries and closed churchyards
- Waste management and recycling including; household, commercial and industrial waste reduction, refuse, collection, recycling and disposal, septic tank and cesspool service, abandoned vehicles, pest control and dog warden services
- Implementation of the Environmental Policy
- Housing

- Private sector housing matters
- Estates management
- Travellers, Gypsies and Houseboats
- Treasury and debt management
- Asset management
- Revenues and Benefits
- Rating matters
- All residual finance matters (including the administration of the Council's Capital Grants Scheme and the allocation of Revenue Grants)
- The powers, duties and functions of the Council as Local Planning Authority (insofar as these relate to planning policy, positive planning, and conservation)
- Building Control (insofar as this relates to policy and the performance of the service)
- Town Centre Management
- The maintenance and lighting of highways and footways (residual or agency functions)
- Coast protection
- Land drainage
- Transportation
- Local Land Charges
- Major Project Co-ordination
- Human Resources (insofar as this relates to policies on recruitment, training, terms of employment, remuneration, employee relations, equal opportunities, health, safety and welfare, and the achievement of the Council's objectives)
- Corporate information and promotion functions
- Procurement and contracts management
- ICT operations and digital strategy
- Industrial relations
- Public Relations (PR) and communications
- Burial of the poor
- Energy conservation
- Grants

APPENDIX C – COUNCILLOR ROLE DESCRIPTIONS

ELECTED MEMBER ROLE DESCRIPTION

Accountabilities

- To the electorate of the Ward and District
- To the wider public
- To Full Council
- To the Political Group and Group Leader (where applicable)

Role Purpose

- To provide a bridge between the community and the Council
- To represent individual constituents and local organisations in a fair and equal way, undertaking casework on their behalf
- To represent the interests of the Ward and communities served
- If appointed, to attend and represent the Council at meetings of other partner organisations (outside bodies) as and where appropriate
- To communicate with members of the community on:
 - Council strategies, policies, services and procedures
 - Decisions that affect them and explain why those decisions are being taken
 - Opportunities in the community
 - The rights of constituents
- To be an advocate for the Council
- To proactively support the good governance of the District, through the formation and scrutiny of the Council's policies, plans, strategies, budget and service delivery
- To liaise with Member colleagues, Officers and partner organisations to ensure that the needs of the local community are identified, understood and supported

Duties & Responsibilities

- To promote and at all times maintain high standards of conduct in accordance with the Code of Conduct, acting with Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership
- To act as a link between East Suffolk Council and Town and Parish Councils in the Ward served
- To take account of any legal requirements that relate to this role such as General Data Protection Regulations, Safeguarding etc
- To use information technology in its various forms, including the use of social media, participating in the webcasting of Council meetings and video conferencing
- To attend and participate in meetings of the Council at both its offices - East Suffolk House in Melton and Riverside in Lowestoft – or any other location as required

Governance, Ethical Standards and Relationships

- To promote and support good governance of the Council and its business
- To promote community leadership and active citizenship
- To promote and at all times maintain high standards of conduct in accordance with the Code of Conduct, acting with Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership, and to adopt the highest standards of behaviour in public office
- To support and adhere to respectful, appropriate and effective relationships with Officers of the Council in accordance with the Protocol for Member/Officer Relations
- To uphold our values in terms of Equalities, Diversity and Inclusion

Skills and Knowledge

East Suffolk Council has a significant Member Development Programme which has been designed to ensure all our Members have the following skills:

Representing and Supporting Communities

- Good advocacy skills
- Interpersonal skills
- Integrity and ability to set aside own views and act impartially
- The ability to present relevant and well-reasoned arguments
- Good communication skills
- Knowledge and understanding of the democratic process and the Council's Constitution

Representing East Suffolk Council

- Good public speaking skills
- Good presentation skills
- The ability to persuade others and act with probity
- The ability to travel around the District
- The need to be IT literate
- Understanding the role of external partners and other organisations in the public, private, charitable and voluntary sectors

Making Decisions and Overseeing Council Performance

- Knowledge and understanding of procedures, legal requirements, rules and conventions for meetings
- The ability to scrutinise and challenge reports and ideas
- The ability to contribute positively to policy development

LEADER/DEPUTY LEADER ROLE DESCRIPTION

Accountabilities

- To the public
- To the Cabinet (through collective responsibility)
- To Full Council

Role Purpose

- To be the leading political figurehead(s) for the Council as a whole and the principal political spokespersons for the Administration
- To provide strong, clear political leadership in the co-ordination of Council policies, strategies and service delivery
- To provide visible leadership in relation to the Council and its citizens, stakeholders and partners in the overall delivery of Council policies, strategies and service delivery

Duties and Responsibilities

- To appoint the Cabinet (Leader)
- To appoint the Deputy Leader (Leader)
- To designate appropriate Cabinet portfolio groupings
- To appoint Cabinet Members to specific portfolios having regard to their abilities, expertise and past work/life experiences
- To have a thorough knowledge of the Constitution and the decision-making processes within the Council
- To ensure effective running of the Cabinet by overseeing the Forward Plan of Key and Exempt Decisions
- To chair meetings of the Cabinet in line with Council procedures and the Constitution
- In conjunction with other Cabinet Members, to ensure the development of effective Council policies, the budgetary framework and delivery of high-quality services to local people
- To represent the Council in the community and in discussions with regional, national and international organisations and others to pursue matters of interest to the Council and its communities
- To liaise regularly with the Chief Executive – giving and receiving advice on the management of the Council and delivery of Council services
- To challenge the status quo, thinking creatively and taking advantage of opportunities, and to help create an organisational culture which can enable this approach
- To develop and maintain effective relationships with Officers, other Councillors, partners and other public sector bodies, local businesses and voluntary and community groups and the general public in the area

The Deputy Leader will assist the Leader of the Council in discharging the above duties and in the absence of the Leader, the Deputy Leader will assume responsibility.

