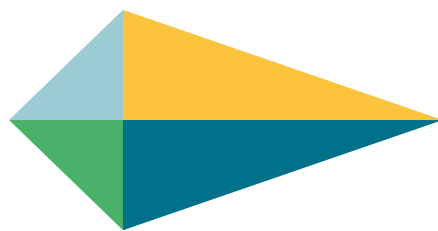


**DRAFT**  
**ANNUAL**  
**GOVERNANCE**  
**STATEMENT**  
**2022/23**



**EASTSUFFOLK**  
COUNCIL

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## APPROVAL OF THE DRAFT ANNUAL GOVERNANCE STATEMENT BY CHIEF EXECUTIVE AND LEADER OF THE COUNCIL

The Annual Governance Statement 2022/23 is draft and is published alongside the draft Statement of Accounts. This document is subject to change and the final version will be published alongside the audited Statement of Accounts for 2022/23.

To the best of our knowledge, the governance arrangements as defined within the Council's Local Code of Corporate Governance have continued to operate effectively.

The draft Annual Governance Statement shows that our high standards have been maintained and no significant issues were reported in 2022/23, other than the breach of the Rent Standard and the 'Home' Consumer Standard identified in 2019/20 and reported in 2020/21. Significant progress has been made relating to this issue, and full details are captured within the action plan. Specific opportunities for improvement in governance and internal controls are detailed within the action plan and we propose, over the coming year, to take steps to address these opportunities to further enhance our governance arrangements. We are satisfied that these actions will deliver, over appropriate timescales, the improvements necessary and these will continue to be monitored, evaluated, and reported on as part of our next annual review.

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



A handwritten signature in black ink, appearing to read 'Caroline Topping'.

Councillor Caroline Topping  
Leader of the Council  
31.05.23



A handwritten signature in black ink, appearing to read 'Chris Bally'.

Chris Bally  
Chief Executive  
31.05.23





## WHAT IS CORPORATE GOVERNANCE

Good governance is important in ensuring good decision making and leadership in local authorities. It is important that things are undertaken in the correct way, for the right people in a timely, inclusive, open, honest and accountable manner. The importance of having good rules, systems and information is important to have and maintain good governance. Weakness in governance can have far reaching implications and it is important that these are identified and minimised to ensure good governance.

The Council strives to meet the highest standards of corporate governance to help ensure it meets its objectives. Members and Officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. It comprises the systems and processes, cultures and values by which the organisation is directed and controlled and through which it is accountable to, engages with, where appropriate, and leads its communities. It ensures that appropriate mechanisms for control are in place and that risks and opportunities are managed effectively.

## Scope of Responsibility

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.

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.




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 refreshed document now shows which of the Council's documents and governance arrangements support each principle. It was reviewed on 12 September 2022 by the Audit and Governance Committee and reported and adopted by Full Council on 15 March 2023.

The AGS also explains how the Council has complied with governance elements within the Accounts and Audit Regulations. This document supported the East Suffolk Strategic Plan 2020/24, adopted by Full Council on 26 February 2020.

## The Purpose of the Governance Framework

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.

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.

The system of internal control cannot eliminate all risk of failure so only provides reasonable and not absolute assurance of effectiveness. The governance framework has been in place at the Council for the year ended 31 March 2020 and up to the date of approval of the annual report and statement of accounts.

## Governance Framework

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.

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.

The Council's governance environment is consistent with the seven core principles of the 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'

### Achieving the Intended Outcomes While Acting in the Public Interest at all Times



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.

Each of the core principles above have multiple sub principles and the framework in operation is evidenced.

The framework in operation directly supports the Council's five strategic themes, namely economy, communities, financial sustainability, digital transformation and environment. The Council also recognises the importance of governance and has an internally focused theme to support the delivery of the East Suffolk Strategic Plan and ensure good governance within the Council.

## HOW THE COUNCIL WORKS



### Constitution

East Suffolk Council's Constitution 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. It clearly specifies the roles and responsibilities of the executive, non-executive, scrutiny, and officer functions, setting clear delegation arrangements and protocols for effective communication and governance.

The Constitution includes the Financial Procedure Rules which provide the framework for the 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 Constitution includes other supporting procedures such as Contract Procedure Rules which are the minimum standards which must be adhered to when the Council enters into contracts for goods or services.



### Code of Conduct

In accordance with the Localism Act 2011, the Council has adopted a Code of Conduct for Councillors. The Code supports the Council's duty to promote and maintain high standards of conduct within the district and is based on the Nolan 'principles of public life' identified by the Committee on Standards in Public Life.

A Code of Conduct for Officers is also in place to help employees to understand what is expected of them. Observance of the Code helps to maintain and improve standards and protect employees from misunderstandings or criticism. A copy of this code is made available to every employee of the Council.

### East Suffolk Strategic Plan

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.





## 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.

# Project Management

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 the needs of the organisation, a review took place on the project management framework involving Officers from various teams across the organisation and feedback taken into account for the review of the framework. Advice and support continues to be offered to relevant staff on the application of good project management practices, particularly surrounding changes or improvements to service delivery.

A governance structure is in place for projects delivering to the Strategic Plan. Each Theme of the Strategic Plan has a programme delivery team to monitor projects feeding into that theme to oversee progress and delivery to the objectives. All corporate projects and tasks are recorded to build up the programme for each Theme, covering the whole authority.

Where necessary, programme or project boards combining Members and Officers are established for some 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.

A good example of an established programme with multiple workstreams during 2022/23 is the East Suffolk Services Limited project, using a programme management approach with deliverable work packages, a Programme Team and Sponsor Board.



## Corporate Governance Group

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

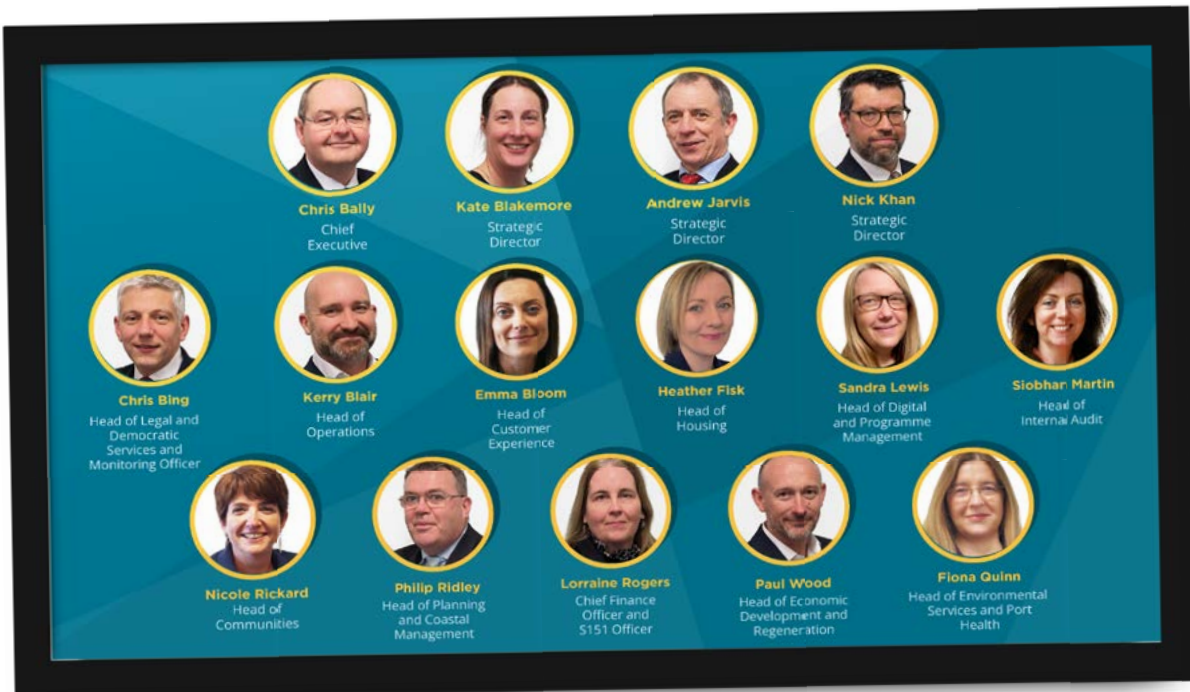
→ Performance (inspections / business plan / service plans partnerships / measuring performance / emerging issues).

