



**Annual  
Governance  
Statement**

**2021/22**

**Draft**

---

## CONTENTS

	<b>Page no.</b>
1. Scope of responsibilities	2
2. The purpose of the governance framework	2
3. The governance framework	3
4. Review of effectiveness	4 - 9
5. Significant governance issues, improvements and areas of good governance	10 - 21
6. Assurance by Chief Executive and Leader of the Council	22
Appendix A The Council's Governance Assurance Framework	23
Appendix B Documents/Processes Supporting of the Code of Corporate Governance	24

## **1. SCOPE OF RESPONSIBILITY**

1.1 East Suffolk Council's responsibilities are to:

- ensure its business is conducted in accordance with the law and proper standards;
- safeguard and properly account for public money;
- use public money economically, efficiently and effectively; and
- meet its duty under the Local Government Act 2000 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.2 The Annual Governance Statement (AGS) reports publicly on the extent to which the Council has to comply with its governance duties on an annual basis, including how the Council has monitored the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.

1.3 East Suffolk Council has produced a [Code of Corporate Governance](#) which is consistent with the principles of the revised CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The document will be reviewed on 12 September 2022 by the Audit and Governance Committee and is due to be reported to Full Council in November 2022.

1.4 The AGS also explains how the Council has complied with governance elements within the Accounts and Audit Regulations.

1.5 This document supported the East Suffolk Strategic Plan 2020-24 adopted by Full Council on 26 February 2020.

## **2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

2.1 The governance framework is the systems, processes, culture and values which direct and control the Council. The framework also includes the activities with which the Council accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

2.2 The system of internal control is a significant part of that framework. It is designed to manage risk to a reasonable level. This is an ongoing process:

- to identify and prioritise risks to the achievement of the Council's policies, aims and objectives;
- to evaluate the likelihood of those risks occurring and the impact if they do;
- to manage risks efficiently, effectively and economically.

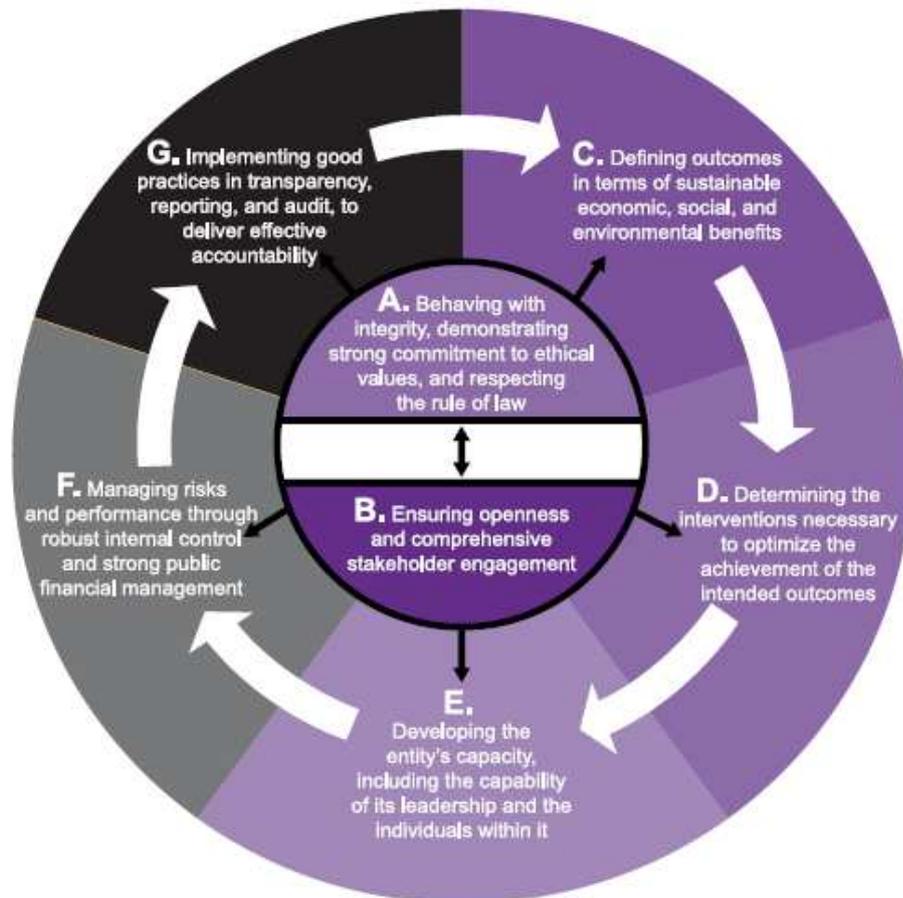
2.3 The system of internal control cannot eliminate all risk of failure so only provides reasonable and not absolute assurance of effectiveness.

2.4 The governance framework has been in place at the Council for the year ended 31<sup>st</sup> March 2020 and up to the date of approval of the annual report and statement of accounts.

### 3. THE GOVERNANCE FRAMEWORK

- 3.1 The Council has committed itself to the pursuit of proper corporate governance throughout its services and to establishing the principles and practices by which this can be achieved. To support this, briefings on topical issues are held to enable Member development.
- 3.2 Corporate governance is the system by which the Council leads, directs and controls its functions and relates to the community and its partners. Through various systems and processes the Council strives to adhere to the principles of good governance: openness, inclusivity, integrity, and accountability.
- 3.3 The Council's governance environment is consistent with the seven core principles of the revised CIPFA/SOLACE framework, pictured below, which illustrates the various principles of the good governance in the public sector and how they relate to each other.

**Extract from CIPFA/SOLACE 'Delivering Good Governance in Local Government' entitled 'Achieving the Intended Outcome while Acting in the Public Interest at all Times'**



- 3.4 Principles A and B permeate implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.
- 3.5 Each of the core principles above have multiple sub principles and the framework in operation is evidenced at Appendix A 'The Council's Governance Assurance Framework', and Appendix B 'Documents/Processes Supporting the Code of Corporate Governance'.
- 3.6 The framework in operation directly supports the Council's five strategic themes, namely economy, communities, financial sustainability, digital transformation and environment.

## **4. REVIEW OF EFFECTIVENESS**

### **Governance**

- 4.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Heads of Service within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Auditor's annual report, and also by comments made by the External Auditor and other review agencies and inspectorates.

### **External Audit**

- 4.2 The Council's auditors, Ernst & Young LLP (EY), independently audit the Council and provide an opinion on the truth and fairness of the financial statements, the Council's use of resources and provide an annual audit report. In reaching an opinion EY take account of statutory requirements, national standards, their own audit work and the reports of Internal Audit. The Council aims to achieve an unqualified audit opinion for the financial years 2020/21 and 2021/22 and will respond to any improvements suggested. No interim recommendations for 2020/21 or 2021/22 have been made to date by the External Auditor. The audit of accounts for 2020/21 is substantially complete, but has been delayed by the need to consider the correct accounting treatment and reporting of non-compliance with law and regulation regarding the Housing rents and compliance issues identified in the updated 2020/21 Annual Governance Statement. Delays to sign off of the accounts do cause additional expense, and mean that the accounts remain liable to further amendment in respect of significant events after the balance sheet date. The 2021/22 audit of accounts is not scheduled to commence until December 2022, which is after the statutory deadline for publication of audited accounts of 30 November 2022. Although there are no sanctions on either the authority or the external auditor for not complying with this deadline, late audits do mean a delay in the assurance that can be placed on them, and further potential expense and amendment as referred to above. There is also the risk of cumulative backlogs impacting on future years. For 2022/23, the Council's Statement of Accounts will need to be published by 31 May 2023, with a deadline for publication of the audited accounts of 30 September 2023.

### **Ethical Standards**

- 4.3 The Council has undertaken a self-assessment against the Equality Framework for Local Government (EFLG) and used this to identify fourteen key actions to progress during 2022/23. These actions should address areas where we have less evidence of impact. These include a review of our equality objectives and embedding these in our Strategic Plan and service plans, capturing evidence of community tensions in a more systematic way and increasing data collection, collation and analysis on the basis of protected characteristics. The Council's work around equality and diversity is now overseen by a Sub-Group of the Corporate Management Team and the Services for All Group, which will include representatives from all services.