These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.

CABINET MEMBER ROLE DESCRIPTION

Accountabilities

- To the public
- To the Leader
- To the Cabinet (through collective responsibility)
- To Full Council

Role Purpose

- To be responsible for developing and implementing Council policies, strategies and service delivery within allocated Cabinet portfolios
- To give leadership and political direction to Officers and be accountable for choices and the performance of their relevant portfolio
- To act as a spokesperson both within and outside the Authority on matters covered by their portfolio

Duties and Responsibilities

- To take individual responsibility for a specific Cabinet portfolio and share in undertaking executive responsibility for developing and progressing overall strategy, budget, policies, service delivery and priorities
- To give direction on, and ensure the development of the vision for, those services within their portfolio so that they are consistent with the Council's overall strategic approach
- To work as a team with other Cabinet Members and to recognise and contribute towards issues which cut across portfolios or are issues of collective responsibility
- To liaise with the Chief Executive, Strategic Directors and Heads of Service to ensure the effective management of the delivery of those services within the portfolio throughout the district
- To speak on behalf of the Council in relation to portfolio responsibilities including representing the portfolio at Full Council and other meetings, representing the Council to the media and on relevant external bodies, and to develop and maintain effective working relationships with the public, local businesses, the media, and voluntary and community groups in the area
- To encourage public participation and consultation and to ensure effective communication of Council policies and strategies to all Councillors, employees, residents, partner organisations and other stakeholders to ensure they are widely understood and positively promoted
- To participate in Committee meetings of the Council e.g. Scrutiny Committee and other Committees when requested to do so

- To have a thorough knowledge of the Constitution and the decision-making processes within the Council
- To be called to account for decisions made on behalf of the Cabinet or as an individual Cabinet Member
- To work closely with and support Assistant Cabinet Members to ensure they are effective in their role

These duties and responsibilities are in addition to those detailed in the role description for an Elected Member

ASSISTANT CABINET MEMBER ROLE DESCRIPTION

Accountabilities

- To the public
- To the Leader
- To the Cabinet (through collective responsibility)
- To the Cabinet Member they assist
- To Full Council

Role Purpose

- To assist the Cabinet Member in being responsible for developing and implementing Council policies, strategies and service delivery within allocated Cabinet portfolios
- To assist the substantive Cabinet Member in giving leadership and political direction to Officers and to be accountable for choices and performance of relevant portfolio
- To act as a spokesperson in consultation with the Cabinet Member both within and outside the Authority on matters covered by their portfolio

Duties & Responsibilities

- To assist in taking responsibility for a specific Cabinet portfolio and share in undertaking executive responsibility for developing and progressing overall strategy, budget, policies, service delivery and priorities
- To work in consultation with the Cabinet Member to give direction on, and ensure the development of the vision for, those services within their portfolio so that they are consistent with the overall strategic approach of the Council
- To work as a team with their Cabinet Member, other Cabinet Members and their Assistant Cabinet Members and to recognise and contribute towards issues which cut across portfolios or are issues of collective responsibility
- To support the Cabinet Member and to assist as necessary in speaking on behalf of the Council in relation to portfolio responsibilities including representing the portfolio at Full Council, representing the Council to the media and on relevant external bodies, and to develop and maintain effective working relationships with the public, local businesses, the media, and voluntary and community groups in the area

- To encourage public participation and consultation and to ensure effective communication of Council policies and strategies to all Councillors, employees, residents, partner organisations and other stakeholders to ensure they are widely understood and positively promoted
- To participate in Committee meetings of the Council e.g. Scrutiny Committee and other Committees where requested to do so, and to support the substantive Cabinet Member
- To have a thorough knowledge of the Constitution and the decision-making processes within the Council

These duties and responsibilities are in addition to those detailed in the role description for an Elected Member.

CHAIR/VICE-CHAIR OF THE COUNCIL ROLE DESCRIPTION

Accountabilities

- To the public
- To Full Council

Role Purpose and Activity

Acting as the Council's Civic Head

- As the ceremonial head of the Council, to be non-political and uphold the democratic values of the Council
- To represent the Council at civic and ceremonial functions

Chairing Council Meetings

- To preside over meetings of the Council so its business can be carried out efficiently
- To ensure the Council conducts its meetings in line with the Council's Standing Orders

Upholding and promoting the Council's Constitution

- To ensure the Constitution is adhered to and, if necessary, to rule on the interpretation
- To act in the capacity of Chair for the Constitution Review working Group (Chair)

Internal Governance, Ethical Standards and Relationships

- To promote and support good governance of the Council and its affairs
- To provide community leadership and promote active citizenship
- To promote and support open and transparent government
- To support, and adhere to respectful, appropriate and effective relationships with Officers of the Council

- To adhere to the Code of Conduct, Protocol for Member/Officer Relations and the highest standards of behaviour in public office

Work Programming

To prepare and manage an annual work programme for the Council to meet its legal obligations (e.g. setting the budget and the Council Tax and making appointments)

The Vice-Chair will assume responsibility for the above duties in the absence of the Chair.