## Senior and Corporate Management Teams

During 2022/23 the Council's leadership team consisted of the senior management team and the corporate management team. Following the appointment of the new Chief Executive on 1 January 2023 a full review of the senior and corporate management teams functions were undertaken resulting in these teams being replaced by the

Corporate Leadership Team from April 2023.

The Corporate Leadership Team (CLT) provides collective, accountable and visible leadership; inspiring and enabling colleagues throughout the organisation to deliver the priorities, projects and actions set out by the Council's political administration.



# Financial Management

CIPFA's Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities and provides assurance that authorities are managing resources effectively. The Council carried out a self-assessment in late 2021 and rated the majority of standards to be currently fully compliant. No areas were rated as non-compliant. Key questions rated as amber primarily involved the following areas of financial management:

- Demonstration of value for money
- Revision of Financial Procedure Rules and associated training
- Development of a Long-Term Financial Strategy and possible use of scenario planning
- Development and embedding of options appraisal and business case methodology in projects.

The Financial Procedure Rules were reviewed during 2021/22 as part of the implementation of the CIPFA FM Code and a refresh of financial management, which included in-house budget management training to service managers in 2022/23.

The Audit and Governance Committee and Cabinet reviewed and agreed proposed changes to the rules, and revised Financial Procedure Rules were approved by Full Council on 25 May 2022. The changes made were aimed at:

- Simplification with the introduction of financial guidelines,
- Operational relevance,
- Increased accountability,
- Enhanced compliance with best practice, in particular the CIPFA FM Code, and
- Strengthening corporate governance.

The areas with most change were in respect of revenue budget and capital programme monitoring, and the principals for monitoring and transacting with the Council's companies.

The Financial Procedure Rules are regularly evaluated and reviewed in the light of operational considerations and changing circumstances.

Quarterly budget monitoring is reported to Cabinet, and internal reporting and monitoring will be further developed with the Corporate Management Team during 2023/24.

## Key Roles

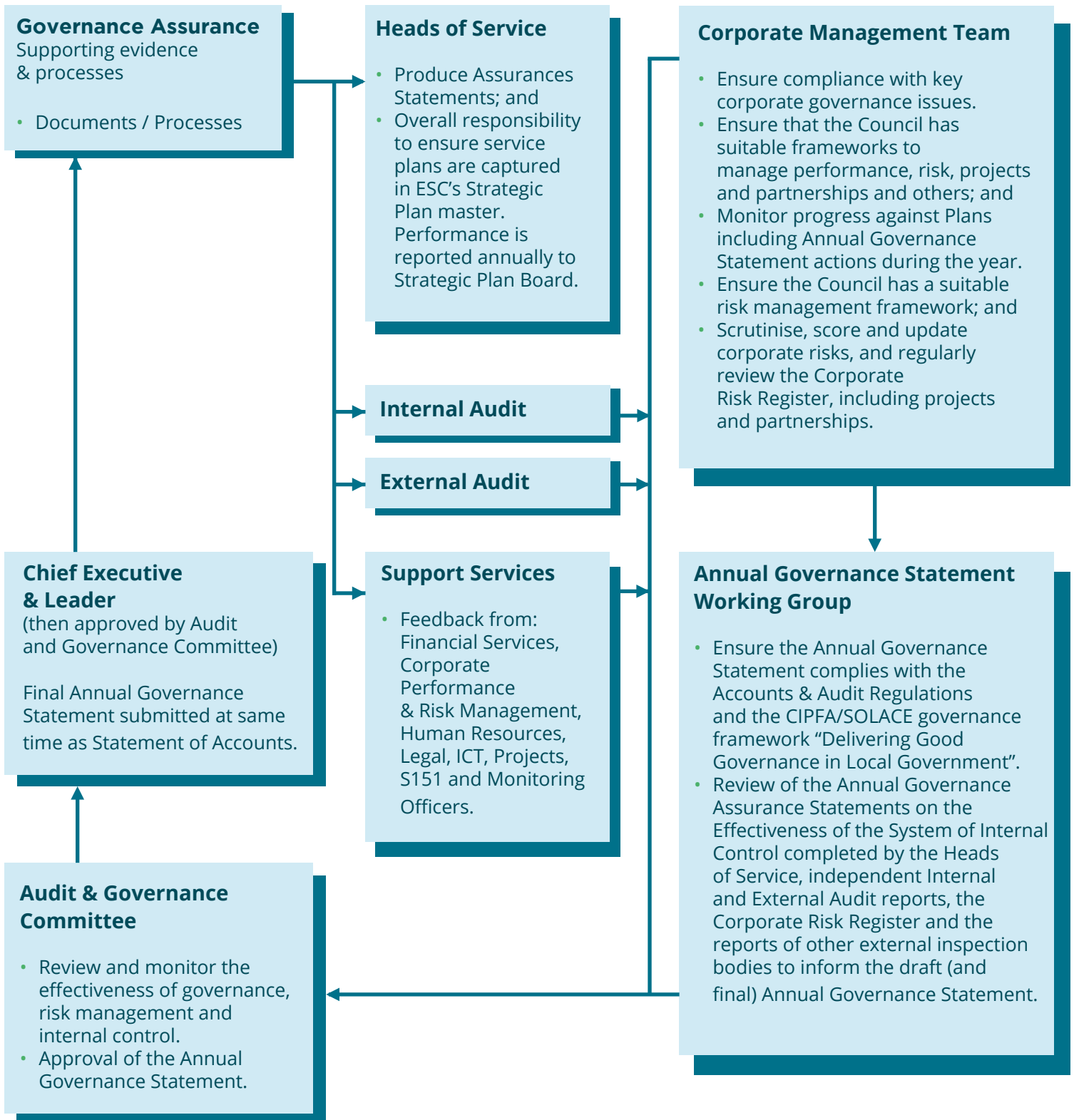
The key roles of those responsible for developing and maintaining the Governance Framework are:

<p><b>The Council</b></p>	<p>Approval of East Suffolk Strategic Plan.</p> <p>Approves the Constitution (including the Financial Regulations).</p> <p>Approves key policies and budgetary framework.</p>
<p><b>Cabinet</b></p>	<p>The main decision-making body of the Council.</p> <p>Cabinet membership is the Leader of the Council and relevant Cabinet Members with responsibility for different portfolios.</p>
<p><b>Audit and Governance Committee</b></p>	<p>Provides independent assurance to the Council on the adequacy and effectiveness of governance arrangements, risk management framework and internal control environment.</p> <p>Promotes high standards of Member conduct and approves the Annual Statement of Accounts and Annual Governance Statement.</p>
<p><b>Scrutiny Committee</b></p>	<p>Support and challenge in carrying out its responsibilities.</p>
<p><b>Senior Management Team / Corporate Management Team</b></p>	<p>The Chief Executive has overall accountability for the governance framework.</p> <p>Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues and oversees the implementation of Council policy.</p> <p>Accountability for developing and maintenance the Council's governance and risk framework.</p>

<p><b>Chief Finance Officer (S151)</b></p>	<p>Leads and directs the financial strategy of the Council and ensures the Council controls and manages its money well, being suitably qualified and experienced, and ensures the Financial Services Team is fit for purpose.</p> <p>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.</p> <p>Contributes to the effective corporate management and governance of the Council.</p>
<p><b>Monitoring Officer</b></p>	<p>Section 5 of the Local Government and Housing Act 1989 requires East Suffolk Council to designate one of their officers as the Council's Monitoring Officer.</p> <p>Responsible to report on matters they believe to be illegal or amount to maladministration, to be responsible for matters relating to the conduct of Councillors and officers and, to be responsible for the operation of the Council's Constitution.</p>
<p><b>Internal Audit</b></p>	<p>Provides independent assurance and opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework.</p> <p>Delivers an annual programme of risk-based audit activity, including counter-fraud and investigation activity.</p> <p>Overall responsibility for the maintenance and operation of the Whistleblowing Policy and contributes to the effective corporate management and governance of the Council.</p> <p>Makes recommendations for improvements in the management of risk.</p>
<p><b>External Audit</b></p>	<p>Audits / reviews and reports on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency, and effectiveness in the use of resources (the value for money conclusion).</p>
<p><b>Directors, Heads of Service and Managers</b></p>	<p>Responsible for developing, maintaining, and implementing the Council's governance, risk, and control framework. Contribute to the effective corporate management and governance of the Council.</p>



## Governance Framework Assurance Process



## REVIEW OF EFFECTIVENESS

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.

## Monitoring Officer

Section 5 of the Local Government and Housing Act 1989 requires East Suffolk Council to designate one of their officers as the Council's Monitoring Officer. It is the role of the Monitoring Officer to report on matters they believe to be illegal or amount to maladministration, to be responsible for matters relating to the conduct of Councillors and officers and, to be responsible for the operation of the Council's Constitution.

The Local Government Association's Model Code of Conduct was adopted by Full Council on 23 March 2022, with effect from 1 May 2022. In the period 1 April 2022 to 31 March 2023, 20 Code of Conduct complaints, concerning 5 matters, were made against East Suffolk Council District Councillors. The Monitoring Officer upheld 2 of the complaints, with 3 complaints still to be determined.

Between 1 April 2022 and 31 March 2023, 23 complaints were made to the Local Government and Social Care Ombudsman (LGSCO) about East Suffolk Council. The LGSCO upheld 4 of the 23 complaints (Ref 22010430 – Private Housing; 22006793 – Refuse and Recycling; 22001156 – Planning Application; 21008294 – Planning Enforcement).

Elections to all 55 of East Suffolk Council's wards were held on 4 May 2023. A comprehensive induction programme has been prepared for all Councillors, whether new or returning. The training covers the Council's governance arrangements including decision making, the Code of Conduct, the Council's values, safeguarding, health and safety and equality, diversity and inclusion. A Member programme for training and development is in place to ensure continued development is undertaken for all Members.

In 2022/23 an internal review of the Scrutiny Committee was undertaken devising a new work programme to make the scrutiny process more efficient, effective and to add greater value. This process was agreed at Scrutiny Committee on 19 May 2022 and implemented in 2022/23.

### Chief Finance Officer

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](#).

An upgrade of the Council's Financial Management System to Business Central was undertaken during the year, and data migration successfully took place in March 2023. User training and guidance material has been rolled out and the system will be used for the 2022/23 closure of accounts.

The Council's annual budget is subject of extensive updating, scrutiny, and consultation throughout the budget setting process. A new process was introduced in the year for reporting to the Scrutiny Committee the General Fund, Capital and Housing Revenue Account budgets. This included the early provision of reports to the Committee Members enabling questions to be submitted pre-meeting. Responses are then produced for both the meeting and the subsequent Cabinet and Full Council meetings.

At the time of setting the Council's 2022/23 budget, the impact of Covid was focused on supporting communities with the recovery from the pandemic, with the Council utilising the various funding streams that it had received over the previous two years. Leisure facilities remained the area with the greatest impact from Covid, along with the loss of car parking income which has not returned to pre-pandemic levels.

During 2022/23, the Council was faced with a rapidly changing external environment, impacted by a series of events, including rising energy costs, the Russian invasion of Ukraine, a labour shortage, and UK fiscal policy and financial market turbulence.

Inflationary pressures have impacted on the Council's revenue costs and capital programme. The estimated impact of inflation on the Council's General Fund budget in 2022/23 was in the region of £1 million, plus a pay award pressure of a further £1.4 million. Inflationary pressures have impacted the Council directly and via its partners. Whilst the Council faced significant cost pressures during the year, rising interest rates have provided the Council with additional income from its treasury management activities, and for 2022/23 this is estimated to be in the region of £0.800 million of additional income. The Government also announced a one-off Funding Guarantee Allocation for 2023/24, in recognition of the inflationary pressures faced by local authorities. This amounts to £1.5 million for the Council.

The Government's fair funding review, which will affect how funding is allocated and redistributed between local authorities continues to be delayed. This review is also likely to include a reset of the business rates system. In December 2022, Government published a policy statement on Local Government Finance Settlements for 2023/24 and 2024/25, which provides a strong indication that reforms to the local government finance system have now been deferred until 2025/26 at the earliest. The continuation of the current arrangements into 2023/24 is of significant financial benefit to the Council, given its advantageous position under the current business rates system.

The Medium Term Financial Strategy (MTFS) provides an integrated view of the Council's finances, recognising that the allocation and management of its human, financial and physical resources play a key role in delivering its priorities and ensuring that the Council works effectively with its partners locally, regionally and nationally. Part of the process of delivering a robust MTFS is to enable the Council to manage its affairs soundly, to have regard to both external and internal risks, and to identify actions to mitigate those risks. Following this process, the Council has been able to set a balanced budget for 2022/23, including responding to significant challenges emerging during the year.



A key element of the MTFS, is maintaining an adequate level of balances and reserves so that resources are available to allow a managed and considered response should any significant variations or emergencies arise. The Council's approach is not to use reserves to fund longer-term budget gaps, but for reserves to be used in a managed way to support the actions required to address underlying budget gaps.