### **Risk Management**

- 4.4 The East Suffolk Risk and Opportunity Management Strategy sets out the framework, arrangements and responsibilities in respect of how risks relating to the delivery of key outcomes and priorities are identified and managed. The Strategy assists officers to apply sound risk management principles and practices across their areas of responsibility recognising employees, members and those who act on behalf of the council have a role to play in effective management of risk. The Strategy was developed further to provide comprehensive details on governance and management of risks which was approved at Audit and Governance Committee on 13 December 2021. Independent experts, Zurich Insurance, undertook a health-check of the Strategy which was very positive and resulted in minor amendments, providing further validation it was fit for purpose and meets good practice. Audit and Governance Committee has responsibility to provide independent assurance on the adequacy of the risk and internal control framework.
- 4.5 Risk Management covers all services and operations and is continuously monitored and managed across the Council by Corporate Governance Group (CGG) and as part of the governance arrangements for Strategic Plan Delivery Board and Strategic Theme Delivery Teams. The CGG

meets at least every quarter and reviews the corporate risk register. The Council's risk management activity is co-ordinated and led by CGG, chaired by the Chief Executive and supported by CMT members who have delegated responsibilities along with other senior officers.

- 4.6 As part of the Risk Management Training Programme Zurich Insurance facilitated an 'Horizon Scanning and Corporate Risk Challenge' session for CMT (and nominated senior officers) on 1 November 2021. The session clearly demonstrated that risks relevant to the Council, and identified within the global risk report, are captured within the Corporate Risk Register (e.g. cyber-attacks). Following the session a full review of corporate risks was undertaken to ensure root causes were clearly identified and any relevant changes were reported to CGG.

### **East Suffolk Strategic Plan**

- 4.7 Comprehensive governance arrangements have been established to ensure the delivery of the East Suffolk Strategic Plan. The Strategic Plan Delivery Board has overall responsibility for delivery of the Strategic Plan and receives updates on progress to deliver the Strategic Plan including priorities, risks (corporate and risks relating to each theme), achievements and ongoing work. Membership of this Board comprises Cabinet and Senior Management Team, and all councillors are invited. Six meetings are held throughout the year, five meetings focus specifically on each theme and one annual meeting focusing on the Annual Report including achievements and progress. Five Delivery Themes meetings and Corporate Governance Group meet regularly to oversee and manage the programme of planned projects and actions relevant to each theme.

### **Senior Information Risk Owner**

- 4.8 Senior Information Risk Owner (SIRO) – The Council has a designated SIRO (the Head of Internal Audit) who has responsibility for the Council 's information management (governance) framework and acts as the champion for information risk. The SIRO aims to mirror the model prescribed by central government (Cabinet Office). Following this 'best practice' approach allows for uniformity across the public sector as it strives to meet the competing demands of further transparency and public/private engagement in contrast to increased cybersecurity threats and the need to prevent data leakage. By treating information as not has a business priority and not as an ICT or technical issues, the Council can ensure that risks are addressed, managed, and capitalised upon.
- 4.9 SIRO Annual Report - The following paragraphs represents the SIRO Annual Report. The main purpose of such reporting and management is to provide accountability and greater assurance that information risks are addressed.
- 4.10 Risk Register – Information Governance is recognised as a serious risk on the Corporate Risk Register and is regularly monitored, with mitigation plans implemented, when necessary, by the Corporate Management Team and Councillors.
- 4.11 Information Governance – Information is treated as a priority by the Council which acknowledges that information is of value to enable effective and efficient outcomes for all stakeholders.
- 4.12 Data Quality - The importance of data quality is communicated at all levels throughout the organisation, via workshops covering business planning, performance and risk management and report writing, etc. The Council acknowledges that information is a priority, which aids the delivery of its services effectively and efficiently. Moreover, protecting personal data is the overarching responsibility of the Council to meet obligatory legal duties and to fulfil its public service duty to everyone.
- 4.13 Designated Posts – Job Descriptions are appropriate and filled i.e., Data Protection Officer, Deputy Data Protection Officer, and Senior Information Risk Owner, Freedom of Information Strategic Lead. In addition, appointed Information Champions exist across all services.
- 4.14 Policies – Key information governance documents are promoted across the organisation, and some are listed at Appendix B.

- 4.15 Compliance – The Council is currently compliant with the Central Government Public Service Network (PSN) information security requirements (this is a mandatory annual process). The Council acts upon any advice from the Cyber Security Information Sharing Partnership and National Cyber Security Centre. Internal ICT training has been provided to all staff.
- 4.16 General Data Protection Regulations and UK Data Protection Act 2018 – Qualified and experienced staff in post. The impact on GDPR of the exit from the EU is also being closely monitored, and Government guidance on this will be followed.
- 4.17 Personal Data Breaches. The Data Protection Officer has investigated 108 potential personal data breaches, 54 were confirmed breaches. One data breach was reported to the Information Commissioners Office (ICO). The ICO is taking no further action and was satisfied with the immediate action taken by the Council.
- 4.18 Data Protection Act – Subject Access Requests and requests for advice has increased significantly, as expected given the change in the law in 2018 and post Brexit data protection amendments to the General Data Protection Regulation. There is recognition that the process of capturing and reporting any breaches is operating effectively.
- 4.19 Freedom of Information Act (FOI) – 3646 FOI requests (including EIR request) were received by the Council in 2021/22 of which 98.36% were answered within 20 days. One case has been referred for Judicial Review, which found the ICO and the Council had applied the law appropriately. Seven requests required an internal review (two upheld, two partly upheld, two not upheld and one invalid internal review).
- 4.20 Training - Data Protection Act and Freedom of Information Act training is provided throughout the year and forms part of the induction process. Increased cyber security precautions including an e-learning training module for all staff and sponsoring a cyber security qualified officer demonstrates the Council's commitment to good information governance.
- 4.21 Whistleblowing - The Council has a whistleblowing policy, which encourages staff and other concerned parties to report any instances of suspected unlawful conduct, financial malpractice, or actions that are dangerous to the public or environment. Zero whistleblowing cases were reported in 2021-22.
- 4.22 Local Government Transparency Code – The Council provides all information that must be published to comply with this Code by ensuring local people can see and access data covering:
- How money is spent – for example, all spending transactions over £250, all Corporate Credit Card spend, and contracts valued over £5,000;
  - Use of assets – ensuring that local people can scrutinise how well their local authority manages its assets enabling local people the information they need to ask questions about how their authority is managing its housing stock to ensure it is put to best use;
  - Decision making – how decisions are taken and who is taking them, including how much senior staff are paid, and,
  - Issues important to local people – for example, parking and the amount spent by an authority subsidising trade union activity.

### **Project Management**

- 4.23 The Project Management Framework is in place and can be adapted according to the scale of a particular project. To ensure the framework continues to meet needs of the organisation a review started on the project management framework which will further improve governance of projects. Advice and support continue to be offered to relevant staff on the application of good project practices, particularly surrounding changes in service delivery.
- 4.24 A governance structure is in place for projects delivering to the Strategic Plan, approved by full Council in February 2020. Each Theme of the Strategic Plan has a programme delivery team to monitor projects feeding into that theme including to govern progress and delivery to the

objectives. The Digital Theme Programme Team, for example, monitors all ICT and digital projects. All corporate projects and tasks are recorded on service plans to build up the programme for each Theme, covering the whole authority.

- 4.25 Where necessary, programme or project boards combining members and officers are established for specific large capital projects and the Council also works with various stakeholders to deliver significant projects. These boards ensure adequate project controls are in place and allow fast reaction to any specific project issues if they occur.

### **Contract Management**

- 4.26 Contract Procedure Rules are in place and form part of the Council's Constitution. The Contract Procedure Rules support effective procurement by setting out key responsibilities and actions that are required when undertaking procurements within the Council. They support officers to meet legislative requirements and to meet the Council's ambitions for procurement, the Council's Procurement Strategy and related policies and procedures.
- 4.27 Guidance is published on the intranet, and support is offered by the specialist procurement and legal teams to relevant managers. In addition, a corporate contracts register is maintained by the Procurement Team, and contracts are monitored to ensure effective management. Comprehensive contract manuals are available detailing requirements of contracts, setting out business continuity arrangements, key personnel and key performance indicators.

### **Corporate Governance Group**

- 4.28 Membership of the Corporate Governance Group is those officers that hold statutory roles within the Council - the Head of Paid Service, Monitoring Officer, Section 151 Officer and Head of Internal Audit – together with other officers concerned with the governance and operation of the Council, such as the Head of Digital & Programme Management and the HR and Workforce Development Manager. The group oversees the Corporate Governance Theme of the Strategic Plan.