CHAIR/VICE-CHAIR OF A COMMITTEE

Accountabilities

- To the public
- To Full Council
- To the Committee the Chair is responsible for

Role Purpose and Activity

Provide Leadership and Direction

- To Chair Committee meetings and develop and maintain a good working knowledge of the practices, procedures and functions which fall within the Committee's terms of reference
- To promote and support good governance by the Council
- To demonstrate independence, integrity and impartiality in decision making which accords with legal, financial, constitutional and policy requirements
- To provide confident and effective management of the Committee to facilitate inclusivity, participation and clear decision making
- To ensure thoroughness and objectivity in the Committee, receiving and responding to professional advice in the conduct of meetings and in the audit process
- To uphold and promote ethical governance and high standards in public office, particularly in relation to the Code of Conduct and the Protocol for Member/Officer Relations

Manage the Work Programme

- Develop a forward work programme designed to deliver the requirements of the Committee and to meet statutory requirements as appropriate
- Monitor progress against the work programme

Governance, Ethical Standards and Relationships

- Develop the standing and integrity of the Committee and its decision making

- Understand the respective roles of Members, Officers and external parties operating within the Committee's areas of responsibility
- Review and self-assess the performance of the Committee and its Members

Effective Meeting Management

- Ensure agendas contain clear objectives and outcomes for meetings
- Ensure that the necessary preparation is done for meetings
- Manage the progress of business at meetings; ensuring that meeting objectives are met and the Code of Conduct, rules of procedure and other constitutional requirements are adhered to
- Ensure that all participants have an opportunity to make an appropriate contribution

Involvement and Development of Committee Members

- To promote effective contributions from all Committee Members in both the Committee and any Task & Finish Groups
- To assess individual and collective performance within the Committee and facilitate appropriate development

LEADER/DEPUTY LEADER OF AN OPPOSITION GROUP ROLE DESCRIPTION

Accountabilities

- To the nominating group

Role Purpose

- To be a political figurehead for an Opposition Group and to be a spokesperson for that Group
- To provide leadership in the constructive challenge of the Council's policies
- To undertake the functions of a Councillor and provide Leadership for that Group

Duties and Responsibilities

- To provide strong, clear leadership to their Opposition Group on the Council
- To act as a spokesperson for their Opposition Group and as a representative of the Authority to external bodies and organisations as appropriate
- To work with, comment on, challenge and review the Council's controlling group's performance in the co-ordination and implementation of its policies and procedures
- To establish and represent the views of their Opposition Group on issues of policy and probity
- To have a good understanding of the roles of Members, Officers, external partners and agencies

Governance, Ethical Standards and Relationships

- To promote and support good governance by East Suffolk Council
- To provide community leadership and promote active citizenship
- To promote and support open and transparent government
- To support and promote respectful, appropriate and effective relationships with employees of the Council
- To promote and support adherence to the Code of Conduct, the Protocol for Member/Officer Relations and the highest standards of behaviour expected in public life
- To promote and participate in Member development

The Deputy Leader of an Opposition Group will assist the Leader of that Opposition Group in discharging the above duties and in the absence of the Leader of an Opposition Group, the Deputy Leader of that Opposition Group will assume responsibility.

APPENDIX D – CABINET PORTFOLIOS

PORTFOLIO	KEY RESPONSIBILITIES
Leader of the Council	Community Partnerships – Implementation Council Policy and Strategic Finance Council performance Communications Member Development Consultation and Parish Liaison Legal and Democratic Services
Deputy Leader and Housing	Housing Stock Tenant Services Building Services Housing Development Private Sector Housing Travellers Homelessness
Communities, Leisure and Tourism	Communities Tourism Young People / Apprentices / Youth Council Leisure Sport Theatre and arts
Community Health	Health and wellbeing Licensing Food and safety Port Health Health promotion / NHS Emergency planning Community Safety
Corporate Services -Digital, Customer Services, HR & Assets	Customer services Customer access Channel Shift Complaints Commercial partnerships IT and digital transformation
Planning and Coastal Management	Development Management Building Control Local Plan Conservation and Design Planning Policy

	Coastal Management Coastal Partnership East
Resources and Value for Money	Value for Money Financial Compliance and Planning Medium Term Financial Strategy Council Tax and Business Rates Payables and Purchasing Capital Programme Treasury Management External Audit Welfare Reforms (Universal Credit) Anglia Revenues Partnership (ARP) Audit and Risk Management Counter Fraud Data Protection
The Environment	Environment protection Pollution control Waste management Joint Environmental Sustainability Policy Green agenda Countryside management Environmental Partnerships
Energy and Climate Change	Energy Joint Environmental Sustainability Policy Green agenda
Economic Development and Transport	Transport and infrastructure Car Parks Rights of Way Economic Development Regeneration Growth and Skills Enterprise Zones Energy Assets and property services

APPENDIX E – OUTSIDE BODIES

Appointment to Outside Bodies

The Council has decided that the Cabinet will collectively appoint to the following outside bodies:

Appointments to Outside Bodies (Executive Functions)

APPENDIX F - REGISTER OF SPECIFIC OFFICER FUNCTIONS

Head of Planning and Coastal Management

All planning application decisions including decisions concerning Environmental Impact Assessment (EIA) decisions or considerations requiring Habitat Impact Assessments (HRA) are delegated to the Head of Planning and Coastal Management UNLESS:

- The Planning Application is, in the opinion of the Head of Planning and Coastal Management or the Chairman/Vice Chairman of the Planning Committee, of significant public interest; would have a significant impact on the environment; or should otherwise be referred to Members due to its significance in some other respect; or
- The applicant or landowner is East Suffolk Council; or
- The applicant, or agent, is an East Suffolk Councillor or an East Suffolk Council employee, or the applicant, or agent, is a close relative of an East Suffolk Councillor or East Suffolk Council employee; or
- The 'minded to' decision of the Planning Officer is contrary to either:
 - The comments received from the Town or Parish Council within the 21-day consultation period; or
 - The comments received from the Ward Member within the 21-day consultation period; or
 - The comments received from a statutory consultee within the 21-day consultation period.
- In which case, if item 4 is invoked, the Planning Application will be referred to the Planning Referral Panel – the panel will discuss with the Head of Planning and Coastal Management (based on planning grounds) to either refer the application to Planning Committee for decision or remain delegated to the Head of Planning and Coastal Management.