A review of reserves was undertaken in 2022/23, to identify reserve balances which have not been used for some time and/or are no longer required for their original purpose. This exercise identified £1.8 million of reserve balances to be released into the Council's General Fund to address in-year costs pressures.

The MTFS report to Council in February 2023 indicates that future years beyond 2023/24 show continuing budget shortfalls of core funding sources compared with budgeted expenditure. This position will be updated in a high-level summary to Cabinet in July 2023 as part of reporting the outturn for 2022/23. The primary concerns regarding the Council's Budget and MTFS continue to be uncertainty in the local government finance system, and inflationary pressures. The advantageous position the Council has under the current system, will enable the Council to adjust to pressures and uncertainties in the medium term and to address underlying budget gaps. A combination of actions will be needed to ensure a longer term sustainable position including maximisation of income, and the achievement of savings.

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 priority. Major capital projects are delivered by dedicated project managers within the Council, with leadership and oversight provided by the Senior Management Team. Due to the economic climate and significant changes to major schemes in the capital programme for 2022/23 to 2025/26, a mid-year revised General Fund Programme was presented to Cabinet and approved by Full Council in September 2022. This report reflected £3.2 million of new projects, and £12.14 million of re-phasing of current year budgets to later years.

Section 25 of the Local Government Act 2003 requires the Chief Finance Officer and Section 151 Officer to formally report to Council as part of the tax setting report on the robustness of estimates and the adequacy of reserves. In the budget report to Full Council on 22 February 2023, the Chief Finance Officer and Section 151 Officer, concluded that the overall budget estimates are robust, taking into account known risks and mitigating strategies, and the reserves are adequate for the 2023/24 Budget plans.

The Anglia Revenues Partnership (ARP) manages the delivery of revenue services of the Council in partnership with four other Local Authorities, to provide economies of scale and provide a robust flexible service. The ARP Joint Committee and Operation Improvement Board maintained oversight of performance and ensures compliance with the ARP agreement. In June 2022 a review of the ARP Strategy was undertaken and endorsed and introduced a four-year business plan to supplementing the annual service plan.

The Council is the Accountable Body for Freeport East, which includes accountability for the delivery and administration of Freeport Seed Capital and Capacity Funding grants. There is a projected shortfall of Capacity Funding to cover operating costs until 2025/26, and a review is currently underway with the partner S151 Officers to consider the options available to address this.

## Head of Internal Audit

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, [www.cipfa.org/roleofthehia](http://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.

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.

Based on the findings of the audit reviews carried out throughout 2022/23 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.

The opinion of Reasonable Assurance is based on internal work undertaken, and completed, alongside the return to "Business as Usual" following the Coronavirus Pandemic. All findings that are found to be of a significant corporate concern have been considered during 2022/23 and reported in detail to the Council's Audit and Governance Committee. 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.



## Information Governance and Fraud

### 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 as a business priority and not as an ICT or technical issues, the Council can ensure that risks are addressed, managed, and capitalised upon.

### 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.

### Risk Register

Information Governance is regularly considered during Corporate Risk Register meetings and is closely monitored, with mitigation plans implemented, when necessary, by officers and Councillors.

### Designated Posts

experienced and qualified postholders in operation throughout the year include Data Protection Officer, Deputy Data Protection Officer, and Senior Information Risk Owner, Freedom of Information Strategic Lead and Infrastructure and Operations Manager. In addition, appointed Information Champions exist across all services.

### Policies

Key information governance documents are promoted across the organisation.

### General Data Protection Regulations (GDPR) and UK Data Protection Act 2018

Qualified and experienced staff in post. Any additional impact on GDPR from the UK exiting the EU continues to be monitored, and any Government guidance on this subject will be followed.

### Personal Data Breaches

The Data Protection Officer has investigated 109 potential personal data breaches, 62 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.

### Data Protection Act

Subject Access Requests and requests for advice continued to increase over the year as expected given 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.

### Freedom of Information Act (FOI)

3,498 FOI (including Environmental Information Regulation) requests were received by the Council in 2022/2023 of which 99.06% were answered within 20 working days. Twenty cases required an internal review of which six were upheld, seven partly upheld and seven not upheld. Three requesters referred their cases to the Information Commissioners Office which concluded the Council had answered all cases appropriately in accordance with the legislation and no further action was required by the Council.

### Training

Data Protection Act and Freedom of Information Act training is provided throughout the year via e-learning and face to face training formats.

### Cyber Compliance

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 and Councillors. 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. Cyber resilience is managed and monitored continuously in accordance with the Council's risk management processes and Strategic Plan.

### 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 2022/23.

### 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.



## Risk Management

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 the 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. The Audit and Governance Committee has responsibility to provide independent assurance on the adequacy of the risk and internal control framework. The Council also has an established risk management process/toolkit to evaluate and monitor the risk levels against the Council's risk matrix.

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 bi-monthly 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.

All corporate risks are reported annually to Audit and Governance Committee in December and provided with significant updates on each risk and what is being undertaken to manage risks accordingly. The annual report also provides high level details on developments relating to risk management within the Council. All the templates for all committee reports include a section which must be completed to identify what the risk is to the authority, and the project management framework includes risk management within its toolkit to ensure the same process is applied to managing risks within projects. Strategic Theme Board meetings are also advised of risks relevant to each theme of the Strategic Plan.

As part of the Risk Management Training Programme Zurich Insurance facilitate annual 'Horizon Scanning and Corporate Risk Challenge' sessions for CMT (and nominated senior officers), the most recent session was held on 31 October 2022. 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). It was noted that the Council has a mature risk process and following the session work is underway and continuing in 2023/24 to develop the risk appetite within the authority.

## Procurement and Contract Management

Contract Procedure Rules have formed part of the Constitution since the creation of East Suffolk Council in April 2019. The Contract Procedure Rules support effective procurement by setting out key responsibilities, actions and minimum requirements for officers to undertake compliant procurement activities on behalf of the Council. The Transforming Public Procurement Bill is anticipated to go live in 2024, and the current Contract Procedure Rules will be reviewed and amended in order to align with the new procedures set out in the bill.

The Council's Procurement Strategy was approved by Cabinet in September 2022 for the period up to and including 2025 and the Procurement Manager is working on implementing the recommendations within the Strategy, focussing in the first year on the recruitment and upskilling of the Procurement Team and the training of officers in other service areas who undertake procurement activities.



Procurement guidance has been updated with more detail on the Procurement Team intranet pages, and tailored support is offered by the Procurement Team to any officer carrying out procurement activities. Contract management workshops ran for the first time in February 2023 and the Procurement Manager is introducing further training sessions beginning with "Introduction to Procurement" in June 2023 which is available for officers to enrol via Oracle. In addition, the corporate Contracts Register, maintained by the Procurement Team, has moved to an open Teams channel to enable service areas within the Council to more accurately record and track contract information whilst a longer-term solution is explored. A shared pipeline of procurement activities and a comprehensive contract management checklist is currently being worked on to provide further support to officers.