The group meet 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).

### **Designated Officers Group**

- 4.29 The Designated Officers Group consists of officers including those that hold statutory roles within the Council - the Head of Paid Service, Monitoring Officer, Section 151 Officer and Head of Internal Audit. The function of the group is to discuss governance matters of concern within the remit of the statutory officers, and the group meets on a quarterly basis.

### **Head of Internal Audit**

- 4.30 The Council's Head of Internal Audit conforms with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit in Local Government, <https://www.cipfa.org/roleofthehia>. The Internal Audit Service is also compliant with the Public Sector Internal Audit Standards. A sound system of internal control and the management of risks are integral elements of the Council's corporate governance arrangements. Based on the findings of the managed audits and governance reviews carried out throughout 2021/22 and considering the current climate in which the Council is operating it is the opinion of the Head of Internal Audit that the Authority's control environment provides **Reasonable Assurance** of sound systems of control. The Council's definition of Reasonable Assurance: *Some specific control weaknesses were noted and some improvement is needed; evaluated controls are generally adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.*

- 4.31 This opinion is based on internal work undertaken, and completed, alongside emergency measures being implemented because of the Coronavirus Pandemic. These measures have resulted in significant levels of strain being placed on normal procedures and control arrangements. The level of impact is also changing as the situation continues. All findings that are found to be of a significant corporate concern have been considered during 2021/22 and are reported within the Annual Governance Statement for this year under areas called Ongoing Governance Issues.
- 4.32 Internal Audit is an independent and objective function with all audit work carried out in this capacity and in accordance with the Internal Audit Charter, Code of Ethics and Public Sector Internal Audit Standards. The Head of Internal Audit has performed her duties in accordance with CIPFA's guidance on the Role of the Head of Internal Audit. In giving the audit opinion, it should be noted that assurance can never be absolute. The most that can be provided is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes.
- 4.33 Quantifying the additional risks arising from the current short-term measures or the overall impact on the framework of governance, risk management and control brought about by the Coronavirus Pandemic continues. Ongoing assessments will take place by the Head of Internal Audit and be reported accordingly.

### **Financial Management**

- 4.34 The Financial Procedure Rules introduced for East Suffolk Council from 1<sup>st</sup> April 2019 were reviewed during 2021/22 as part of the implementation of the CIPFA Financial Management Code and a refresh of Financial Management. Audit and Governance Committee in March 2022 and Cabinet in April 2022 both reviewed an agreed proposed changes to the rules, and Revised Financial Procedure Rules were approved by Full Council on 25 May 2022.
- 4.35 The Government had announced proposals for councils to retain 75% of all locally raised business rates and had intended to consult on Relative Needs and Resources as they look to revise the distribution of core grant from central Government. However, the Covid-19 pandemic has now meant that reforms to the local government finance system have now been deferred until 2023/24 at the earliest. The continuation of the current arrangements into 2022/23 is of significant financial benefit to the Council, given its advantageous position under the current system. The Government implemented a wide range of support measures to local authorities, including additional grant and compensation for lost income, mitigating the financial impact of the Covid-19 pandemic to a significant degree, and some of these measures and impacts continued into 2021/22. The most significant impacts on the Council's income streams of council tax and business rates were largely avoided as a result of Government support measures, the nature of the economic recession, and Government action to legislate against pandemic-related business rate appeals. The primary concerns regarding the Council's Budget and MTFs continue to be changes in the local government finance system, and, increasingly, inflationary pressures.
- 4.36 The MTFs report to Council in February 2022 indicates that future years beyond 2022/23 showed continuing budget shortfalls of core funding sources compared with budgeted expenditure. However, it is now looking increasingly that the reforms referred to above are likely to be further deferred to 2024/25. This position will be updated at high level summary level to Cabinet in July 2022 as part of reporting the outturn for 2021/22. Addressing this situation is the key objective of the Financial Sustainability theme of the Strategic Plan, highlighting the importance of continuing to identify savings and efficiencies, and implement key changes to service provision in order to be sustainable over the medium and long term.
- 4.37 As part of the implementation of the Financial Management Code and the approval of new Financial Procedure rules, the Council has strengthened the requirement for business cases to be produced and evaluated for all major initiatives, and has introduced a requirement for post-project review of capital schemes. Revised project appraisal and project management methodology will be rolled out across the authority.

### **Chief Finance Officer**

- 4.38 In accordance with the 'Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on the Role of the Chief Financial Officer in Local Government' (published in April 2016), the Section 151 Officer / Chief Finance Officer, is a professionally qualified Accountant, and is a member of the

Council's Corporate Management Team (CMT), reporting directly to the Chief Executive and Leader on key strategic finance matters. The Council's financial management arrangements conform with the governance requirements of the CIPFA [Statement on the Role of the Chief Financial Officer in Local Government](#).

- 4.39 In October 2019, CIPFA published the Financial Management Code (FM Code), which provides guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively.
- 4.40 The FM Code requires authorities to demonstrate that the processes they have in place satisfy the principles of good financial management. CIPFA's intention is that the FM Code will have the same scope as the *Prudential Code for Capital Finance in Local Authorities*, which promotes the financial sustainability of local authority capital expenditure and associated borrowing. Although the FM Code does not have legislative backing, it applies to all local authorities, including police, fire, combined and other authorities.
- 4.41 Local authorities are required to apply the requirements of the FM Code with effect from 1 April 2020. CIPFA originally considered that the implementation date of April 2020 should indicate the commencement of a shadow year and that by 31 March 2021, local authorities should be able to demonstrate that they are working towards full implementation of the Code. However, CIPFA has recognised that the pandemic has severely affected the work of local authority finance departments, and although the first full year of compliance with the FM Code was 2021/22, CIPFA has indicated that direction of travel will be important rather than full compliance.
- 4.42 A review of compliance was carried out and an action plan produced categorised by reference to the CIPFA financial management standards. These were reported to the Audit and Governance Committee in December 2021. As referred to above, revised Financial Procedure Rules have been produced and approved, and financial management and financial reporting in the Council has been refreshed. Financial management and governance training workshops facilitated by CIPFA are also being undertaken for SMT, CMT, and budget managers.

#### **Monitoring Officer**

- 4.43 The role of the Monitoring Officer is to ensure decisions made are legal and to promote high standards of conduct amongst members.
- 4.44 Local Government Association's Model Code of Conduct: The new Model Code of Conduct was adopted by Full Council on 23 March 2022, with effect from 1 May 2022. An external governance trainer (also commissioned by the LGA to produce training materials for Monitoring Officers) provided training sessions to members and Democratic Services Officers from ESC, West Suffolk Council and Babergh and Mid Suffolk Council on 1 June 2022. Further training sessions will be held on 13 June and 27 June 2022.
- 4.45 Local Government and Social Care Ombudsman: 30 complaints against ESC were made to the Local Government and Social Care Ombudsman in the period 1 April 2021 to 31 March 2022. Only 2 of the 30 complaints were upheld by the Ombudsman in their decisions of 14 May 2021 (Ref 20006994) and 18 May 2021 (Ref 20004636). The 2 complaints which were upheld concerned planning matters.

## 5. SIGNIFICANT GOVERNANCE ISSUES

5.1 In arriving at the areas to address during 2021/22, the Council has been informed by the results of the review of the effectiveness of the governance framework within the Council arising from last year's reports, by the outcomes of internal and external review bodies that report on the Council's performance to date, by undertaking a gap analysis of the seven core principles that underpin delivering good governance in local government, and by consulting Members.

### Ongoing Actions – Significant Governance Issues Identified in 2018/19

5.2 'Significant Governance Issues Identified and Improvement Plan' outstanding records one carry forward issue identified in the 2018/19 Annual Governance Statement regarding the below. The Council is committed to completing agreed actions.