Planning Referral Panel

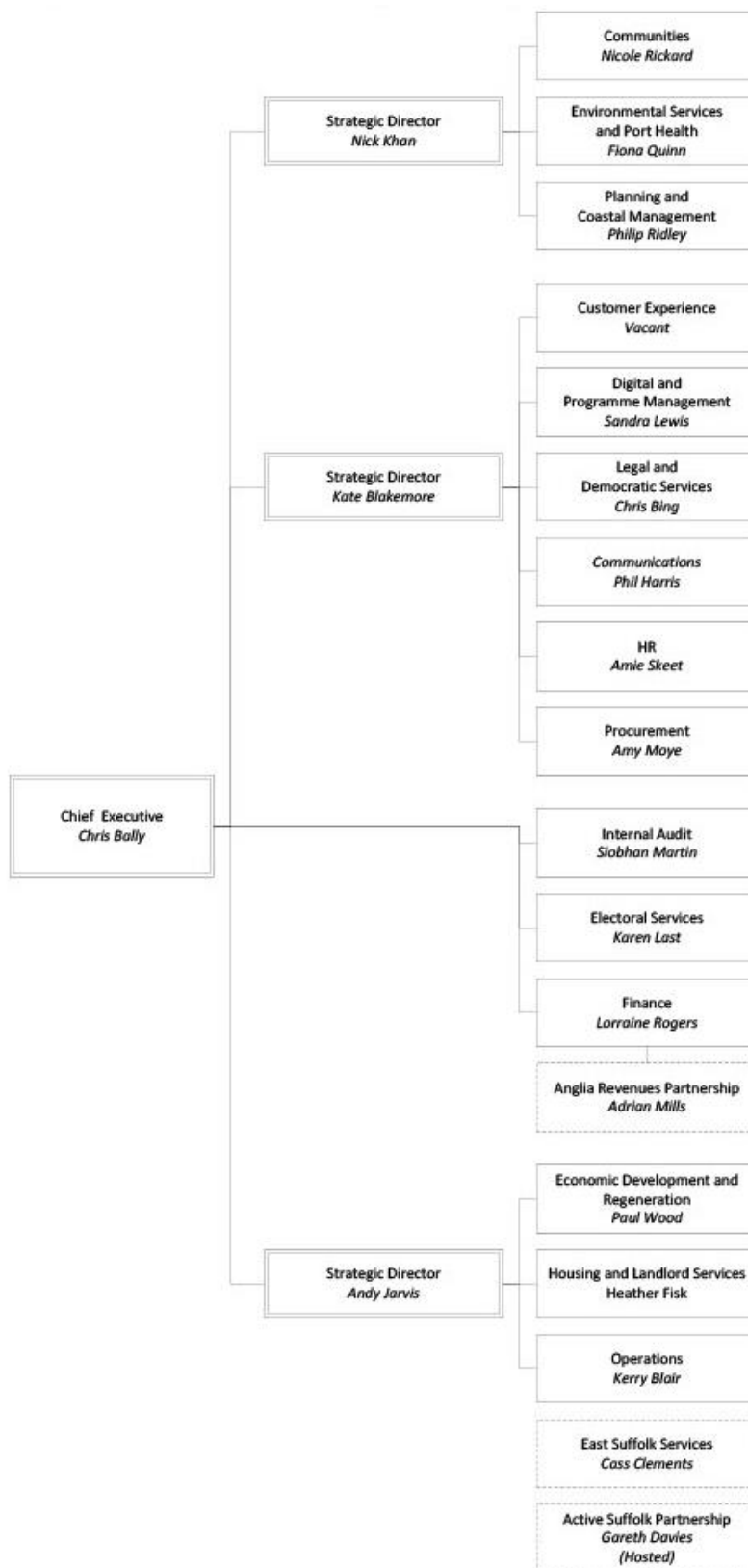
The Planning Referral Panel is a consultative panel consisting of the Chairman and Vice Chairman of each area Planning Committee, convened by the Head of Planning and Coastal Management as necessary and established to advise on the delegated route of decision making for planning permission and other planning matters as part of the scheme of delegation.

Officers will use the Planning Referral Panel to consult with the Chairman and Vice Chairman of the committees as to whether the application or matter will be determined by the relevant Planning Committee or remain delegated to the Head of Planning and Coastal Management in accordance with the Scheme of Delegation. The final decision on whether the relevant Planning Committee or the Head of Planning and Coastal Management shall determine the application or matter shall be made by the Head of Planning and Coastal Management as part of the consultation with the Planning Referral Panel.

The Planning Referral Panel will also consider whether it is appropriate for the relevant Planning Committee to undertake a site visit before the case is presented to the Planning Committee.

All consultations with the Planning Referral Panel will be recorded.

APPENDIX G – SENIOR MANAGEMENT STRUCTURE



Updated: November 2023

APPENDIX H – PROPER OFFICERS

There are various laws which require certain functions to be undertaken by the "Proper Officer" of the Council. The following is a list of designated Proper Officers in East Suffolk. In the event that a Proper Officer is not listed then the Proper Officer shall be the Strategic Director with responsibility for the subject matter in question or in the alternative the Head of Paid Service.

"Proper Officer" functions may be discharged by other Officers duly authorised to act in the name of the "Proper Officer" concerned.

Local Government Act 1972

Section of the Act	Duty or function involving appointment of an Officer of the Council	The Proper Officer for the functions referred to and the Officer to act in the absence for any reason of the first named Officer
13(3)	The Officer to act as a Parish Trustee with the Chairman of a parish meeting	Chief Executive
39	The Registration Officer for any constituency or part of a constituency coterminous with or contained in the district	Chief Executive
41(1)	The Returning Officer for the elections of councillors of the district and of councillors of parishes or committees within the district	Chief Executive Head of Legal and Democratic Services
83	Declaration of acceptance of office by chairman, vice-chairman or councillor of the district	Chief Executive Head of Legal and Democratic Services
84	Receipt of written notice of resignation of office by person elected to that office	Chief Executive Head of Legal and Democratic Services
88(2)	Convening of meeting of Council to fill casual vacancy in office of Chairman of the Council	Chief Executive Head of Legal and Democratic Services
89(1)(b)	Receipt of a notice in writing given by two local government electors for the district of a casual vacancy occurring in the office of councillor	Chief Executive Head of Legal and Democratic Services
96(1) & (2)	The Officer to whom a Member of the Council shall give written notice of interests in contracts	Chief Executive Head of Legal and Democratic Services
100B(7)(c)	Supply of documents to press	Head of Legal and Democratic Services Democratic Services Manager