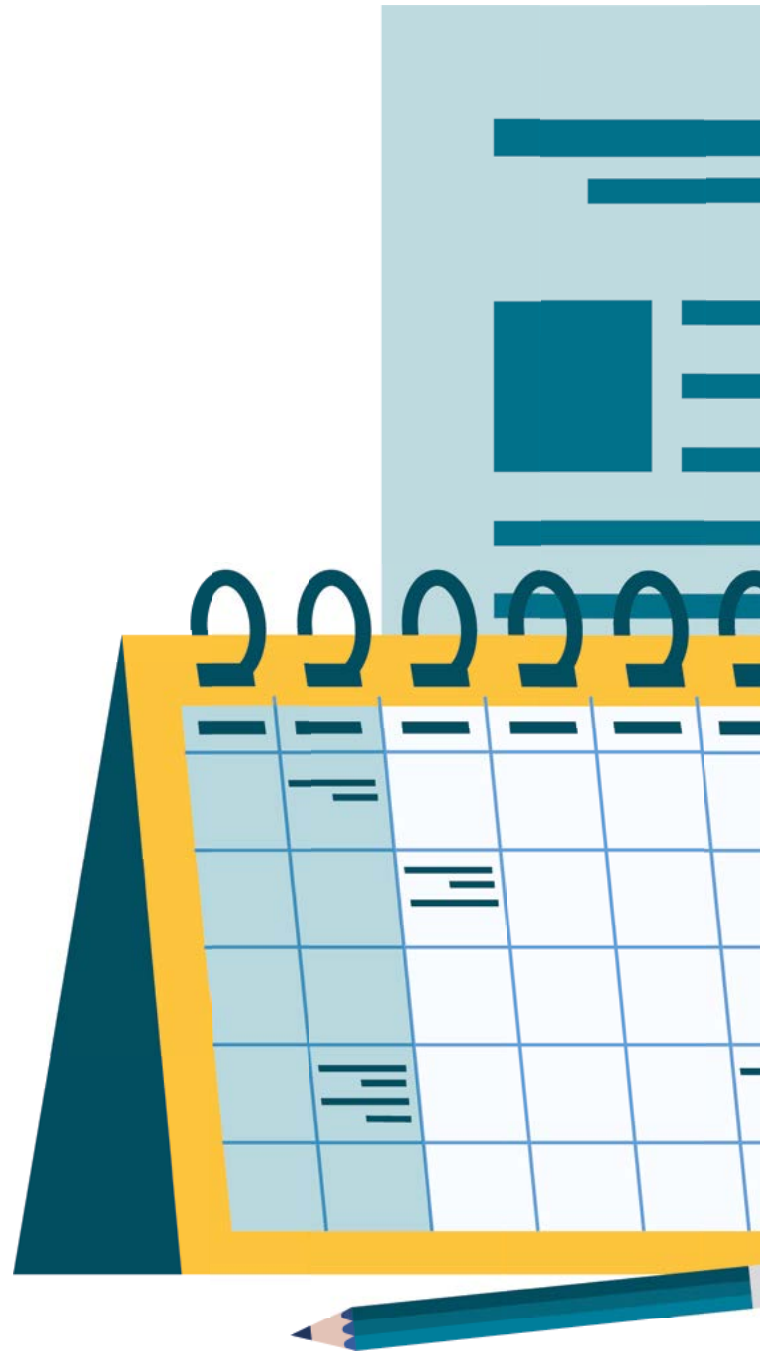
In addition, the Procurement Manager is working with Suffolk County Council's (SCC) Procurement Team to embed the use of SCC's Social Value Ask in East Suffolk's procurements. Ask provides a comprehensive list of ideas regarding how suppliers can deliver Social Value in Suffolk. An update to the Ask is currently being worked on by SCC and will be branded with ESC's logo once approved in 2023/24.

## Emergency Planning and Business Continuity

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](http://www.suffolkresilience.com).

In 2022/23, to maintain effectiveness of the Council's contingency requirements for emergency planning incidents, a hybrid solution was put in place with the Activation Officer on call and switching to a rota when unavailable. As part of this action all Directors and Heads of Services completed training in 2022/23 which ensures appropriate cover for the Activation Officer.

A full review of business continuity plans was undertaken and tested in 2022/23 which included an exercise testing the plans should there be a national power outage or loss of IT systems.



## Equality, Diversity and Inclusion

The Council undertook a self-assessment against the Equality Framework for Local Government (EFLG) in late 2021 and used this to identify fourteen key actions to progress. These actions will be included in a new Action Plan along with feedback from the Services for All Group (see below) and the outcome of a council-wide workshop on Equality and Diversity in April 2023. The workshop confirmed our ambition to work towards Equity, Diversity and Inclusion in all that we do – as an employer, as a service provider and as a community leader. This Action Plan will also include the actions that we have agreed to undertake in order to demonstrate our commitment to the Unison Race Equality Charter – we were one of the first authorities in the East of England to sign up to the Charter.

The Action Plan recommends a refresh of our both our key Equity, Diversity and Inclusion objectives and policy and identifies a range of actions that we can take to further embed equity, diversity and inclusion. These themes will be integral to the refreshed East Suffolk Strategic Plan and individual service plans. We remain committed to the use of Equality Impact Assessments to ensure that we understand the impact of our proposed actions, services and policies on the ten protected characteristic group (including economic disadvantage as well as the nine characteristics set out in the Equalities Act).

The Council's work around the Equity, Diversity and Inclusion Agenda is overseen by the CLT Equity and Inclusion Sub-Group and the Corporate Services for All Group. The latter includes representatives from across services and plays a key role in cascading key information to staff and capturing best practice, lessons learned and challenges to feed into the CLT Sub-Group. At a Councillor level this agenda is overseen by the Cabinet Member for Communities. We will be reviewing our training for Councillors and officers in 2023/24. We fund the two Disability Advice charities that work in East Suffolk, continue to work closely with groups such as the two Disability Forums in East Suffolk and Youth Voice, and to lead/support projects including Men's Sheds, intergenerational activities and Women's Groups. In 2023/24 we are working towards East Suffolk becoming an Age Friendly Community.

The activities outlined above will help to ensure that the Council continues to meet its legal obligations under the Equalities Act 2010, specifically Section 149, the Public Sector Equality Duty.



## Health and Safety

**Governance arrangements:** e.g. to meet the requirements of the Section 2(7) of the Health and Safety at Work etc Act 1974 and Health and Safety (Consultation with Employees) Regulations 1996 (as amended), the Council has a Health and Safety Committee chaired by the Council's Health and Safety Manager and Members include the Head of Environmental Services and Port Health, the Corporate Health and Safety Team, HR, Unison and employee Champions from all service areas across the Council. The function of the committee is to provide an open forum for exchange of information relating to health, safety and welfare. The minutes from the meeting are made available to all Council employees via Teams and SharePoint. The committee does not make decisions but will make recommendations when appropriate. The Head of Environmental Services and Port Health reports on the key matters via the Corporate Governance Group.

A Housing Health and Safety Board has been set up by the Head of Housing in response to the need to demonstrate effective and safe management of the Council's housing stock and in particular those that are deemed high risk either by their height, type of construction or the needs of the occupants. The Council's Health and Safety Manager attends the board meetings.

The Council's health and safety management function is subject to regulation by the Health and Safety Executive (HSE). Incidents such as accidents, injuries, verbal and physical threats and near misses are captured and reported via the Council's reporting and investigation system on DASH. The data from that system is reported to the Health and Safety Committee with a breakdown of type and service area along with summaries of any civil claims made. Some incidents are required to be reported to the HSE under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). Over recent years the Council has reported very few incidents to the HSE each year. In 2022/23 there was only one incident that met the criteria for making a report to HSE and that involved an employee suffering injury as a result of the actions of an employee of another organisation in a shared workplace.

Two policies were consulted on with employees via the Health and Safety Committee, the Lone Working Policy and the Asbestos Policy, however they are documents to assist with statutory compliance rather than discretionary strategies.

The Corporate Health and Safety Team workplan along with recommendations are made to Corporate Leadership Team via the annual Health and Safety Report.



## Human Resources

East Suffolk Council has extensive employment policies, guidance, toolkits and procedures in place which are regularly reviewed, refreshed and promoted to ensure that they are relevant and used effectively by managers and staff. New policies implemented in 2022/23 include the Dignity at Work Policy to be incorporated in April 2023 replacing the old Bullying and Harassment Policy.

Oracle Fusion HR system was introduced which captures staff data and continues to evolve. The system monitors staff absence, leave, pay details and within 2022/23 training has been added. The system allows data for all staff to be monitored and managed effectively. We have a robust recruitment process in place and use Oracle to manage/upload details from potential candidates.

A system is in place (My Conversation) to ensure that performance management of staff can be monitor and managed.

The Council has a set of established values. The People Strategy incorporates the Council's values and behaviours, this was approved in 2019, reviewed in 2021/22 and is due to be updated in 2024.



**PROUD**



**DYNAMIC**



**TRUTHFUL**



**UNITED**



**GOOD  
VALUE**

Corporate learning and development is in place to ensure officers have the appropriate skills and training in order to carry out their roles. The Council's training programme has also been developed to align to the training needs of each Strategic Theme. As part of this process HR attended strategic theme meetings to ascertain the necessary requirements to deliver strategic themes and tailor training as required.

A new Member Development Programme is being developed following the Elections in May 2023. A number of key officers are responsible for delivering the training and raising awareness of key responsibilities of the authority. The overall programme is run by Democratic Services.

The Council continues to support the apprenticeship scheme and is committed to both the recruitment of new start apprentices and maximising the use of the apprenticeship levy to upskill existing staff and 'grow our own' particularly in positions and areas where recruitment has been difficult. In 2022/23, ESC had 13 new start apprenticeships, i.e., employees that have been appointed as 'Apprentices' to complete an apprenticeship qualification. However, including these 13, we have 42 employees who are undertaking apprenticeship qualifications from Level 2 – 7. We have been employing apprenticeships in group cohorts since 2012, and 45 of our current employees have new start apprentices and have remained in the organisation since completing their apprenticeship.

Our aspirations around flexible working had been accelerated as a result of covid-19 resulting in a number of significant gains in terms of our carbon footprint (e.g., reduction in travel/mileage, and printing/paper use). The Council has an Agile Working Guide in place which is regularly reviewed in line with capacity/use and functionality of our existing accommodation needs and operational requirements.

In order to ensure the wellbeing of our staff ESC regularly undertakes staff surveys and assess the results. The last survey took place in October 2022 and following a full analysis, the outcomes have been reported to the Corporate Management Team.



**Our 2022/2023  
Apprentices!**

## Information Technology and Data

The Council has recognised the importance of digital technology within the East Suffolk Strategic Plan with one of its five themes being '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, without excluding those who cannot use digital means of communication themselves. This theme is overseen by the Digital Theme Delivery Board which comprises of officers and meets monthly to monitor KPIs, core programme and risks. The Strategic Plan Delivery Board focuses one of its six meetings during the year on the Digital theme.

Key Performance Indicators have been developed to monitor the robustness and effectiveness of the digital services we have in place, both from an internal perspective to meet the needs of the authority and externally to meet the needs of our customers and district. An extensive digital programme is in place to deliver improvements to ensure technology remains relevant and our IT environment protected and governed appropriately.

A Digital Strategy states our approach to managing the priorities within this theme and is published on our website and intranet. All staff in the Digital and Programme Management service area throughout 2022/23 attended briefing sessions to understand the direction of our strategic aims and the programme of delivery to achieve it.

In 2022/23, many improvements and projects were delivered, using effective project management and delivery frameworks, key projects include:

- Upgrading and migrating our financial management system;
- Further implementation of a new GIS platform to provide improved insight via spatial data across the authority;
- The digital towns project successfully implemented with eleven towns enabled with public wifi, digital marketing sign-ups and footfall monitoring to provide greater insight on town centre visitor numbers and behaviours;
- Further increased resilience with 24/7 security monitoring of networks implemented to specifically address recognise increased cyber-security threats;
- A cyber response service procured as further assurance in the event of an incident;
- A new domain and tenant established to aid our lead authority role within Freeport East, delivering digital services to the entity;

The Digital and Programme Management service area is also part of the delivery team working on the LATCO project, in particular to establish all digital and ICT needs for the new trading company, East Suffolk Services Limited (ESSL) to ensure systems are in place and functioning effectively for a smooth transition for services on 1 July 2023.

A useful business continuity exercise took place in February 2023 using the subject of a cyber incident to test business continuity plans with various service areas, led by the Joint Emergency Planning Unit.



Demand for data and insight continues to be a key focus for the Council and during 2022/23 KPI dashboards, monitoring the Council's performance, were further developed and are now available on the Council's website using Power BI. A profile pack was also developed for the district to aid all services in decision making and demographics pulling together a number of external sources of data, which will aid the delivery of projects, funding bids and community partnerships going forward. The Council recognises the importance of data and an additional Data Analyst was recruited in 2022/23 with a Lead Data Analyst due to take up post in June 2023 to support this work.

### Wholly Owned Companies

The Council has established a number of companies within a group structure, included East Suffolk Services Limited (ESSL) which will take over services from the current Norse joint ventures from 1 July 2023.

In September 2022 Cabinet approved proposed governance arrangements in relation to its role as ultimate owner of its group companies. This ensures that the Council has appropriate controls in place for the good governance of ESSL and its other companies. In addition, this also assists with compliance with certain legal requirements that must be satisfied so that the Council can make a direct contract award to ESSL and any other Teckal companies.

The Council will enter into a shareholder agreement with each of the companies in the Group, as each company becomes "live"; and a committee of Cabinet, has been established, known as the Shareholder Reference Group (SRG). The SRG will exercise certain rights and controls of the Council in relation to its companies. The SRG held its first meeting on 4 October 2022.

In September 2022, Cabinet approved the business case for East Suffolk Holdings Limited to enable the company to become active and thereby undertake its monitoring and governance role of its Group companies.

Cabinet approved the business cases for East Suffolk Property Investments Limited in November 2022, and East Suffolk Property Developments Limited in December 2022. This was to enable the companies to operate/trade. However, no projects for investment/development have yet been activated in the companies.

East Suffolk Services Limited is wholly owned by the Council and was incorporated on 25 March 2022. The Director of East Suffolk Services Limited was appointed as a Director of the company in October 2022. The company became active during 2022/23 in preparation for the company to take over the operations of the East Suffolk Norse Joint Venture in 1 July 2023.

# External Assurance

## External Audit

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 providing value for money in the way services are delivered. In reaching an opinion EY take account of statutory requirements, national standards, their own audit work and the reports of Internal Audit.

The most recent Annual Audit Letter from EY dated 31 August 2021 gave the Council an unqualified opinion on their 2019/20 Statement of Accounts and issued an unqualified value for money conclusion. The auditors were satisfied that the Accounts had been prepared properly in accordance with the CIPFA /LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

The deadlines for the preparation of the Accounts was once again changed for 2020/21. The Accounts and Audit (Amendment) Regulations 2021 amended the Accounts and Audit Regulations 2015. The draft Accounts had to be available for inspection on or before 1 August 2021. The Council published its draft 2020/21 Statement of Account on the website on 2 July 2021. The Provisional Audit Results Report for and updated Statement of Accounts for 2020/21 were presented to the Audit and Governance Committee on 14 March 2022. The audit of the Accounts for 2020/21 is substantially complete and did not identify any corrected or uncorrected audit differences. EY sign off has been delayed due to the need to consider the correct accounting treatment and reporting of non-compliance with law and regulation regarding the Housing Regulation and Rents issue. This delayed compounded an already delayed position, due to the ongoing resourcing issues within EY. The draft Accounts for 2020/21 have been updated with the adjustment to the accounting treatment for the Housing Rents compliance matter and is currently awaiting EY's review and audit conclusion. The outcome of this review is likely to impact on EY's Value For Money conclusion. This delay has a knock-on impact for the audit of the 2021/22 Accounts. The Council completed and published its draft set of Accounts for 2021/22 by the statutory deadline of 1 August 2022. However, the audit of these Accounts is not yet scheduled. The Council is now working on the draft Accounts for 2022/23 and is working toward the statutory deadline of 31 May 2023. This deadline has been returned to its original date after the deadline was extended over the last two years due to the pandemic. The audit of 2022/23 Accounts is not scheduled to commence before November 2023, as it is EY's intention to prioritise the backlog of prior year audits. This approach is not limited to East Suffolk Council.

Delays to sign off the Accounts does mean that the Accounts remain liable to further amendment in respect of significant events after the balance sheet date. Late audits also delay the assurance that can be placed on them, and further costs can be incurred. The cumulative backlogs also impacts on future years.

### Housing External Assurances

**Governance Review of the Housing Services:** A legal consultant was commissioned to conduct a review of the governance arrangements in relation to the historical issues identified in 2021. The first draft of the governance review report was received March 2023 and the Council feedback comments on report. The final draft report will be shared with external auditor, EY, and reported to Audit and Governance Committee.

**Forensic Audit of Rents:** Following an initial high-level audit conducted in early 2022, a further detailed 'forensic' audit by independent consultants commenced in May 2022 covering the financial year from April 2010 to March 2022, completed in January 2023. It reviewed 5,008 properties and 9,983 separate tenancies. The consultants are currently undertaking the same work for 2022/23 due to be completed at the end of May 2023.

**Health check of Housing Maintenance Service:** External consultants carried out a health-check of the housing maintenance service and following their recommendations an overarching improvement plan has been implemented. A number of actions were identified including:

- Review of the Asset Management Strategy; revised operating structure.
- Project to develop proposed Logistics Hub at Barnards Way, Lowestoft. Workshops will be held with key stakeholders to develop and inform the business case. The project will include a review of current operations at Rotterdam Road to improve availability of relevant materials until a new fit for purpose facility is operational. Early timelines indicate the construction phase for the proposed Logistics Hub will be May 2024 to February 2026.
- Develop a clear asset information management protocol and engage with staff to define a business-critical data set, its owners and mechanisms to maintain the information.
- Recommended to revise the budget setting process and to assist the Council to undertake a zero-based budget review for 2023/24 across its asset management capital and revenue budgets. The formal process of budget approval will remain unaffected by project.
- Provide ad-hoc advice related to the successful, safe and affordable delivery of housing asset management and repairs to the Council. Aimed to provide best practice and knowledge sharing from across the housing sector to inform service improvement and operational efficiency.

**Keystone Audit:** External consultants carried out a review of the Council's Keystone Housing Asset Management System. The audit showed that the data and the system configuration are robust. The prime issue is that there are gaps in the data to be addressed, e.g. by re-starting the stock condition surveys.

### Port Health - BSI Quality Management System

Quality Management System ISO9001:2015 Certificate FS 83915 covering delivery of Port Health services including inspection and sampling of food, non-food, animal feed, ship inspections and infectious diseases. A successful Assessment Report was received in January 2023.

### Corporate Peer Review

The Council commissioned the Local Authority Government Association (LGA) to undertake a Corporate Peer Challenge in February 2022 which focused on five core elements (local priorities and outcomes; organisational and place leadership; governance and culture; financial planning and management; and capacity for improvement). Following the review weaknesses and improvements were identified and an action plan was implemented. Progress in 2022/23 included:

#### Overall capacity

- The 'hothouse' approach, used to create the Strategic Plan, is used to refresh the Strategic Plan and fully consider it in the context of prioritisation, capacity, capability, governance and oversight.
- Due to district council Elections in May 2023, it was agreed that planning for the review will commence immediately following the Elections, once the new Administration is in place.

#### Senior Capacity Gap

- A third Strategic Director, fully focused on corporate services, was successfully recruited and started in February 2023.
- In July 2022 the Council's Chief Executive gave notice of his retirement in December 2022. Although work on reviewing capacity had commenced, it was important to allow the new Chief Executive to take up post and have an opportunity to form their own views. Since his arrival in January 2023, the Chief Executive has undergone a thorough familiarisation process and will work with the new Administration from May 2023 to review capacity and prioritisation and will carry out a review of the Corporate Leadership Team.

#### Recruitment and Retention Plan

- Revised Recruitment and Retention Plan was approved by CLT in April 2023.

#### Compliance within the housing service

- Housing Peer Review to be held November 2023.

#### LGA Peer Review of Community Partnerships

The LGA also undertook a separate peer review of Community Partnerships in October 2021 resulting in development of a Delivery Plan led by the Community Partnership Delivery Group and will continue to be implemented during 2023/24.

## GOVERNANCE ACTION PLAN

In arriving at the areas to address during 2022/23, 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.

### Areas for Improvement identified in 2019/20

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

AGS Action	Issues/Challenges Identified	Progress 2022/23
<p><b>Housing Regulation</b></p>	<p>Breach of the Rent Standard and the 'Home' Consumer Standard.</p>	<p>Monthly progress meetings with the Regulator for Social Housing have continued with the attendance of the Chief Executive, Director and Head of Housing.</p> <p>Forensic audit of individual rent accounts and service charge levies completed in January 2023 - 5008 properties reviewed and 9983 separate tenancies.</p> <p>Revised operating structure for the Housing Management Team in place which aligns to key work streams.</p> <p>Review of our Keystone Asset Management System underway.</p> <p>Independent governance review commissioned - report received March 2023 and will be considered by the Audit &amp; Governance Committee in July 2023.</p>

AGS Action	Issues/Challenges Identified	Progress 2022/23
<p><b>Housing Regulation (continued)</b></p>	<p>Breach of the Rent Standard and the 'Home' Consumer Standard.</p>	<p>Housing Health and Safety Board has continued to evolve to fulfil and support our legal duties and to continuously improve our approach to successful Health, Safety and Compliance management.</p> <p>Housing Programme Board established (meeting monthly) to ensure the effective management and monitoring of the multiple programmes and projects currently ongoing within the Housing Service.</p> <p>A new Rent and Service Charge Policy adopted along with a Fire Strategy.</p> <p>Review of policies undertaken 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.</p> <p>Significant and comprehensive report on the Council's housing service taken to Full Council in January 2023.</p> <p>Rents Development Group continues to oversee the refund programme and annual rent setting process. Refunds will commence in 2023/24.</p>

## Areas for Improvement identified in 2022/23

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 2022/23, issues under review with the intention to improve processes in 2023/24 were identified in the following areas:

AGS Action	Issues/Challenges Identified	Progress as at 2022/23
<b>Governance issues identified in 2021/22</b>		
<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>	<p>Since August 2021 four Notifications of Fire Safety Deficiencies (NOD) for St Peter's Court, Amy Court, Wesley House and Harry Chamberlin Court were received, which had to be actioned within 6 months.</p> <p>Work on corrective actions at St Peter's Court is well in hand and further compartmentation and door surveys are starting first week of May 2023 at other sites. A contractor has also been appointed to undertake any fire stopping and door adjustment/ replacements.</p> <p>Backlog of Fire Risk Assessments has been addressed. Contractors are being engaged to undertake a prioritised list of corrective actions.</p>
<p><b>Disclosure/ information sharing relating to taxi licensing</b></p>	<p>Disclosure/ information sharing by Police with Licensing Services to ensure licensed drivers are fit and proper persons to safeguard the travelling public.</p>	<p>Police reminded of need for prompt notification/ disclosure to the licensing authority when a licensed driver is stopped or arrested. Police have provided Licensing with a single point of contact for disclosure matters.</p>

AGS Action	Issues/Challenges Identified	Progress as at 2022/23
<b>Governance issues identified in 2021/22</b>		
<b>Local Authority Trading Companies (LATCo)</b>	Work continues on the business cases to enable the trading companies to operate/trade. Anticipated to commence in 2020/21 but slipped to 2022/23.	East Suffolk Services Limited (ESSL) is in place and work is progressing on bringing forward the other companies using the same model.
<b>East Suffolk Services Limited (ESSL)</b>	Developing a company to manage work currently delivered through the joint venture with Norse	<p>Following a Break Notice in the contract with Norse, services will be delivered by ESSL from 1 July 2023.</p> <p>ESSL, was incorporated with Articles of Association in March 2022.</p> <p>Shareholder Agreement approved by Cabinet in July 2022 and regular East Suffolk Services Limited Board meetings taking place. The first Shareholder Reference Group was held in October 2022.</p> <p>A new contract will be put in place setting out service standards, processes for dispute resolution and improvement plans.</p> <p>Full Council approved entering into a contract with ESSL in November 2022. Contract will be agreed and sealed as a deed in June 2023.</p>
<b>Brexit</b>	Uncertainty around the impact of Brexit on Port Health services	The Draft Border Target Operating Model (BTOM) was published in April 2023 after several delays. The document sets out how the Government intends to fundamentally change and develop border operations for both rest of the world and EU trade, including the Sanitary and Phytosanitary sector. The consultation closed on 19 May 2023 and final version is now awaited. The draft contained a cliff edge change to border regimes on 31 January 2024 which presents a high risk to continued successful operation without appropriate and sufficient testing of the future regime and supporting systems.



AGS Action	Issues/Challenges Identified	Progress as at 2022/23
<b>NEW for 2022/23</b>		
Introduction of Target Operating Model (TOM) for Port Health Services	Uncertainty due to introduction and what new target operating system will look like in future.	<p>Report due to be taken to Cabinet regarding impacts on staff and advising of the target operating market. The Portfolio Holder and relevant Members are kept informed of developments and currently lobbying DEFRA for clear guidance.</p> <p>BTOM released in April and impacts on the delivery of Port Health from October 2023 onwards being assessed and report to be taken to Cabinet in Quarter 2 of 2023/24 regarding impacts on staff and future delivery of Port Health service.</p>
Coastal Partnership East – awarding of contracts	Potential concerns identified in the process of awarding some contracts within the Coastal Partnership team	Review of CPE process for awarding of contracts in hand and training of relevant staff arranged.
Philis Replacement System (PRS)	The Port Health software system, PHILIS, is now 10 years old and needs to be redesigned if it is to remain a leading piece of software for imported food control	<p>Cabinet approved the investment in PRS and agreed the project governance arrangements and the Project Initiation Document(PID) has been agreed.</p> <p>ICT reorganisation in progress, and initial Business Analysis work commenced. Some delays experienced and also experienced staff recruitment challenges. Due date to be reviewed to align with AGILE process and phased deliveries.</p> <p>Good progress being made with recent successful migration to the Cloud.</p> <p>Quarterly meetings of Project Board held, most recently in May 2023. Project on track and no major issues identified.</p>

AGS Action	Issues/Challenges Identified	Progress as at 2022/23
<b>NEW for 2022/23</b>		
<b>Data governance around Asset Management records and processes</b>	Data governance around Asset Management records and processes	A corporate project has been proposed to address how the Council manages data and processes around Asset Management – this covers multiple areas including Housing, General Fund Assets and ESSL. Currently in the initial analysis stage, with a full proposal and project team to be in place later in year.
<b>Lack of access to data sharing from DWP</b>	Challenges to obtain permission to use data for the LIFT (Low Income Family Tracker) system fully	Permission from DWP for the risk to sit with Councils but still challenges with HMRC data. Ongoing conversations at ESC and Suffolk level (as potential investment through Collaborative Communities Board in LIFT).
<b>Disrepair Claims</b>	A number of disrepair litigation claims are outstanding.	<p>Process in place, managed by Legal and Housing Maintenance Manager. Referrals sent to Head of Service or Strategic Director for approval to be settled if appropriate.</p> <p>Following a review of the Housing Maintenance Service work continuing to improve the process.</p>
<b>Subsidy Control Compliance and Reporting</b>	Need to ensure ESC wide compliance with new post-January 2023 UK Subsidy Control (formerly State Aid) regime.	A corporate approach is required and this has been identified as corporate risk. The item was taken to CMT in December 2022 to raise corporate awareness. There is service specific knowledge but this needs to be shared corporately and corporate reporting arrangements established. Early discussions held between Legal, Finance, and some key service areas.

AGS Action	Issues/Challenges Identified	Progress as at 2022/23
<b>NEW for 2022/23</b>		
<b>Deben Meadows Development, Melton</b>	Potential Land Contamination Issues and possible Legal action and claims from householders	Potential land contamination issues and possible legal action and claims from householders regarding the Council's Planning and Environmental Health. The advice and views of the Council's insurers has been sought.
<b>Void / Empty HRA Homes</b>	Need for further improvement within the voids letting process	<p>A new Void Standard has been adopted.</p> <p>A project is underway aiming to reduce the average number of void days.</p>