Ongoing Governance Issues	Progress/Improvement Plan	Status
<p><b>Contract Management/ Procurement</b></p> <p>The Council's strategic governance arrangements over contract management requires strengthening specifically around:</p> <p>a) Procurement Strategy</p>	<p><b>Head of Operations comment:</b></p> <p>A significant amount of work continued to be undertaken by the service area including:</p> <p><b>Procurement Strategy:</b></p> <ul style="list-style-type: none"> <li>• Task Group set-up to look at how the council can maximise benefit of council procurement to people in East Suffolk. Group agreed a new policy for procurement for East Suffolk, which was considered by Cabinet in July 2021.</li> <li>• An external review of the procurement function was commissioned by the East of England LGA and was reported in July 2021.</li> <li>• Cabinet received and approved the results of the Task and Finish Group on Procurement in July 2021, which included an action plan and outcomes and revised procurement processes that support the new strategy.</li> <li>• The draft Procurement Strategy has been reviewed and received input from CMT.</li> <li>• In addition, ESC worked with EELGA to draft a procurement strategy that aligns with the Council's Strategic Plan. The draft Procurement Strategy is due to be reported to Cabinet in September 2022 along with an implementation plan.</li> </ul>	<p><b>Near completion</b></p> <p><b>(Procurement Strategy to be reported to Cabinet in September 2022, this will then be completed)</b></p>
<p>b) Contract Register</p>	<p><b>Contract Register:</b></p> <ul style="list-style-type: none"> <li>• Contracts register in place and regularly updated.</li> <li>• New Contract and Financial Procedure Rules implemented for ESC from 1<sup>st</sup> April 2020.</li> <li>• Review of major contracts took place, including work undertaken to review the contract for Norse, and work to re-procure a leisure contract for East Suffolk. This work has been completed.</li> <li>• A review of contract management has been delivered, which was carried out by EELGA. This made recommendations on changes required to improve the procurement process at ESC in line with Audit and Governance actions.</li> </ul>	<p>Closed</p>

### Significant Governance Issue identified in 2019/20

5.3 A significant governance issue in 2019/20 was not reported in the AGS until 2020/21 and was revised in March 2022, details are below:

AGS Action	Issues/Challenges Identified	Progress
<b>Housing Regulation</b>	Breach of the Rent Standard and the 'Home' Consumer Standard.	<ul style="list-style-type: none"> <li>• ESC self-referred to Regulator of Social Housing (RSH) in February 2022. Prior to this, a comprehensive action plan was put in place and expertise sourced in terms of support a policy and process review.</li> <li>• In-depth review of the Housing Service was conducted in line with the Regulatory (Rent) and Consumer Standards.</li> <li>• Inquiry into the governance/decision making issues raised in respect of the Rent Standard issues.</li> <li>• Independent consultants appointed to undertake forensic audit of historic rent setting and approach to rent conversions and to assess whether there are/were any other areas of non-compliance against the rent standard. A Strategic Project Board, Members' Project Board and Operational Project Board are now in place along with a Housing Health and Safety Board.</li> <li>• Legal opinion sought on other service charges.</li> <li>• Compliance consultant employed to undertake a review and to oversee delivery of a detailed programme of corrective actions to ensure the right policies, processes and mechanisms for monitoring are in place to provide assurance that the housing stock is compliant with the Homes Standard.</li> <li>• Meeting with RSH taking place on 1 July 2022, to discuss the action plan in place to resolve the issues.</li> </ul>

### Other Governance Issues Identified in 2021/22

5.4 On the basis of assurance statements produced by the Heads of Service and the Council's Corporate Risk Register (CRR), the Corporate Governance arrangements are adequate and operating effectively. In 2021/22, issues under review with the intention to improve processes in 2022/23 were identified in the following areas:

AGS Action	Issues/Challenges Identified	Progress
<b>Corporate Peer Challenge</b>	<b>Report and action plan</b>	<b><i>ESC commissioned the Local Government Association to undertake a Corporate Peer Challenge, below are the main areas of weakness/improvements identified:</i></b>
	<b>Overall capacity</b>	<ul style="list-style-type: none"> <li>• The 'hothouse' approach used to create the Strategic Plan will be used with the new Administration in mid-2023 to refresh the Strategic Plan and fully consider it in the context of prioritisation, capacity, capability, governance and oversight.</li> </ul>

AGS Action	Issues/Challenges Identified	Progress
<p><b>Corporate Peer Challenge</b> (continued)</p>	<p><b>Senior Capacity Gap</b></p>	<ul style="list-style-type: none"> <li>Proposal to create a third Director post agreed to focus on corporate issues. Outline business case drafted and discussed with senior Members. Report taken to Cabinet on 5<sup>th</sup> July 2022 requesting budget provision and, if approved, recruitment will follow immediately.</li> <li>SMT considered capacity, capability and oversight at a dedicated session in April 2022. A review of SMT will be linked to above followed by a review of CMT.</li> </ul>
	<p><b>Recruitment and Retention Plan</b></p>	<ul style="list-style-type: none"> <li>Draft Recruitment and Retention Plan considered by SMT in April 2022. Further work underway.</li> </ul>
	<p><b>Post Pandemic Working</b></p>	<ul style="list-style-type: none"> <li>Notice posted on SharePoint and disseminated to all Managers clarifying future working arrangements following relaxation of the Government's Plan B. Appropriate consultation with the Council's Health and Safety Officer. Staff briefing held to clarify position held in March 2022. Rolling summary of information for staff continuously updated on SharePoint and disseminated to all managers. <b>Completed</b></li> </ul>
	<p><b>Compliance within the housing service</b></p>	<p><i>See paragraph 5.3</i></p>
<p><b>Review of rent and service charges</b></p>	<p>Since 2016 the Council has charged inaccurate rents as a result of incorrectly applying additional charges which should have been included in the rent. In addition, it did not apply the 1% rent reduction to these additional rental charges in contravention of the Act.</p>	<ul style="list-style-type: none"> <li>Following an initial audit, specialist consultants DTP have been engaged to undertake a forensic audit of rent and service charges from 2010 to date to accurately determine the position for all tenants. A new rent and service charge policy has been drafted and is awaiting review.</li> <li>As part of the Forensic Audit, inappropriate charges are being identified and refund amounts will be calculated.</li> <li>DTP are refining their processes and are looking to allocate additional resource to the audit in order to complete it as soon as is possible.</li> </ul>
<p><b>Fire Safety (in housing stock)</b></p>	<p>The Regulatory Reform (Fire Safety) Order 2003 Notification of Fire Safety Deficiencies (NOD) issued by Suffolk Fire and Rescue Service (SFRS)</p>	<ul style="list-style-type: none"> <li>Since August 2021 the Council has received four Notifications of Fire Safety Deficiencies (NOD) for St Peter's Court, Amy Court, Wesley House and Harry Chamberlin Court. The Council has six months to action these.</li> <li>Work on corrective actions at St Peter's Court is well in hand and further compartmentation and door surveys are starting first week of July at the other sites. A contractor has also been appointed to undertake any fire stopping and door adjustment/replacements.</li> <li>The backlog of Fire Risk Assessments has been addressed. Contractors are being engaged to undertake a prioritised list of corrective actions.</li> </ul>

AGS Action	Issues/Challenges Identified	Progress
<b>Emergency Planning</b>	Maintaining effectiveness of the Council's contingency requirements with changes to the Activating Officer's role	<ul style="list-style-type: none"> <li>• Additional members of CMT trained to respond to an emergency and increased vigilance in terms of cyber security. The new Head of Environmental Services and Port Health and Head of Housing have received training, there is now a total of seven HoS trained alongside SMT.</li> <li>• A hybrid solution is in place with Activation Officer on call but switching to a rota when on leave.</li> <li>• Chief Executive is chair of Suffolk Resilience Forum.</li> </ul>
<b>Governance issues identified in 2020/21</b>		
<b>Procurement review</b>	Review procurement in line with Council's proposed new Procurement Strategy, and Government's green paper on post-Brexit procurement rules.	<ul style="list-style-type: none"> <li>• An external review of the procurement function was undertaken by the East of England LGA and reported to Cabinet in July 2021. This made recommendations on changes able to implement ESC's Procurement Strategy due to be reported to Cabinet in September 2022.</li> <li>• The recommendations of the review will be carried forward into the new Strategy.</li> </ul>
<b>LATCO – Norse</b>	The current Waste Joint Venture Agreement with Norse will not be continued after July 2023. The Council has set up a Teckle compliant LATCO which will deliver the contract going forward.	<ul style="list-style-type: none"> <li>• Progress has been positive, with a Break Notice issued to end the existing JV. Negotiations are ongoing with Norse Commercial Services.</li> <li>• The LATCo, East Suffolk Services Ltd, was incorporated with Articles of Association in March 2022.</li> <li>• The Shareholder Agreement is in a final draft and will be signed off in July 2022.</li> <li>• A Managing Director has been appointed for East Suffolk Services and starts on 11 July 2022.</li> <li>• A full Programme Team is in place and the work plan was revised in June 2022.</li> </ul>
<b>Local Authority Trading Companies</b>	Work continues on the business cases for four trading companies which was anticipated for 2020/21 but has slipped to 2022/23.	<ul style="list-style-type: none"> <li>• Business cases were delayed by the pandemic and the subsequent effect on the financial markets. Priority was given to incorporating East Suffolk Services Limited, which is now live. However, the intention remains to bring forward these further companies but in the interim they remain 'Dormant' for tax and accounting purposes.</li> <li>• A Business Case will be taken to Cabinet in September 2022 for the East Suffolk Holdings Limited and East Suffolk Property Investments Limited, followed by the Business Case for East Suffolk Property Developments Limited in October.</li> </ul>
<b>Brexit</b>	Uncertainty around the impact of Brexit on Port Health services	<ul style="list-style-type: none"> <li>• Government recently announced that they will be pursuing a target operated model, anticipated to be in place by the end of 2023. This means checks on EU products due to commence in July 2022 will now not be needed. This leaves ESC in a very difficult position due to staff recruited and trained specifically for the purpose of checking EU products. These staff were funded by DEFRA but this funding is not certain after the end of June</li> </ul>