100C(2)	Written summary of exempt proceedings	Head of Legal and Democratic Services Democratic Services Manager
100D(1)(a)	Compilation of list of and inspection of background papers	Head of Legal and Democratic Services Democratic Services Manager
100F(2)	Exclusion of document containing exempt information	Head of Legal and Democratic Services Democratic Services Manager
115(2)	Receipt of money due from Officers	S151 Officer
146(1)(a) and (b)	Declarations and certificates with regard to securities	S151 Officer
151	Arrangements for proper administration of Council's financial affairs	S151 Officer
191(2)	Functions with respect to ordnance survey	Head of Planning and Coastal Management
204(3)	Receipt of notice of application for justices' licence under Schedule 2 Licensing Act 1964	Chief Executive Head of Legal and Democratic Services
210	Charity functions of predecessor authorities transferred to the Council	Chief Executive Head of Legal and Democratic Services
212	The Officer to act as local registrar for local land charges	Head of Planning and Coastal Management
223(1)	Appearance of Council in legal proceedings	Head of Legal and Democratic Services
225(1)	Deposit of documents	Chief Executive Head of Legal and Democratic Services
228(3)	Accounts to be open to inspection	S151 Officer
229(5)	Certification of photographic copies of documents	Chief Executive Head of Legal and Democratic Services
234(1) and (2)	The Officer to sign any such notice, order or other document which the Council are authorised or required by or under any enactment to give, make or issue	Chief Executive Head of Legal and Democratic Services
236(9)(10)	To send copies of byelaws to Parish Councils	Head of Legal and Democratic Services Democratic Services Manager
238	Certification of byelaws	Head of Legal and Democratic Services Democratic Services Manager
248(2)	Keeping of Roll of Freemen	Chief Executive Head of Legal and Democratic Services

Schedule 6 Para 1	The Officer capable of deputizing for the registration Officer for carrying out his registration duties	Head of Legal and Democratic Services
Schedule 12 para 3(2), 4(2)(b)	Signature of summons to council Meeting	Chief Executive Head of Legal and Democratic Services
Schedule 12 para 4(3)	Receipt of notices regarding address to which summons to meeting is to be sent	Chief Executive Head of Legal and Democratic Services
Schedule 14, para 13	Taking action under s152(1), s157, s158(1), and s163(1) of the Public Health Act 1936	Head of Environmental Services and Port Health
Schedule 14 para 15	s162(1) of the Public Health Act 1936	Head of Environmental Services and Port Health
Schedule 14 para 25(7)	The Officer to certify in writing a true copy of resolution of the Council applying or disapplying provisions of the Public Health Acts 1875-1924	Head of Legal and Democratic Services Head of Environmental Services and Port Health
Schedule 14 para 38(1)(2)	Issuing of written certificates for the purposes of ss38(1) and (2) of the Public Health Acts 1875-1924	The Registered medical practitioner appointed by the Council for the purpose
Schedule 14 para 47(1)(2)	Issuing of written certificates for the purposes of the Health Services and Public Health Act 1968 Section (1) and (2)	The Registered medical practitioner appointed by the Council for the purpose
Schedule 16 para 28	The Officer to receive on deposit lists of buildings of special architectural or historic interest	Head of Planning and Coastal Management Head of Legal and Democratic Services
Schedule 22	The Officer for the purposes of s166(1) and (2) of the Housing Act 1957	Chief Executive Head of Legal and Democratic Services
Schedule 29 para 4(1)(a) and (c)	The Officer referred to as the Clerk of a Council or the Town Clerk of a Borough in any enactment passed before or during the 1971/72 Session of Parliament, other than the Local Government Act 1972, or in any instrument made before 26 October 1972 and in any local statutory provisions	Chief Executive Head of Legal and Democratic Services

Representation of the People Act 1983

8(1) and	Appointment of electoral registration	
(2) (a)	Officer	
35(1)	Appointment of returning Officer	

Local Government Finance Act 1988

114	Officer responsible as regards Reports	
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	Reports	
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Local Government and Housing Act 1989

2(4)	Deposit of list of politically restricted posts	
4	Head of Paid Service	
5	Monitoring Officer	
15-17	Receipt of various notices relating to political groups under relevant	
	Regulations	
19(1)	Receipt of notice of direct and indirect	
and (4)	pecuniary interests	

Local Government Act 2000

The Officer to receive written notice from the Leader of the removal from the Cabinet of an individual Cabinet Member	Head of Legal and Democratic Services Democratic Services Manager
The Officer to call in a decision for scrutiny by the Scrutiny Committee in accordance with the Scrutiny Procedure Rules	Head of Legal and Democratic Services Democratic Services Manager
The Officer to receive reasonable notice that the Cabinet is to meet to make a decision	Head of Legal and Democratic Services Democratic Services Manager
The Officer to ensure that an item requires by a Cabinet Member is placed on the agenda for the next available meeting of the Cabinet	Head of Legal and Democratic Services Democratic Services Manager
The Office to ensure that an item requested by the Scrutiny Committee or by Council is placed on the agenda for the next available meeting of the Cabinet	Head of Legal and Democratic Services Democratic Services Manager
The Officer to call a meeting of the Cabinet requested by the Head of Paid Service, the Chief Finance Officer or the Monitoring Officer in pursuance of their statutory duty	Head of Legal and Democratic Services Democratic Services Manager
The Office responsible for the recording and publicising of decisions made at private meetings of the Cabinet	Head of Legal and Democratic Services Democratic Services Manager
The Officer to receive notice from a member of the Scrutiny Committee that they wish an item to be placed on the agenda for the next available meeting of the Scrutiny Committee and to ensure that such item is included on the next agenda	Head of Legal and Democratic Services Democratic Services Manager
The Officer to receive written notice from the requisite number of members of the Council who are not members of the Scrutiny Committee that they wish an item to be	Head of Legal and Democratic Services Democratic Services Manager