AGS Action	Issues/Challenges Identified	Progress
		2022 due to the recent announcement. ESC is working up options to deal with eventualities in the event government funding is provided/not provided.
<b>Compliance Reviews</b>	A strengthened approach to compliance	<ul style="list-style-type: none"> <li>• A Housing Services Governance Review is being commissioned by the Head of Legal Services and Monitoring Officer to determine Why did things go wrong? How can we ensure that it is not repeated?</li> <li>• Separately, comprehensive Compliance Reviews are underway within Housing and Asset Management. Substantial progress has been made in both areas and in Housing in particular corrective actions are well underway.</li> </ul>
<b>Asset Compliance Review</b>	Integration of two asset management teams, as part of this wanted to undertake a single review to ensure we have effective processes in place to manage resources	<ul style="list-style-type: none"> <li>• Carrying out a full set of risk assessments on all of Council's assets. These will be completed by September 2022.</li> <li>• The risk assessments will identify if there are any issues or maintenance issues, it will also identify an inspection programme for each of the assets. This is the first complete review and inspection of all assets. Outcomes will be reported to Asset Management Group for approval for consideration. The future maintenance programme will be included in future budget setting.</li> </ul>
<b>Delivery of Energy and Sizewell C Projects</b>	Ongoing requirements for Sizewell C and offshore wind projects on resources and impact on Council, the District and wider community.	<ul style="list-style-type: none"> <li>• Mechanism in place for ESC to influence Central Government.</li> <li>• Senior Officer Group in place looking at Sizewell C and its impact in short, medium and long term.</li> <li>• Detailed negotiations underway with EDF Energy (SZC developer) to ensure adequate local staffing capacity will be funded to co-ordinate interventions to maximise local economic benefit and ensure a strong economic legacy beyond construction phase. Good progress made in certain areas agreeing capacity to co-ordinate economic inputs and specialist capacity in areas such as inward investment, supply chain and business support is proving challenging.</li> <li>• Discussions begun with EDF on delivery of various mitigation funds. This will be via an agreed governance structure (set out in the Deed of Obligation) which also include other partners such as SCC, the LEP, Chamber of Commerce and the DMO. Mitigation funding will not be released until construction commences, anticipated during 2023, however is subject to DCO consent (decision July 2022) and a final investment decision (expected end 2022/early 2023).</li> </ul>
<b>Harbour Management Committee</b>	To ensure that correct governance arrangements	<ul style="list-style-type: none"> <li>• HMC has been established and meeting for last year, comprising five ESC members and four co-opted members. Also meet with 16 strong</li> </ul>

AGS Action	Issues/Challenges Identified	Progress
	are in place to manage Southwold Harbour	stakeholder representative group every two months.
<b>Completed in 2020/21</b>		
<b>External Audit Results Report 2019/20</b>	2019/20 External Audit results reports for East Suffolk Council delayed due to Covid-19 pandemic and changes to the Accounts and Audit Regulations.	<ul style="list-style-type: none"> <li>External Audit work due to commence in August 2020 delayed. Planning work began in September and the main audit work started in November 2020. A significant amount of work was undertaken by the Council to ensure accounts were presented ready for audit to be undertaken. Draft Statement of Accounts published on 10 August 2020, before 31 August 2020 publication deadline prescribed in amended Accounts and Audit Regulations.</li> <li>External Audit signed off the audit in August 2021.</li> </ul>
<b>Covid-19 Pandemic</b>	Impacts from the Covid-19 pandemic upon all service areas within Council, residents, partners, communities, and businesses.	<ul style="list-style-type: none"> <li>Significant work undertaken to ensure the Council continued to deliver essential services to residents, businesses and communities. Work involved ensuring most vulnerable received support.</li> </ul>

### Examples of Good Governance in Operation in 2021/22

5.5 In the period covered by this Annual Governance Statement the following governance actions have taken place:

AGS Action	Good Governance and Improvements	Progress
<b>East Suffolk Strategic Plan</b>	Strategic Business Plan has been embedded within the organisation and is the driver for everything the Council does.	<ul style="list-style-type: none"> <li>Each of the five themes is supported by a themed group which meet regularly and reports to overarching Strategic Plan Delivery Board. Service Plans in place for each theme.</li> <li>Each theme adapted to take account of impact of Covid 19. Corporate report template updated to ensure appropriate links with Strategic Plan.</li> </ul>
<b>Implement CIPFA Financial Management Code</b>	Requirements of the Financial Management Code to be applied with effect from 1 April 2020.  (2020/21 was shadow year for full compliance in 2021/22)	<p>An initial exercise carried out to review compliance with CIPFA FM Code, improvement areas were identified. In 2021/22, the Council was required to show 'direction of travel' towards the code with full compliance from 2022/23. In December 2021, a report was presented to A&amp;G Committee of the self-assessment against the Code requirements and progress to date. This self-assessment rated the majority of standards to be fully compliant (no areas rated non-compliant).</p> <p><u>Action taken place during 2021/22:</u></p> <ul style="list-style-type: none"> <li>Review Financial Procedure Rules.</li> <li>The first quarterly financial monitoring report was reported to Cabinet in September 2021. This is subject to ongoing development and</li> </ul>

AGS Action	Good Governance and Improvements	Progress
		<p>refinement, reporting frequency will increase in 2022/23.</p> <ul style="list-style-type: none"> <li>Monitoring of the Capital Programme is now reported to the Asset Management Group. In 2022/23 areas for improvement will be progressed and considered by A&amp;G Committee as part of its Work Programme in 2022/23.</li> </ul>
<b>Refresh of Financial Procedure Rules</b>	Financial Procedure Rules to be reviewed and refreshed.	<ul style="list-style-type: none"> <li>Detailed review of Financial Procedure Rules carried out during 2021/22 with internal groups/ teams consulted including CGG, Legal and Internal Audit. Changes made were aimed at: <ul style="list-style-type: none"> <li>Simplified introduction of financial guidelines,</li> <li>operational relevance,</li> <li>increased accountability,</li> <li>enhanced compliance with best practice, in particular CIPFA Financial Management Code, and strengthening corporate governance.</li> </ul> </li> <li>Revenue Budget and Capital Programme Monitoring, and the principals for monitoring and transacting with ESC companies were the main areas of change.</li> <li>At meetings on 14 March and 5 April 2022, A&amp;G Committee and Cabinet respectively recommended updates to the Financial Procedure Rules be taken to Full Council on 25 May 2022 for approval and the Constitution be updated.</li> </ul>
<b>Constitution</b>	Constitution covers all responsibilities on how the Council manages its business.	<ul style="list-style-type: none"> <li>Published on website and regular updates to ensure compliance with legislation and requirements of good governance. Also requirement to publish Constitution electronically as part of Local Government Transparency Code.</li> </ul>
<b>LGA Model Code of Conduct for Councillors</b>	A new comprehensive and clearer Code to promote the highest standards in public life and to enhance public confidence in member conduct.	<ul style="list-style-type: none"> <li>Full Council adopted the new Model Code on 23 March 2022, with effect from 1 May 2022.</li> </ul>
<b>Member Development Charter/member training</b>	Programme in place and retained Charter Plus	<ul style="list-style-type: none"> <li>Regularly reviewed with training and development undertaken for new and existing members to cover key elements.</li> <li>Member training is being aligned to Corporate Training Programme.</li> </ul>
<b>Review of Council Procedure Rules</b>	Introducing clearer guidance on procedure, flowcharts and templates for questions and motions in the Constitution for meetings of Full Council.	<ul style="list-style-type: none"> <li>Report taken to Audit and Governance Committee on 14 March 2022 with recommendations on changes to the Council Procedure Rules, and the recommendations were agreed by Full Council on 23 March 2022. Council Procedure Rules in the Constitution updated on 31 March 2022.</li> </ul>

AGS Action	Good Governance and Improvements	Progress
<b>Internal review of Scrutiny Committee</b>	Introducing new way of devising Scrutiny's work programme making the scrutiny process more efficient, effective and to add greater value.	<ul style="list-style-type: none"> <li>• Key lines of enquiry and scoping document replacing pre scrutiny questions.</li> <li>• New process agreed by Scrutiny Committee at its meeting on 19 May 2022. New process in place for Scrutiny Committee meetings in municipal year 2022/23.</li> </ul>
<b>Business Continuity</b>	Ongoing review of business continuity plans to ensure plans are effective in continuing business	<ul style="list-style-type: none"> <li>• Full review of business continuity plans underway, due to be completed and tested in 2022/23.</li> <li>• Exercises on specific matters relating to business continuity e.g., national power outage or loss of IT systems will continue to be carried out.</li> <li>• Work continues with Suffolk Resilience Forum and Emergency Planning Officers to ensure our systems are effective.</li> <li>• Any changes are reported to SMT for approval.</li> </ul>
<b>Community Partnerships</b>	Community Partnership Board and eight Community Partnerships in place to meet ambitions within East Suffolk Strategic Plan	<ul style="list-style-type: none"> <li>• Community Partnership Board (CPB) oversees governance of Community Partnerships. Regular Community Partnership meetings held. A full review of Community Priorities is underway.</li> <li>• Delivers into East Suffolk Strategic Plan.</li> <li>• Enabling Communities Strategy updated and relaunched.</li> <li>• An LGA Peer Review of Community Partnerships was undertaken in October 2021 resulting in development of a Delivery Plan led by the Community Partnership Delivery Group.</li> <li>• Covid response work of the Council, based around CP areas, shortlisted for two national awards.</li> </ul>
<b>Freeport East</b>	ESC is the Accountable Body and Lead Authority for the Freeport East initiative. Freeport East is one of eight Freeports nationally established by the Government in March 2021. It covers a 45km diameter contiguous area encompassing the ports of Felixstowe and Harwich and provides a range of business investment incentives in specified tax and customs site to encourage economic growth.	<ul style="list-style-type: none"> <li>• As Accountable Body/Lead Authority ESC is responsible for holding any monies associated with Freeport East, and acting as main conduit to DLUHC on financial, legal and governance issues. Freeport East consists of a number of public sector partners from across Suffolk and Essex as well as Hutchison Ports.</li> <li>• An interim CEX and chair had been appointed and a draft governance model was agreed by the shadow Freeport East Board and submitted to DLUHC for approval. Freeport East has become operational. Full Business Case is scheduled to receive DLUHC approval in August 2022.</li> <li>• Permanent chair and CEX have now been appointed, due to commence roles in September 2022. Remainder of delivery team being recruited.</li> <li>• Draft Articles of Association and Members Agreement completed. These will be subject to further discussion by partners before submission to the board for approval. Anticipated that</li> </ul>

AGS Action	Good Governance and Improvements	Progress
		<p>incorporation will be complete before September.</p> <ul style="list-style-type: none"> <li>Addressing DLUHC's Critical Actions in response to the FE Full Business Case (FBC) submission. Anticipated that FBC will receive final approval in September. This will signal the release of £25m of capital seed funding for investment in the 3 tax sites. It will also mark FE's formal commitment, via a series of MoUs, to deliver the FBC objectives.</li> </ul>
<b>Lowestoft Place Board</b>	ESC established the Lowestoft Place Board to oversee and provide strategic direction on the development and delivery of the Lowestoft Town Investment Plan.	<ul style="list-style-type: none"> <li>Board comprises of local, regional and national stakeholders representing business, public and CVS sectors and has an independent chair. ESC is represented by Deputy Leader, provides secretariat and officers provide technical support.</li> <li>Board agreed Lowestoft Town Investment Plan and projects which we successfully put forward for the Towns Fund award. Provides oversight and direction of the delivery of these projects over next 5 years.</li> </ul>
<b>Housing Programme Board (HPB)</b>	HPB will be to ensure effective management and monitoring of the multiple programmes and projects currently ongoing within the Housing Service.	<ul style="list-style-type: none"> <li>HPB set up, to commence in May 2022, which will meet monthly.</li> <li>HPB will monitor the benefits of projects, effectively manage and mitigate risks, constructively challenge and celebrate success.</li> </ul>
<b>Performance Framework in Housing</b>	Performance Framework in housing developed to provide a strategic approach to ensure effective performance management and continuous improvement takes place across the housing service.	<ul style="list-style-type: none"> <li>The Housing Service has developed a Performance Framework over the last part of 2021/22, which will be implemented in 2022/23.</li> </ul>
<b>Data-led services and performance monitoring</b>	Planned programme of work established to create performance dashboards for each theme of the Strategic Plan, to understand how we are performing as an authority.	<ul style="list-style-type: none"> <li>Using data to improve and address issues and aid transparency in accessing information on our performance measures.</li> <li>Significant work underway to progress and develop dashboards.</li> <li>Projects using data (e.g. LIFT project and Community Partnerships)</li> </ul>
<b>ICT</b>	Robustness of network and response in case of emergency	<ul style="list-style-type: none"> <li>Further work continuing to improve robustness of ICT environment including back-up processes, cyber security protection and Disaster Recovery solutions.</li> <li>Additional layer of reassurance put in place in 2021/22 to further address risk of cyber-attack.</li> <li>Review of ICT staffing requirements to ensure capacity and skills to service authority needs.</li> <li>Port Health Cyber Essentials – Review and gap analysis required of Cyber Essential accreditation and ensure adequate disaster recovery in place.</li> </ul>

AGS Action	Good Governance and Improvements	Progress
		Review to be undertaken in 2022/23 (postponed from 21/22 due to covid).
<b>Staff Wellbeing</b>	Health and wellbeing resources available to all staff.	<ul style="list-style-type: none"> <li>• Access to health and wellbeing information on Council's internal intranet.</li> <li>• Up to date wellbeing information on topics such as domestic violence, anxiety, sleep, depression, money and debt advice. Care First website available. Mental first aiders in place.</li> <li>• Regular managers bulletins focusing on staff wellbeing (e.g. 24 hour counselling).</li> </ul>
<b>Governance arrangements and operation (ARP)</b>	<p>Joint Committee and Operation Improvement Board (ARP)</p> <p>Various groups inform and direct ARP to ensure corporate needs for each Council are met.</p>	<ul style="list-style-type: none"> <li>• Group maintains oversight of performance. GDPR group (GDPR officer from each Council) and APR regularly meet to discuss protocol and any breach.</li> <li>• Customer Strategy Group meets regularly to ensure link between front and back end (ARP) is seamless for customers.</li> <li>• ARP Strategy Review undertaken and endorsed. Introduced four-year Business Plan for Joint Committee to consider in June 2022 supplementing the annual service plan.</li> </ul>
<b>Regulatory Reform – Building Control Standards Review</b>	To ensure National regulatory reform is adopted across East Suffolk.	<ul style="list-style-type: none"> <li>• New Regulatory standards particularly in relation to Part L (Zero Carbon) and Part R (Infrastructure/ Connectivity) will be communicated and advised by the Building Control surveying team.</li> </ul>
<b>Partnership working with other Councils</b>	Partnerships in place including Building Control, Coastal Management, Internal Audit, Emergency Planning and Broads Authority which ensure good governance, resilience and valuable delivery of services.	<ul style="list-style-type: none"> <li>• Contracts and partnership arrangements in place, including service level agreements.</li> <li>• Regular partnership board meetings and aligned working practices.</li> <li>• Work ongoing to ensure programmes are met and necessary legislation changes implemented.</li> </ul>
<b>Planning Advisory Service review of Governance of Developer Contributions through the Planning Advisory Service</b>	Areas identified for recommended change or improvement in order to help improve governance of developer contributions.	<ul style="list-style-type: none"> <li>• CIL spending and the Infrastructure Funding Statement will be reported to Cabinet in September 2022, report from Planning Advisory Service will be appended and include proposals on recommendations, many of which are already in motion or planned informally as part of the Spending Strategy. CIL Spending Working Group will also review and prior to the report.</li> </ul>
<b>Forums for Towns and Parish Councils</b>	Forums for town and parish councils undertaken to ensure two-way communication relating to planning matters within District and specific local areas.	<ul style="list-style-type: none"> <li>• Forums held every six months. One for developers and one for town and parish councils. Due to Covid-19 forums did not take place in 2020/21 but were re-established in quarter 4 of 2021/22.</li> <li>• These provide an opportunity for information updates and exchanges of views to improve the service delivery for all participants.</li> </ul>
<b>Completed in 2021/22</b>		