included on the agenda of the Scrutiny Committee and to ensure that such item is included on the next agenda	
The Officer to receive the report of the Scrutiny Committee and to allocate such report to either both Cabinet appropriate regulatory committee or Council	Head of Legal and Democratic Services Democratic Services Manager
The Office to inform in writing a Member or Officer required to attend the Scrutiny Committee of that requirement	Head of Legal and Democratic Services Democratic Services Manager
Functions under the Local Authorities (Executive Arrangements) (Access to Head of Information)(England) Regulations 2000	Legal and Democratic Services Democratic Services Manager

Countryside and Rights of Way Act 2000

1	Access to the Countryside (Maps in Draft Form) (England) Regulations	Head of Planning and Coastal Management
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The Local Authorities (Standing Orders) (England) Regulations 2001

All sections	Giving notice to Cabinet in respect of Chief Officer appointments	HR Manager
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The Magistrates' Courts

To represent the Council in the Magistrates' Court in respect of Council Tax and Non-Domestic rates matters	To be appointed by the Monitoring Officer
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The Health and Safety at Work Act 1974

S19(1)	To carry out enforcement	Head of Environmental Services & Port Health Food & Safety Manager Health & Safety Manager Lead Food Officer Food & Safety Officer
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APPENDIX I – GLOSSARY OF TERMS

Term	Definition
Agent	(In the context of the Contract Procedure Rules) A person or organisation acting on behalf of the Council or on behalf of another organisation
Annual General Meeting (AGM)	The first meeting of the Council in each municipal year, usually held in May
Audit and Governance Committee	A committee (group of councillors) who meet to review the work of the Council, in particular with regard to finance and audit. The committee is entirely separate from the Cabinet and provides independent assurance to the Council as to the adequacy of the Council's risk management and internal controls. The committee also promotes and maintains high standards of behaviour by Councillors and deals with any allegations of a breach of the Members Code of Conduct
Best Value	The duty which Part I of the Local Government Act 1999 places on local authorities to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness, as implemented by the Council. Guidance is available at https://www.gov.uk/government/publications/revised-best-value-statutory-guidance . (See also Value for Money)
Bond	An insurance policy in the form of either a Performance Bond or a Guarantee Bond: if the contractor does not do what it has promised under a contract with the Council, the Council can claim from the insurer the sum of money specified in the bond. A bond is intended to protect the Council against a level of cost arising from the contractor's failure
Budget and Policy Framework	The key policy documents that set out the Councils position on key activities and set the budget for each year. Documents that make up the Budget and Policy Framework must be approved by Full Council. A list of these documents is shown in Part 2 Section B of this constitution
Cabinet	(See also Executive) The Cabinet/Executive is made up of the Leader, a Deputy Leader and up to eight other Cabinet Members who are chosen and appointed by the Leader. The Cabinet are responsible for the Executive decisions of the Council and take most of the decisions on service delivery. A list of responsibilities can be found in Part 2, Section B of this constitution
Cabinet Member	A Member of the Cabinet to whom political responsibility is allocated for certain functions
Cabinet Portfolio	A range of functions and services of the Council that are grouped together and allocated to a particular Cabinet Member

Calendar of Meetings	The agreed schedule of Council, Cabinet, and Committee meetings for the municipal year, as agreed by the Council at its annual general meeting (AGM)
Call-in	Within five working days of the date of publication of any decision that is made by the Cabinet, a committee of the Cabinet, an individual Cabinet Member exercising delegated powers, under joint arrangements, or by an Officer, any two (2) Members of the Scrutiny Committee or any five (5) Members of the Council may ‘call-in’ the matter for review by the Scrutiny Committee. The Call-in provision does not apply to urgent decisions.
Chairman of the Council	The Chairman of the Council is elected by the Council at their annual general meeting (AGM) each year. The Chairman sits at the head of Council meetings and runs the meetings in accordance with the constitution. The Chairman also carries out some civic and ceremonial roles on behalf of the Council
Chief Executive	The lead Officer of the Council who is ultimately responsible for the operational management of the Council, its Officers, and for the delivery of all the Council’s Services within the budget and policy framework set by Members
Chief Officer	(In the context of the Contract Procedure Rules) A Member of the Strategic Management Team or Officer delegated to deal with the contract in question
Committee	A group of councillors who are appointed to carry out specific functions. Some committees are given the power to make decisions for the Council, e.g. regulatory committees such as Planning Committee
Conflict of interest	A situation or circumstance in which an individual has competing interests or loyalties which may impair their ability to make an unbiased decision
Constitution	The legally binding constitutional document approved and adopted by the Council which: <ul style="list-style-type: none"> • allocates powers and responsibility within the Council and between it and others • delegates authority to act to the Cabinet, Committees, Portfolio Holders, Strategic Directors, Heads of Service, and Officers • regulates the behaviour of individuals and groups through Procedure Rules, Codes and / or Protocols
Consultant	A Person employed for a specific length of time to work to a defined project brief with clear outcomes to be delivered, who brings specialist skills or knowledge to the role, and where the Council has no ready access to employees with the skills, experience or capacity to undertake the work
Contract	Includes any contract and any deed which does not fall within Rule 2.1 of the Contract Procedure Rules (excluded contracts)
Contract Register	The register to be kept and maintained by the Procurement Team recording details of all contracts entered into by the Council (see Rule 7 of the Contract Procedure Rules).

Contracting Decision	Any of the following decisions: <ul style="list-style-type: none"> • withdrawal of Invitation to Tender • whom to invite to submit a Quotation or Tender • Shortlisting • Award of contract • Termination of a contract
Contracts Finder	The facility for private firms to find opportunities to win national and local government contracts above a low minimum value (www.gov.uk/contracts-finder)
Constituents	Residents living in the area that the Council or Councillor represents
Corporate Agreement	A procurement facility approved and managed by the Procurement Team (in consultation with the Head of Legal and Democratic Services) to support the Council's aim of achieving Value for Money. This may, for example, be a Framework Agreement operated by the Council or a suitable external organisation for government buyers (such as the Crown Commercial Service).
Corporate Leadership Team	The Corporate Leadership Team is made up of the Chief Executive, the two Strategic Directors, and all of the Heads of Service of the Council
Corporate objectives	The key priorities and values of the Council. These are set out in more detail in the Council's Business Plan
Councillor	(See also Member) An elected Member of the Council
Data Protection Act 1998	Statutory requirement that the Council must <ul style="list-style-type: none"> • not use or disclose data except as registered • hold only adequate and relevant data • keep data accurate and up to date • give a print of the data to the individual concerned if requested
Executive	(See also Cabinet) The Cabinet/Executive is made up of the Leader, a Deputy Leader and up to eight other Cabinet Members who are chosen and appointed by the Leader. The Cabinet are responsible for the Executive decisions of the Council and take most of the decisions on service delivery. A list of responsibilities can be found in Part 2, Section B of this constitution
Extraordinary meetings	Meetings of the Council which are not scheduled in the Calendar of Meetings but are called, usually at short notice, to deal with a particular issue(s)
Financial Procedure Rules	The Council's financial regulations, as set out within Part 3 of this Constitution
Forward Plan of Key Decisions	(See also Key Decision) A plan showing the upcoming significant decisions that the Council intends to take.
Framework Agreement	(In the context of the Contract Procedure Rules) An agreement between one or more authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.

	Examples of Framework Agreements include those awarded by The Crown Commercial Service and others.
Full Council	A meeting of all Members of the Council
Governance arrangements	The structure of committees and meetings that sets out how the council takes decisions and how decisions are scrutinised.
Head of Service	An Officer of the Council employed as a Head of Service (see Management Structure Chart for responsibilities). (In the context of the Contract Procedure Rules) A Head of Service, or another Officer of the Council nominated to act in the capacity of Head of Service, for the purposes of the Contract Procedure Rules and a specified procurement exercise
Intellectual Property	A generic term that includes inventions, creative writings and drawings. If these are created by the Officer during the course of his/her employment then, as a general rule, they belong to the Council
Invitation to Tender	Invitation to tender documents in the form required by the Contract Procedure Rules included within this constitution
Key Decision	Key decisions are those which have a significant impact on the Council or where there will be spending or savings of over £250k within agreed budgets
Leader of the Council	After each election, the party with the most elected Councillors nominates one of their Councillors to be the Leader of the party. At the Council's annual general meeting (AGM) the Full Council then votes to elect them to become the Leader of the Council
Line Manager	An Officer's immediate superior, responsible for their day-to-day management. (In the context of the Contract Procedure Rules) The Officer's immediate superior or the Officer designated by the Strategic Director or Head of Service to exercise the role reserved to the line manager by the Contract Procedure Rules
Member	(See also Councillor) An elected Member of the Council
Minutes	A written record of the debate and decisions reached at meetings
Monitoring Officer	The Officer appointed to fulfil the statutory role of Monitoring Officer, whose duties are set out in Part 2 of this constitution. For East Suffolk Council this is the Head of Legal and Democratic Services.
Most Economically Advantageous Tender (MEAT)	See Rule 4.6 of the Contract Procedure Rules
Nominated Suppliers and Sub-Contractors	Those persons specified in a main contract for the discharge of any part of that contract
Non-commercial Considerations	(In the context of the Contract Procedure Rules) (a) The terms and conditions of employment by contractors of their workers or the composition of, the arrangements for the promotion, transfer or training of or the other opportunities afforded to, their workforces ('workforce matters'). (b) Whether the terms on which contractors, contract with their sub-contractors constitute, in the case of contracts with

	<p>individuals, contracts for the provision by them as self employed persons of their services only.</p> <p>(c) Any involvement of the business activities or interests of contractors with irrelevant fields of government policy.</p> <p>(d) The conduct of contractors or workers in industrial disputes between them or any involvement of the business activities of contractors in industrial disputes between other persons ('industrial disputes').</p> <p>(e) The country or territory of origin of supplies to, or the location in any country or territory of the business activities or interests of, contractors.</p> <p>(f) Any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees.</p> <p>(g) Financial support or lack of financial support by contractors for any institution to or from which the authority gives or withholds support.</p> <p>(h) Use or non-use by contractors of technical or professional services provided by the authority under the Building Act 1984.</p> <p>There are exceptional circumstances in which some such matters can be taken into account, but only with advice from the Head of Legal and Democratic Services. For example, workforce matters and industrial disputes, as defined in paragraphs (a) and (d), may cease to be non-commercial considerations to the extent necessary or expedient to comply with Best Value; or where there is a transfer of staff to which TUPE may apply.</p>
Officer	A member of staff employed by the Council. (In the context of the Contract Procedure Rules) The Officer designated by the Strategic Director or Head of Service to deal with the contract in question
Ordinary meetings	Meetings of the Council that are scheduled in advance and appear in the agreed Calendar of Meetings
Parent Company Guarantee	(In the context of the Contract Procedure Rules) A contract which binds the parent of a subsidiary company as follows: if the subsidiary company fails to do what it has promised under a contract with the Council, the Council can require the parent company to do so instead
Political Neutrality	Officers serve the Council as a whole and may be required to advise political groups. In doing so they must remain neutral and serve all groups equally
Politically Restricted	Officers are entitled to maintain their own political views but must not allow these views to impact on the work they do. In some cases posts will be 'politically restricted' meaning the post-holder may not hold the office of councillor (except for a Town/Parish Council) and may not be a member of a political party or have any close connections to a political group or its activities such as canvassing at elections or speaking or writing publicly on party political matters
Post Tender Negotiations	(In the context of the Contract Procedure Rules) Discussions with prospective suppliers after submission of a tender/bid and before the