AGS Action	Good Governance and Improvements	Progress
<b>Digital Strategy</b>	A new Digital Strategy is being produced to underpin Digital Theme of Strategic Plan to govern the way in which we will work as authority from a digital perspective.	<ul style="list-style-type: none"> <li>New Digital Strategy implemented and to be rolled out across the Council.</li> </ul>
<b>Health and Safety Policy</b>	The Council as an employer has legal responsibilities and the policy required updates to clearly state that everyone has health and safety responsibilities.	<ul style="list-style-type: none"> <li>Policy updated. The Health and Safety Policy was approved at Health and Safety Committee in October 2021 and published on SharePoint.</li> </ul>
<b>General Data Protection Regulation (GDPR) Training</b>	Target 100% staff and Councillors to receive refresher GDPR training.	<ul style="list-style-type: none"> <li>Rollout of refresher Data Protection Act/ GDPR training for staff and Councillors undertaken in 2021/22</li> <li>Additional staff recruited to support the Data Protection Service.</li> </ul>
<b>Corporate Fraud Plan and Internal Audit Plan</b>	Refocused corporate fraud plan and internal audit plan due to changing risks due to Covid-19	<ul style="list-style-type: none"> <li>Significant anti-fraud work regarding Coronavirus Pandemic grant awards and other corporate anti-fraud activity e.g., cybercrime.</li> <li>Risk based holistic Internal Audit Plan in operation.</li> </ul>
<b>FOI Improvement Plan</b>	Continue to implement work identified in the recent FOI review (undertaken with working partners – Audit and Legal Services) to improve processes internally and externally.	<ul style="list-style-type: none"> <li>Work underway in respect of process (to move to a more automated system) and provide clear guidance. Work on track and continuous cycle of improvement embedded across the three departments with responsibility for this area.</li> <li>Internal review process reviewed and improved. New fixed term appointment successfully recruited for additional resource and resilience. Exploring alternative technology options for a more automated process.</li> </ul>

## 5.5 Commercial Partnerships

### **East Suffolk Construction Services Limited (dormant) / East Suffolk Property Developments Limited (dormant) / East Suffolk Property Investments Limited (dormant)**

5.6.1 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. Two Council employees, Andrew Jarvis (Strategic Director) and Nicholas Khan (Strategic Director) are named as Directors of all three of these companies. All these companies were dormant in 2020/21 and are intended to commence trading in 2022/23.

### **East Suffolk Holdings Limited (dormant)**

5.6.2 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. The Business Case for East Suffolk Holdings Limited will come forward in September 2022.

### **East Suffolk Services Limited**

5.6.3 East Suffolk Services Limited is wholly owned by the Council and was incorporated on 25 March 2022. Three Council employees, Stephen Baker (Chief Executive), Andrew Jarvis (Strategic Director)

and Nicholas Khan (Strategic Director) are named as Directors of East Suffolk Services Limited. The company is intended to take over the operations of the East Suffolk Norse Joint Venture in July 2023.

### **Impact of coronavirus on Governance**

5.6.4 During 2020/21, the Coronavirus pandemic resulted in nationwide lockdowns and an emergency response, which significantly impacted our 'business as usual' service delivery and alternative models were used to deliver critical services. This had an impact on the Council's governance arrangements. The impacts on governance fell into the following broad categories:

- Impact on business-as-usual delivery of services;
- New areas of activity arising from the national response to coronavirus and any associated governance issues;
- Funding of financial implications and logistical consequences of delivering the local governance response;
- Assessment of the long-term disruption and consequences arising from the coronavirus.

5.6.5 The progress on the impact on governance in 2021/22 included:

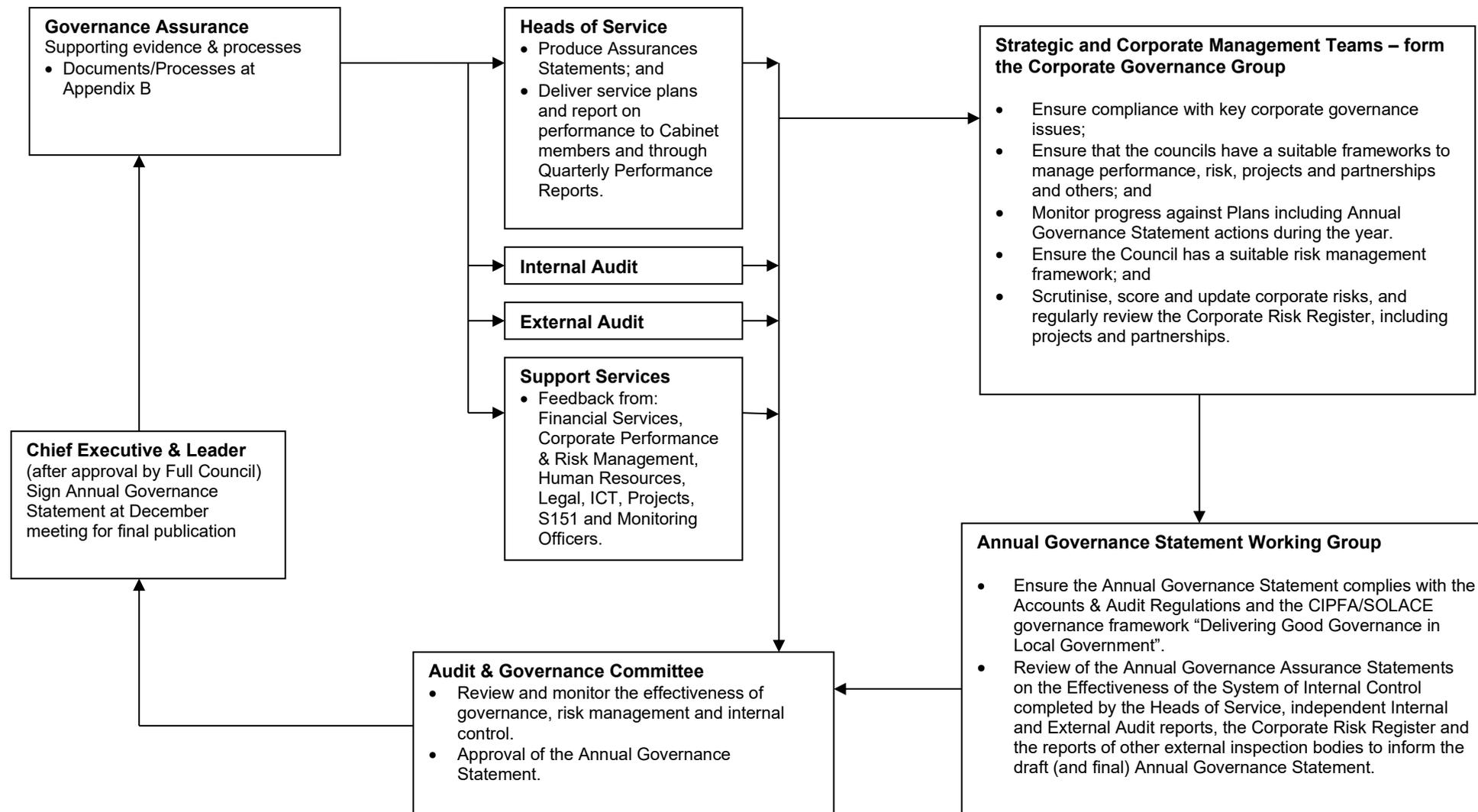
- Financial impact on Council's costs and income monitored and reported regularly – internally to officers and members, to central Government via monthly returns and information sharing with other Suffolk Local Authorities. The financial impact of Covid-19 was taken into consideration for updating the MTFs and budget setting process for 2022/23. Some social and economic behavioural changes appear to be continuing, with some financial impacts, e.g. car parking income.
- Systems and processes for paying grants to businesses implemented and administered including establishment of local authority determined Discretionary Grant and Additional Restrictions Grant schemes (within Government guidelines).
- Plan for the Future business support grant scheme - Providing longer-term business support measures to help businesses recover from the Covid economic downturn. Programme was closed mid-January 2022 and just under £1 million worth of funding was allocated. All claims were processed by the end of March. A total of 58 grants were awarded for projects with a total value of £1.46 million. Approximately £0.5 million was provided as match funding by the businesses themselves. Audit, finance, legal, the Funding team and Economic Development were involved in delivering the scheme as part of the governments covid business grants. New Anglia LEP supported the scheme with a contractual agreement in place.
- Functions and services impacted by Covid-19 including resources reallocated to support grant payments by Finance, Internal Audit, Corporate Fraud and IT teams. Economic Development and Community Teams focused on supporting communities, most vulnerable and businesses. Economic Development programme refreshed to reflect Covid economic impact. Review of stage 2 Home But Not Alone response undertaken and informed Scrutiny Committee.
- Delayed migrating new version of NAV financial management system due to project resources being committed to administering Covid-19 Business Grants. Work now underway to migrate to new version.
- Established Tactical Management Team meetings and increased Senior Management Team frequency to deal with Covid-19 and organisational issues.
- Remote and hybrid council meetings implemented and continued for council business. Homeworking/flexible working. Package of support to promote mental health and wellbeing.

6. **ASSURANCE BY CHIEF EXECUTIVE AND LEADER OF THE COUNCIL**

We approve this statement and confirm that it forms the basis of the council's governance arrangements.

Post	Signature	Date
Steve Gallant Leader of the Council		
Stephen Baker Chief Executive		

The Council's Governance Assurance Framework



DOCUMENTS/PROCESSES SUPPORTING THE CODE OF CORPORATE GOVERNANCE

<ul style="list-style-type: none"> <li>• Air Quality Consultation</li> <li>• Air Quality Reports</li> <li>• Air Quality Strategy</li> <li>• Annual audit letters</li> <li>• Annual Governance Statement</li> <li>• Anti-Bribery Policy and Procedure</li> <li>• Anti-Money Laundering Policy</li> <li>• Anti-Fraud and Corruption Strategy</li> <li>• Apprenticeship Strategy 2018-2022</li> <li>• Asset Management Strategy 2019-24</li> <li>• Assurance Statements</li> <li>• Audit &amp; Governance Committee</li> <li>• Budget process</li> <li>• Business case appraisal process</li> <li>• Business Continuity Plan</li> <li>• Capital Programme</li> <li>• Capital Strategy</li> <li>• Cemeteries and Closed Churchyard Management Policy</li> <li>• Code of Corporate Governance</li> <li>• Committee reports, agendas and minutes</li> <li>• Compliance and Enforcement Policy</li> <li>• My Conversation Managing Performance – people</li> <li>• Complaints process and procedure</li> <li>• Contaminated Land Strategy</li> <li>• Contracts Register</li> <li>• Corporate Governance Group</li> <li>• Corporate Risk Register</li> <li>• Covert Surveillance Policy</li> <li>• <b>Constitution</b> <ul style="list-style-type: none"> <li>- Part 2: Functions and responsibilities (including Scheme of Delegation)</li> <li>- Part 2: Terms of reference for committees</li> <li>- Part 3: Council Procedure Rules (contracts, budget &amp; policy framework, financial, employment, meetings, scrutiny)</li> <li>- Part 4: Codes and Protocols</li> <li>- Part 4: Members’ Code of Conduct</li> <li>- Part 4: Officers’ Code of Conduct</li> <li>- Part 4: Suffolk Local Code of Conduct</li> <li>- Part 5: Members’ Scheme of Allowances</li> </ul> </li> <li>• Council magazine</li> <li>• Council website</li> <li>• Customer Feedback Policy (compliments, comments and complaints)</li> <li>• Customer feedback process</li> <li>• Data Protection Policy</li> <li>• Data Quality and Management Policy</li> <li>• Digital Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• East Suffolk Strategic Plan (2020-2024)</li> <li>• East Suffolk Economic Growth Plan 2018-2023</li> <li>• East Suffolk Housing Strategy</li> <li>• East Suffolk Partnership priorities</li> <li>• East Suffolk People Strategy</li> <li>• East Suffolk Quarterly Performance Reports</li> <li>• Economic Development Delivery Plan</li> <li>• Efficiency Plan</li> <li>• Efficiency Strategy</li> <li>• Enabling Communities Strategy</li> <li>• Enabling Communities Delivery Plan</li> <li>• East Suffolk Environmental Policy</li> <li>• Equality &amp; Diversity Policy</li> <li>• ESC Equality Framework for Local Government self-assessment</li> <li>• External audit (and other reviews)</li> <li>• Financial procedure rules and standing orders</li> <li>• Financial services</li> <li>• FOI and EIR request performance statistics</li> <li>• Freedom of Information</li> <li>• Green Infrastructure Strategy</li> <li>• Head of Internal Audit</li> <li>• Head of Paid Service</li> <li>• Health and Safety Officer</li> <li>• Human Resources</li> <li>• Health and Safety Policy</li> <li>• Health and Safety policies</li> <li>• Homelessness and Rough Sleepers Strategy</li> <li>• Housing Asset Management Strategy</li> <li>• Housing Development Strategy</li> <li>• Housing Enabling Strategy</li> <li>• ICT Strategy and action plan</li> <li>• ICT Acceptable Use Policy</li> <li>• ICT Security Policy</li> <li>• Infrastructure Funding Statement</li> <li>• Independent remuneration panel</li> <li>• Internal audit</li> <li>• JNC terms &amp; conditions</li> <li>• Job evaluation process</li> <li>• Job descriptions</li> <li>• Joint Emergency Response Plan</li> <li>• Key decisions</li> <li>• Law &amp; governance</li> <li>• Leisure Strategy</li> <li>• Licensing Policy</li> <li>• Local Plan</li> <li>• Local Government Ombudsman (report)</li> <li>• Medium Term Financial Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Member training</li> <li>• Member Communication Guidelines</li> <li>• Member Development Strategy</li> <li>• Modern Slavery and Human Trafficking Statement</li> <li>• Monitoring Officer</li> <li>• Neighbourhood Plans</li> <li>• Our Values</li> <li>• Old Persons Housing Strategy</li> <li>• Partnership framework</li> <li>• Pay Policy Statement</li> <li>• Petty Cash Policy</li> <li>• People Strategy</li> <li>• Performance Management (business) framework (including service plans)</li> <li>• Private Sector Housing Strategy</li> <li>• Procurement Forward Plan</li> <li>• Procurement regulations</li> <li>• Procurement Strategy</li> <li>• Prudential code</li> <li>• Record of decisions</li> <li>• Record Retention Policy</li> <li>• Recruitment Policy</li> <li>• Register of Councillors’ interest</li> <li>• Risk management process</li> <li>• Risk and Opportunities Management Strategy</li> <li>• S151 Officer</li> <li>• Safeguard Policy</li> <li>• Safeguarding children, young people and adults at risk policies, procedures and guidance</li> <li>• Salary scales</li> <li>• Senior management remuneration report</li> <li>• Service plans</li> <li>• Staff surveys</li> <li>• Social Media Policy</li> <li>• Social Value Policy</li> <li>• Statement of Accounts</li> <li>• Suffolk Code of Conduct</li> <li>• Suffolk Growth Strategy</li> <li>• Temporary Accommodation Procurement and Placement Strategy (2021-2023)</li> <li>• Timetable of council meetings</li> <li>• Tourism Strategy</li> <li>• Transparency publications</li> <li>• Training programs</li> <li>• Treasury Management Strategy</li> <li>• Treasury Management Policy</li> <li>• Whistleblowing Policy</li> <li>• Workforce development and plans</li> </ul>
---	---	---

Blue = Available on Internet / Purple = processes / Green = Internal Use