	award of a contract, with a view to obtaining adjustments in price, delivery, quality or content
Procurement Team	The Council's central procurement unit charged with providing strategic direction and advice to secure Value for Money in matters pertaining to the Council's procurement and partnership activities
Public Procurement Procedure	(In the context of the Contract Procedure Rules) The procurement procedure or other requirements which apply in the relevant circumstances under the Public Procurement Regulations where the Total Value exceeds the Public Procurement Threshold and the Officer has not received confirmation from Legal Services that the procurement is exempt
Public Procurement Regulations	(In the context of the Contract Procedure Rules) The laws applying to the Council (including any European Union law directly or indirectly in force in England) at the relevant time. When the Contract Procedure Rules were made, these were the Public Contracts Regulations 2015
Public Procurement Threshold	(In the context of the Contract Procedure Rules) The contract values at which the Public Procurement Regulations apply, as amended from time to time (see Rule 3.2 of the Contract Procedure Rules).
Quorum	The minimum number of Members that must be present at a particular meeting to make the proceedings of that meeting valid
Quotation	(In the context of the Contract Procedure Rules) A quotation of price and any other relevant matter (without the formal issue of an Invitation to Tender)
Relevant Contract	See Rule 2.1 of the Contract Procedure Rules
Scheme of Delegation	The section of the constitution which sets out how decision-making will be carried out by the Council including which functions which will be passed to Cabinet, Committees, Members or Officers
Scrutiny Committee	A committee (group of councillors) who meet to review and challenge the work of the Cabinet and the Council as a whole. The committee also holds inquiries into matters of local concern in which citizens often take part.
Section 151 Officer	The Officer appointed to fulfil the statutory role of Section 151 Officer, whose duties are set out in Part 2 of this constitution. For East Suffolk Council, this is the Chief Finance Officer (CFO).
Shortlisting	(In the context of the Contract Procedure Rules) The process of selecting bidders who are to be invited to quote or bid or to proceed to final evaluation
Strategic Director	An Officer of the Council employed as a Strategic Director (see Management Structure Chart for responsibilities). (In the context of the Contract Procedure Rules) A Strategic Director, or another Officer of the Council nominated to act in the capacity of Strategic Director, for the purposes of the Contract Procedure Rules and a specified procurement exercise
Strategic Management Team	The Strategic Management Team is made up of the Chief Executive and the two Strategic Directors of the Council

Supervising Officer	(In the context of the Contract Procedure Rules) The Line Manager's immediate superior
Supplier List	(In the context of the Contract Procedure Rules) A preselected list of suppliers used by a department – See Rule 6.8 of the Contract Procedure Rules
Tender	(In the context of the Contract Procedure Rules) A bidder's proposal submitted in response to an Invitation to Tender
Total Value	(In the context of the Contract Procedure Rules) The whole of the value or estimated value (in money or equivalent value) for a single procurement or disposal calculated as follows: (a) where the contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period (b) where the procurement involves recurrent transactions for the same type of item, by aggregating the value of those transactions in the coming 12 months (c) where the contract is for an uncertain duration, by multiplying the monthly payment by 48 (d) for feasibility studies, the value of the scheme or contracts which may be awarded as a result (e) for Nominated Suppliers and Sub-contractors, the total value shall be the value of that part of the main contract to be fulfilled by the Nominated Supplier or Sub-contractor.
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006 No. 246): subject to certain conditions, these regulations apply where responsibility for the delivery of works or services for the Council is transferred from one organisation (e.g. private contractor or local authority in-house team) to another (e.g. following a contracting out or competitive tendering process) and where the individuals involved in carrying out the work are transferred to the new employer. These regulations seek to protect the rights of employees in such transfers, enabling them to enjoy the same terms and conditions, with continuity of employment, as existed with their former employer. Broadly, TUPE regulations ensure that the rights of employees are transferred along with the business
Value for Money (VfM)	Value for money is not the lowest possible price; it combines goods or services that fully meet the Council's needs, with the level of quality required, delivery at the time the Council needs it, and at an appropriate price
Whistleblowing	Officers are expected, through agreed procedures and without fear of recrimination, to bring to the attention of the appropriate level of management any deficiency in the provision of service. The Council's ' <i>Whistleblowing Policy</i> ' provides assistance on how to raise matters which concern Officers

AUDIT AND GOVERNANCE COMMITTEE

WORK PROGRAMME 2023/24

11 March 2024

Open:

Minutes (AS)

External Audit Plan 2021/22 (EY)

2021/22 Audited Statement of Accounts (LR)

2021/22 Final Annual Governance Statement (LR/SM)

Changes to Contract Procedure Rules in the Constitution (Amy Moyes)

External Audit Plan 2023/24 (EY)

Anti-Money Laundering Policy – refresh (SM)

Treasury Management 2022/23 Quarter 3 Report (LR)

Internal Audit Plan 2024-25 (SM)

Corporate Anti-Fraud Plan 2024-25 (SM)

Annual Senior Information Risk Owner (SIRO) Report (SM)

Bribery Policy (SM)

Internal Audit Charter – Refresh (SM)

Internal Audit Reports Recently Issued (Open) (SM)

Committee's Draft Work Programme 2024/25 (LR/SM/AS)

Confidential:

Minutes (Exempt) (AS)

Covert Investigation Policy (SM)

Internal Audit: Status of Actions (SM)

Internal Audit Reports Recently Issued (Exempt) (SM)

Reports to come before the Committee on a date to be confirmed: