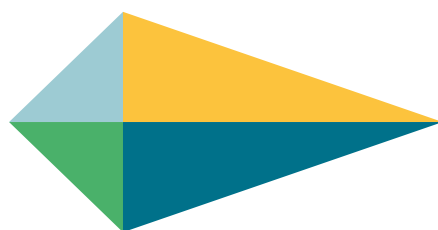


# ANNUAL GOVERNANCE STATEMENT 2023/24



**EASTSUFFOLK**  
COUNCIL

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

The Annual Governance Statement 2023/24 is published alongside the Statement of Accounts. This document is subject to change and the final version will be published alongside the audited Statement of Accounts for 2023/24.

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 Annual Governance Statement shows that our high standards have been maintained and, in the first year of the new Administration, improvements have continued to be made to the Council's governance arrangements. We are grateful to the Councillors, Managers and Staff of the Council for all their efforts to ensure that the Council is well run, transparent in its decision making and administers the necessary bureaucracy which goes with the management of local authorities effectively and proportionately. Our new People Strategy, approved in 2023, is at the heart of our commitment to supporting staff in the Council to be the best that they can be. During the year we have approved a new Strategic Plan, 'Our Direction 2028', introduced the new Border Target Operating Model for the UK at the Port of Felixstowe and, against a challenging backdrop, set a balanced budget for the Council.

As always, there is more to do and the Action Plan for 2024/25 which sets out specific improvements targeted in the next 12 months. We will look to develop and publish our arrangements for monitoring progress against 'Our Direction 2028', strengthen arrangements for managing our assets, introduce the new Procurement Regulations 2024, appoint independent persons to our Audit Committee and complete our full review of the Council's Constitution and associated procedure rules. We will continue to ensure proportionate and appropriate governance is in place at the Council.

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



Councillor Caroline Topping  
Leader of the Council  
May 2024



Chris Bally  
Chief Executive  
May 2024





## 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

The 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.




The 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 11 September 2023 by the Audit and Governance Committee and reported and adopted by Full Council on 22 November 2023.

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

### 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 strategic themes. 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

The 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.

During 2023/24, the Council has established a Constitution Review Working Group (CRWG) to specifically ensure that the Constitution is accessible and simple to follow, provides proportionate governance and appropriate democratic accountability. The CRWG has been reviewing the Constitution and, as a result, has created a smaller core document which explains how the Council works, whilst ensuring the Full Constitution consists of the necessary processes and procedures regarding the detail of how the Council and organisation works.

The Constitution includes the Contract Procedure Rules and Financial Procedure Rules which provide the framework for the administration of the Council with a view to ensuring that procurement and financial matters are conducted in a sound and proper manner, constitute value for money and minimise the risk of legal challenge.



### 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 conflicts of interest, misunderstandings or criticism. A copy of this Code is made available to every employee of the Council.

### Our Direction 2028

Following elections in May 2023 work took place to develop a new Strategic Plan for the Council which was called 'Our Direction 2028'. The plan was created working with the aspirations of the new administration. Significant consultation took place prior to its adoption including drop-in sessions for all staff, external consultation, Chief Executive briefings, and an all-member briefing. An online consultation for residents and stakeholders also took place with 380 responses received which resulted in amendments being made and incorporated into the finalisation of the Our Direction 2028 strategic plan. At its meeting on 22 November 2023, Full Council approved the adoption of Our Direction 2028, which presents the Council's key ambitions and priorities for the next four years, becoming the new East Suffolk Strategic Plan.

Since November 2023 adoption, changes have been made to reconfigure performance reports against the new themes of the strategic plan and a new service planning approach was developed and adopted which enables us to create a strategic action plan – this will be part of the mechanisms in place to measure what the Council is doing against the priorities and report on what has been achieved. New KPI dashboards will be produced to replace previous dashboards, although many Key Performance Indicators (KPIs) will remain the same which will prove vital for consistent and transparent performance reporting alongside new measures. All reports produced will be clear and transparent, reflecting the Council's determination to make a genuine difference.

**Our aim is to promote a bright, green, open, free, and fair future for all East Suffolk**



**Delivering positive climate, nature, and environmental impacts through the decisions we make and actions we take.**



**All homes in East Suffolk are safe, suitable, and sustainable, in communities where residents are proud to live.**



**Improving quality of life across the district by tackling financial, social and health inequalities.**



**Enabling residents to benefit from, and contribute to, a thriving economy.**



## Our Foundations

Our Direction 2028 recognises the importance of solid foundations and providing quality services across all functions of the Council. The Council will measure and reflect on its performance, including how it delivers this plan as part of Our Direction 2028. This includes undertaking robust internal audits across all service areas.

## The Golden Thread



### Project Management

The Project Management Framework is in place and can be adapted according to the scale of a particular project, this framework was extended to include the Council's trading company East Suffolk Services Limited (ESSL) in July 2023 and now also use the same project management 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 an officer 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 which were delivered during 2023/24 is the East Suffolk Services Limited project, using a programme management approach with deliverable work packages, a Programme Team and Sponsor Board.



### Golden Triangle Meetings

During 2023/24 'Golden Triangle Meetings' have been established, with the first quarterly meeting held on 3 August 2023. This is a meeting of the Chief Executive (Head of Paid Service), the Monitoring Officer and the S151 Officer of the Council – the three statutory officers of the Council. This provides a space for the three officers of the Council to share intelligence related to areas of governance, assurance, budgets, risk and organisational decision making.

## Corporate Leadership Team

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.



CLT meets four times each month. This incorporates a three-hour strategic meeting and three further one-hour sessions focused on specific aspects of the Council's leadership and management, namely:

- Performance and Risk
- Finance
- The Council's and CLT's Forward Plan
- Governance

Strategic Meetings focus on items relating to the Council's strategic priorities, matters of operational importance, 'deep dives' on topics, key structural and staffing changes, horizon scanning and political issues.

CLT has published a Charter governing its operation and further information is available to the whole Council on the intranet site.

### Key Roles

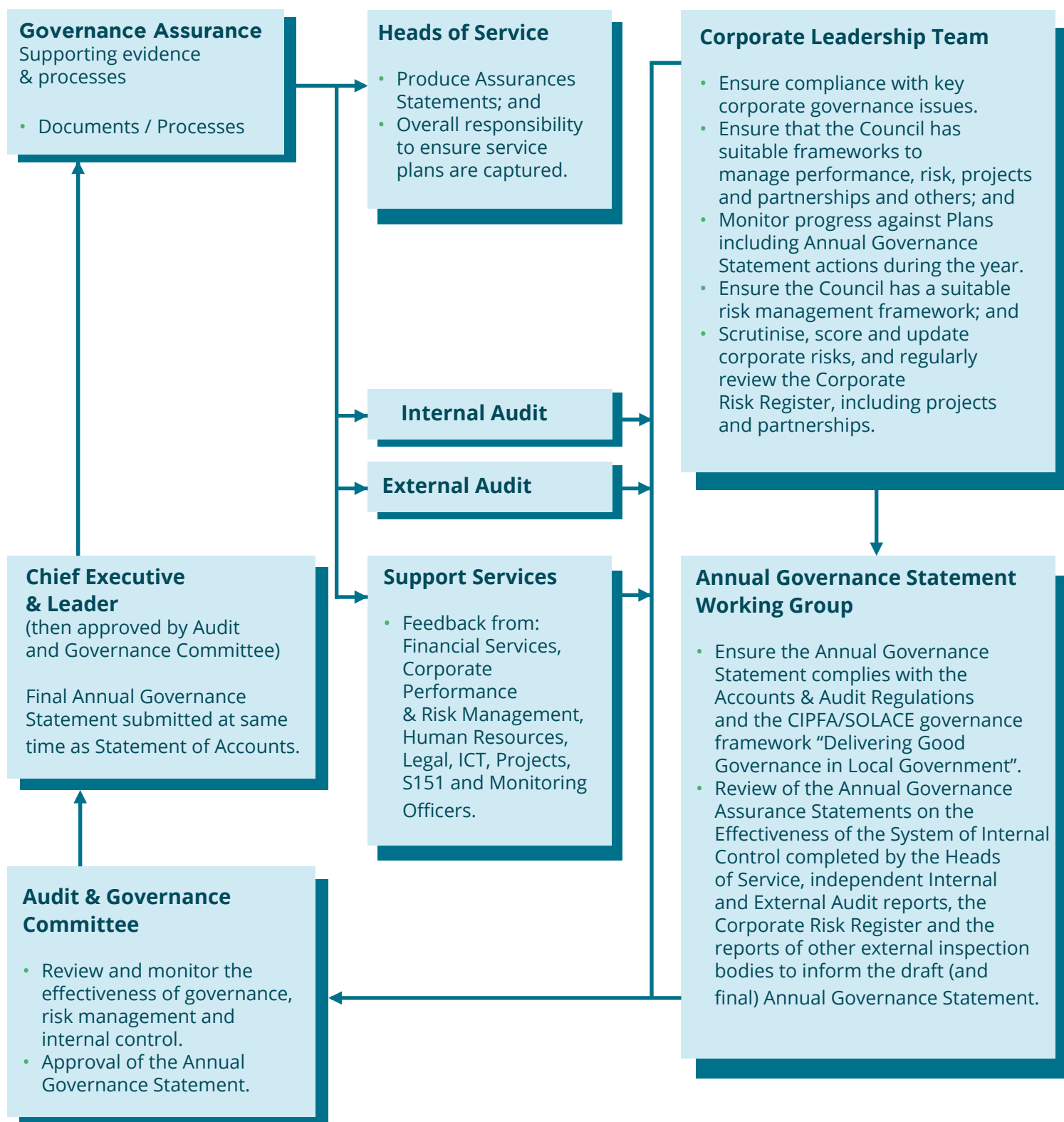
The key roles of those responsible for developing and maintaining the Governance Framework are:

<b>The Council</b>	<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>
<b>Cabinet</b>	<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>
<b>Audit and Governance Committee</b>	<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>
<b>Overview and Scrutiny Committee</b>	<p>Support and challenge in carrying out its responsibilities.</p>
<b>Corporate Leadership Team</b>	<p>The Chief Executive has overall accountability for the governance framework and operation of the organisation and staffing.</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 maintaining of the Council's performance and risk framework.</p>

<b>Chief Finance Officer (S151)</b>	<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>
<b>Monitoring Officer</b>	<p>Section 5 of the Local Government and Housing Act 1989 requires the Council to designate one of its 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>
<b>Internal Audit</b>	<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>
<b>External Audit</b>	<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>
<b>Directors, Heads of Service and Managers</b>	<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 the Council to designate one of its 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.

Elections to all 55 of the Council's wards were held on 4 May 2023. A comprehensive induction programme was prepared for all Councillors, whether new or returning. The training covered the Council's governance arrangements including decision making, the Code of Conduct, finance, 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 January 2024, the Council was reaccredited with Charter Plus in recognition of its excellent work in supporting and developing Members.

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 2023 to 31 March 2024, 6 Code of Conduct complaints, concerning 5 matters, were made against Councillors. The Monitoring Officer upheld 1 of the 6 complaints.

Between 1 April 2023 and 31 March 2024, decisions on 12 complaints made against the Council to the Local Government and Social Care Ombudsman (LGSCO) were issued. The LGSCO upheld 1 of the 12 complaints (Ref 22 006 113).

### 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 Leadership Team (CLT), 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 and are contained in the Finance Procedure Rules, which form part of the Council's Constitution. 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 with development recognised in some areas. No areas were rated as non-compliant. Quarterly budget monitoring continues to be reported to Cabinet and during 2023/24 budget monitoring to CLT was enhanced and is now a quarterly item at the CLT meetings.

The Council's annual budget is subject of extensive updating, scrutiny, and consultation throughout the budget setting process, this includes the Council's General Fund, Capital, and Housing Revenue Account budgets.

During 2023/24, the Council continued to be impacted by rising costs due to inflation and pay pressures. The impact of inflation is most evident in the Capital Programme, utilities, insurance premiums, and Operation services. Budget headings have been reviewed and revised as part of the budget process where inflationary increases are evident. The estimated impact of inflation on the Council's General Fund budget in 2023/24 was in the region of £0.7 million, plus a pay award pressure of a further £0.6 million. A balance budget for 2023/24 was approved by Full Council in February 2023 and the outturn position will be reported to Cabinet in July 2024.

The Government's fair funding review, which will affect how funding is allocated and redistributed between local authorities, continues to be delayed and is unlikely to be implemented before 2026/27. This review is also likely to include a reset of the business rates system. Reset of the system and the establishment of new funding formulae is likely to result in the Council losing a degree of financial advantage under the current system, which derives from the fact that actual Business Rates income is above the baseline in the system.

Council Tax income was subject to financial impacts because of the pandemic, but not to the extent that was previously anticipated, and the tax base has largely returned to pre-pandemic levels. However, in-year monitoring of collection rates for 2023/24 showed a fall in collection rates compared to the previous year, suggesting the cost-of-living crisis may now be impacting. Collection rates for Council Tax and Business Rates will continue to be monitored in 2024/25.

The Council has a large and ambitious Capital Programme and the realisation of capital receipts and external funding will be important in ensuring affordability and delivery of the programme. 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 CLT.



Whilst the Council faces significant cost pressures, rapidly rising interest rates have provided the Council with additional income from its treasury management activities. For 2023/24 this is in the region of £2 million of additional income. Existing loans are all at fixed rates and therefore not susceptible to market increases. During the year, the Council constantly receives advice from its Treasury Advisors regarding the creditworthiness of financial institutions and lending on the local authority market. Security of the Council's cash is the over-riding consideration in setting its Treasury Management Policy Statement.

The Council created East Suffolk Services Limited (ESSL) to operate as a Local Authority Trading Company (LATCo) following a thorough review of its joint venture (JV) partnership with Norse, which ended on 30 June 2023. The initial focus of the Council and company has been to ensure a smooth transition of services from the JV to ESSL. Alongside focussing on this transition, ESSL's business plan for Year 1 has also included supporting the workforce during this period of change, whilst understanding operationally the company's costs for delivering services on behalf of the Council. The first year's operation of ESSL has been and continues to be about stabilisation and identification of opportunities for the development and improvement of the various services this company delivers. As with other council services, ESSL has faced cost pressures such as increases in pay awards and fuel. This has contributed significantly to the required uplift in the company's base budget going forward. Year 1 of operation has also identified an under investment in the service for a number of years, which has been an additional pressure on the Council's revenue and capital budgets.

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 December 2023, a review of the ARP Business Plan for 2024-2028 was undertaken and endorsed by the Joint Committee and this supplements the annual service plan.

The Council has been able to set a balanced budget for 2023/24 and 2024/25, including responding to significant challenges emerging during the year. A key element of the Medium Term Financial Strategy (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.

The MTFS report to Council in February 2024 indicates that future years beyond 2024/25 continue to show budget shortfalls of core funding compared with budgeted expenditure. The primary concerns regarding the Council's Budget and MTFS continue to be uncertainty in the local government finance system, and the range and scale of expenditure and income pressures. A strategy for a combination of actions will be needed in the next budget round to ensure a longer-term sustainable position, including a phased use of reserves, maximisation of income, and the achievement of savings. The Council's overall balance on reserves is currently healthy, which will provide the time for actions to embed and outcomes to be realised.

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 21 February 2024, the Section 151 Officer/Chief Finance Officer, concluded that the overall budget estimates are robust, taking into account known risks and mitigating strategies, and the reserves are adequate for the 2024/25 budget plans.

### 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).

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its corporate objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Head of Internal Audit issues an annual audit opinion each financial year to notify the Council of the objective assessments undertaken by internal audit and the degree of confidence available in the organisation's governance, risk management and control processes.

Based on the findings of the audit reviews carried out throughout 2023/24 and other sources of assurance available, it is the opinion of the Head of Internal Audit that **Reasonable Assurance** may be given on the Council's risk, governance and control environment. The Council's definition of Reasonable Assurance is that "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 broadly consistent with the view from previous years. However, it should be noted that the reasonable assurance opinion provided this year contains one significant issue where one service unit of the Council has been unable to demonstrate effective management of procurement and contract management risk.

In order to prepare the annual opinion Internal Audit has completed risk-based internal audit assessments compliant with the Public Sector Internal Audit Standards and the Internal Audit Charter. Assurance is evidence-based, and the annual opinion is based on the risks and evidence available to the Head of Internal Audit in May 2024.



## 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 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 Leadership Team 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, Information Governance Officers. 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 117 potential personal data breaches, 62 were confirmed breaches. Two data breaches were 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.

### **Freedom of Information Act (FOI) & Environmental Information Regulations (EIR)**

The Freedom of Information Team received 886 FOI requests and 191 EIR requests. 99.47% of requests completed within target. No issues have been highlighted to the SIRO over concerns raised by the Information Commissioners Officer during the year.

### 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.

The Strategy 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 the Corporate Leadership Team (CLT). Regular meetings are held to review all corporate risks and ensure effective processes are in place. The Council's risk management activity is co-ordinated and led by CLT, chaired by the Chief Executive and supported by CLT members who have delegated responsibilities along with other senior officers. All corporate risks are reported annually to the 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. The Committee report template includes a section which must be completed to identify risks, and the project management framework includes risk management within its toolkit to ensure the same process is applied to managing risks within projects. In 2024/25 the corporate risk report will be reported to Audit and Governance Committee biannually.

As part of the Risk Management Training Programme Zurich Insurance facilitate annual 'Horizon Scanning and Corporate Risk Challenge' sessions for CLT (and nominated senior officers), the most recent session was held on 21 November 2023. The session clearly demonstrated that risks relevant to the Council, and identified within the global risk report, are captured within the Council's Corporate Risk Register (e.g., cyber-attacks). The Council has a mature risk process and following the session risks were reviewed and included.

# Procurement and Contract Management

The current Contract Procedure Rules, which have formed part of the Constitution since the creation of East Suffolk Council in April 2019, are in the process of being reviewed and amended as part of the overall Constitution review. The new Contract Procedure Rules, once approved, will be supported by a detailed guidance document which will support effective procurement by setting out detailed responsibilities, actions and minimum requirements for officers to undertake compliant procurement activities on behalf of the Council. The level of detail in the guidance document is that it can be simply updated in view of developments in best practice and any legislative changes such as the new Procurement Regulations.

The Procurement Regulations 2024 are anticipated to go live on 1 October 2024, and work is continuing on updating the internal processes, procedures, guidance. Training will be developed and delivered to officers before the go live date. The Procurement Team are liaising with the Cabinet Office and local Communities of Practice to ensure the regulations are embedded in the Council by Autumn 2024.

The Council's current Procurement Strategy, which was approved by the previous administration in September 2022 for the period up to and including 2025, is being revised. A workshop for officers and councillors was held in January 2024 to help define the priorities for procurement in the Council. The new Procurement Strategy will incorporate these priorities and align the Strategy with Our Direction 2028. The Procurement Manager is working on developing the Strategy and seeking the necessary approvals.

Recruitment and upskilling of the Procurement Team remains a priority in order to deliver the increasingly complex requirements of the Council's projects. A rolling knowledge programme of procurement training for officers across the authority is available, with an Introduction to Procurement presentation made permanently available to all officers.

Initial contract management guidance in the form of a checklist has been made available and a more comprehensive corporate-wide approach to contract management is being developed. An interrogative spend analysis tool is being developed in conjunction with officers from Finance and Digital in order to gain a better oversight on the Council's spending.

In 2024/25, the Procurement Team will focus on engaging more with the Council's suppliers, revising all supplier guidance, seeking feedback from the market and holding supplier events. An additional focus of the team is better management of upcoming procurements. A shared procurement forward plan is currently being drafted and will be made available in the first quarter of the financial year.

# Emergency Planning and Business Continuity

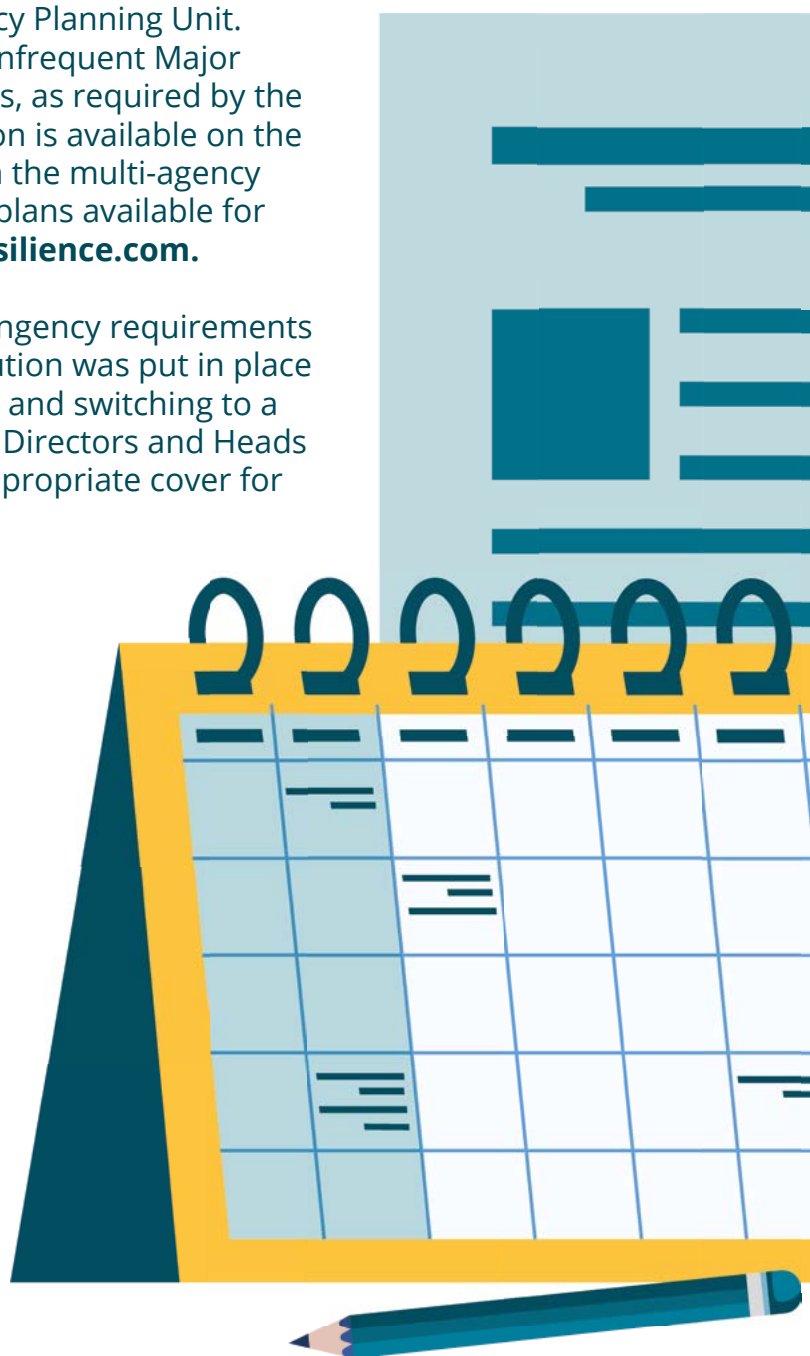
Emergency Planning and Business Continuity are the responsibility of the Head of Operations. Emergency Planning and internal Business Continuity Services for the Council are provided by the District Emergency Planning Officer and the Emergency Planning Officer, employed by the Suffolk Joint Emergency 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).

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

In 2022/23 an exercise was carried out testing the plans should there be a national power outage or loss of IT systems. A further exercise will be undertaken during 2024/25.

In 2024, the Chief Executive, Strategic Directors and Head of Operations attended a Multi-Agency Gold Incident Command (MAGIC) training course. Objectives of the course included defining roles and responsibilities of different agencies during the various stages of a major incident/civil emergency; take strategic 'Gold' command of a major incident/civil emergency; and plan, implement and review civil contingency plans and multi-agency communication strategies.

A review of the corporate business continuity plan was also undertaken in February 2024 by Corporate Leadership Team which included giving the document a hybrid working focus.



### 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 are now included in the Council's new Equality, Diversity and Inclusion Action Plan, which was developed through two workshops in 2023. The workshops confirmed the Council's ambition to work towards Equality, Diversity and Inclusion in all that it does – as an employer, as a service provider and as a community leader. This Action Plan also includes the actions that the Council has agreed to undertake in order to demonstrate its commitment to the Unison Race Equality Charter. The Council is one of the first authorities in the East of England to sign up to the Charter.

The Action Plan recommends a refresh of the Council's key Equality, Diversity and Inclusion objectives and policy and identifies a range of actions that it can take to further embed equality, diversity and inclusion. These themes are integral to the new 'Our Direction 2028' Strategic Plan and individual service plans. The Council remains committed to the use of Equality Impact Assessments to ensure that it understands the impact of its proposed actions, services and policies on the ten protected characteristic groups (including economic disadvantage as well as the nine characteristics set out in the Equalities Act) and guidance and forms are currently being reviewed.

The Council's work around the Equality, Diversity and Inclusion Agenda is overseen by the Corporate Leadership Team (CLT) and the Corporate Services for All Group which 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 CLT. At a Councillor level this agenda is overseen by the Cabinet Member for Communities. In 2023/24 the Council refined training for Councillors and officers and further additional training is planned in 2024. The CLT attended Equality, Diversity and Inclusion Leadership Training delivered by the Ipswich and Suffolk Council for Racial Equality in February 2024.

The Council funds the two Disability Advice charities that work in East Suffolk, and continues 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 work started towards East Suffolk becoming an Age Friendly Community but this may be superseded by the Council's ambitions to develop a 'Caring, Inclusive Communities Framework which encompasses a range of 'friendly' initiatives (dementia, age, child and mental health as well as compassionate communities). In early 2024, the Council held a Model Youth Council, led by the Chair of the Council, which brought together 54 young people from schools across the district and passed a motion that the Council should form a permanent Youth Council.

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 Group chaired by the Council's Head of Environmental Services and Port Health and members include a Strategic Director, the Health and Safety Manager, 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 group 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 Leadership Team (CLT).

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 Group 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 2023/24, two relatively minor reports have been made under RIDDOR and are due to be investigated by HSE in 2024.

A member of the group suggested that the annual health and safety cycle should be reintroduced to assist managers to achieve health and safety compliance within their teams. The annual report for 2023/24 was drafted, promoted via the Health and Safety Group and monitored by the Corporate Health and Safety Team, and results will be reported to CLT in 2024/25.

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





# Human Resources

The 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. Policies reviewed in line with revisions to legislation within 2023/24 include Paid and Unpaid Leave Policy, Redundancy Policy and Redeployment Policy.

Oracle Fusion HR system was introduced which captures staff data and continues to evolve. The system monitors staff absence, leave, pay details and training. The system allows data for all staff to be monitored and managed effectively. The Council has a robust recruitment process in place and Oracle is used to manage/upload details from potential candidates.

A system is in place (My Conversation) to ensure that performance management of staff can be monitored and managed, this is currently under review and will be relaunched in Quarter 1 of 2024/25.

A new People Strategy (2024-2028) was launched in February 2024 which guides every aspect of the Council's relationship with its people, ensuring that it attracts, develops and retains talented people, to deliver the best possible outcomes for its communities and stakeholders. In developing this brand new strategy the Council wants to ensure that it continues to provide the best possible environment for its workforce between now and 2028. The People Strategy has two strategic themes with clear key priorities along with actions to be achieved within the next four years:

## THEME 1: PEOPLE



Wellbeing



Ways of Working



Tools and Resources



Recruitment and Retention



Connectivity

## THEME 2: CULTURE



Values



Communication



Reputation



Relationships



Consistency



The Council also has five core embedded staff values which lay the foundation for the way its people work, engendering a common purpose that everyone understands, buys into and embodies in all they do.



Transforming the  
future with you in mind



Honest and clear  
in all we do



Believing in who we  
are, what we do  
and where we live.



Whoever we work  
with, we work as  
one team



Delivering outstanding  
services, smartly and  
economically

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 themes identified in the Strategic Plan and the People Strategy. A Corporate Induction Session takes place for all new staff and is accompanied by a thorough Induction Programme.

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 2023/24, the Council had 15 new start apprenticeships, i.e., employees that have been appointed as 'Apprentices' to complete an apprenticeship qualification. However, including these 15, there are 25 employees undertaking apprenticeship qualifications from Level 2 – 7. The Council has been employing apprenticeships in group cohorts since 2012, and 53 current employees were new start apprentices who are still in the organisation since completing their apprenticeship.

In order to ensure the wellbeing of its staff the Council regularly undertakes staff surveys and assesses the results. The last engagement survey took place in October 2022 and following a full analysis, the outcomes were reported to the Corporate Leadership Team. The next engagement survey is scheduled from October 2024.

### Information Technology and Data

Digital technology can transform the way we work and live; the Council will use technology to make services efficient and easily accessible to all, without excluding those who cannot use digital means of communication themselves.

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

A Digital Strategy states the Council's approach to managing the priorities and is published on its website and intranet. All staff in the Digital and Programme Management service area understand the direction of the Council's strategic aims and the programme of delivery to achieve it.

In 2023/24, many improvements and projects were delivered, using effective project management and delivery frameworks, key projects include:

- Migration of the extensive electronic document management system maintaining records for many statutory services to a robust and more efficient platform enabling further efficiencies for teams.
- Establishment of East Suffolk Services Limited network, digital environment and back-office systems, including migration of users, data and vital services to continue running for the district.
- Completion of National Cyber Security Centre self-assessment and subsequent LGA 360 review to test the Council's approach to cyber security.

Demand for data and insight continues to be a key focus for the Council and during 2023/24 key performance indicator (KPI) dashboards, monitoring the Council's performance, were further developed and are 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 a Lead Data Analyst took up post in June 2023 to support this work.

### Companies

East Suffolk Holdings Limited is wholly owned by the Council and is the sole shareholder in four subsidiary companies:

- East Suffolk Services Limited (ESSL)
- East Suffolk Property Investments Limited
- East Suffolk Property Developments Limited
- East Suffolk Construction Services Limited

ESSL took over services from the Norse joint venture from 1 July 2023, and is currently the only company actively trading.

A Shareholder Reference Group (SRG), as a committee of Cabinet, performs the Council's role as shareholder/owner of its group of companies and exercises the Council's rights under the Articles of each company and under the Shareholder Agreement, except for any rights reserved to Cabinet or Full Council. The decisions of the Shareholder Reference Group are subject to 'call in' by the Overview and Scrutiny Committee. Members of the Council may attend meetings of the SRG and may ask questions with the permission of the person presiding. The Shareholder Representative is the Chair of the SRG. They act as a two-way channel of communication between the Directors of the company and the SRG. The day-to-day operation of the companies is the responsibility of the Directors of the company.

The SRG continues to meet quarterly from September 2023 and over the course of 2023/24 has considered quarterly updates on the ESSL Business Plan. The Council also meets with ESSL as part of the Operational Performance Group which meets fortnightly and a Strategic Operational Performance Group which meets bi-monthly. This arrangement allows the Council and the company to focus on operational and strategic matters of performance and governance.

## Freeport East

The Council is the Accountable Body for Freeport East, overseeing the proper governance and administration of financial affairs within the Freeport, including managing grant payments, monitoring and reporting against the use of funding, managing financial risk and fraud, upholding procurement practices in relation to public sector procurement, and providing assurance to Government that Department of Levelling Up, Housing and Communities (DLUHC) seed capital expenditure proposals have been subject to appropriate levels of scrutiny. Freeport East Limited was incorporated on 6 December 2022. The Council is a Member of Freeport East Limited with the right to appoint a Director. There are governance controls in the Articles of Association and Members Agreement. For example, any decision of the Directors must be taken collectively/unanimously, the Council's Director must be in attendance for Board meetings to be quorate, and Freeport East's Business Plan requires approval by the Board. The Council's Section 151 Officer and Monitoring Officer are entitled to receive notice of, attend and speak at Board meetings as observers.

In April 2024 the Department for Levelling Up Housing and Communities (DLUHC) has confirmed a programme-wide subsidy scheme is in place for Freeports in England. The eligibility criteria for the different aspects of the scheme (seed capital, business rates relief, the four HMRC reliefs) will be set out in guidance. This means that, for eligible seed capital and business rates subsidy awards, the Council will not need to develop its own control principles assessments or make referrals to the Competition and Markets Authority.

# 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 Report from EY was signed off on 18 December 2023 for the 2020/21 Statement of Accounts and their detailed findings were reported to the Audit and Governance Committee on 11 December 2023. The auditors issued an unqualified opinion on the financial statements for the year ending 31 March 2021. The scope of EY's work also includes an assessment of the Council's value for money (VFM) arrangements. As part of their 2020/21 audit conclusion, the external auditors concluded non-compliance with the rent standard represented a significant weakness in governance arrangements in 2020/21. However, since 2020/21 a significant amount of work has been undertaken by the Council in respect of this and has been reported in the subsequent Annual Governance Statements of the Council. In March 2024, the Regulator of Social Housing (RSH) confirmed verbally that the breaches of the Rent Standard are now resolved.

The backlog of audits of local authorities nationally is at an unacceptable level. The number of outstanding opinions peaked on 30 September 2023 at 918. At 31 December 2023, this backlog stood at 771. Department for Leveling Up, Housing and Communities (DLUHC) has been working with the National Audit Office (NAO), Financial Reporting Council (FRC) and CIPFA (Chartered Institute Public Finance Accountancy) on proposals to address the backlog.

The 2021/22 and 2022/23 are open audits for the Council and EY have focused on their VFM work for both years which is substantially complete. The final reporting for both years, is likely to be alongside the audit opinion for 2022/23, subject to awaited guidance and legislation to be enacted.

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.

### Housing External Assurances

**Regulator of Social Housing:** The Council has met regularly with the Regulator of Social Housing (RSH) through 2023/24. At a meeting on 27 March 2024 RSH confirmed verbally that the breaches of the Rent Standard are now resolved. The RSH also confirmed that a satisfactory report from the independent audit of Housing compliance is all that is necessary to remove the Regulatory Notice.

**Rent and Service Charges:** Following an external audit of housing charges by David Tolson Partnership in 2022 and 2023 all Housing tenants have been paying the correct rent charges since 3 April 2023. Using data from the audit a programme of refunds to tenants has commenced which is correcting historical overpayments of rent and a service charge for heating systems.

**Keystone Improvement Project:** A Keystone expert has supported Housing to implement a new Servicing and Inspections module for cyclical compliance, and to undertake some data cleansing.

**Compliance capability in Housing:** A requirement for the removal of the RSH Regulatory Notice is an independent audit of the compliance capability in the Council's Housing by an expert third party. A scoping document for the audit has been drafted and shared with the RSH in early April 2024 for feedback. Procurement of an Auditor will follow.

**HRA Business Plan:** Housing Finance Associates supported the Council to review the 30-year HRA Business Plan, and the output was incorporated into budget setting and planning.

**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 was implemented. A number of actions were identified and improvement work is ongoing:

- Update the HRA Asset Management Strategy.
- Develop a new Housing Logistics Hub at Barnards Way, Lowestoft.
- 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.
- Implementation of Totalmobile for the in-house repairs and maintenance team.
- 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.

### Example of other external assurances:

#### 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 CAPACITY

Formation of the Corporate Leadership Team (CLT) from May 2023, supported by a Charter, setting out a new approach to senior leadership at the Council with collective accountability for direction. Four meetings a month, each focussed on a specific topic, including Finance, Risk, Governance and Forward Planning. Both CLT and the supporting Charter were reviewed in December 2023 and were considered to be functioning well.

A review of CLT to ensure that it provides strategic direction, leadership, strong governance and is appropriate for future challenges began in September 2023. An evolutionary approach was adopted given that the Peer Challenge Team had identified capacity and culture as the key challenges facing the organisation rather than the more traditional efficiency/budgetary challenges. The review was completed in March 2024 with the resultant changes further strengthening the Council's relationships both internally and externally and providing a cohesive framework for the challenges to come. Outcomes from the review:

- Did not increase the cost of the senior leadership of the Council.
- Reaffirmed the Council's position as an employer of choice in the local marketplace and wider local government.
- Addressed anomalies which existed in the senior leadership structure.
- Addressed issues raised in the Corporate Peer Review.
- Delivered a fair response to the senior leadership challenges which exist in the Council and wider local government.

The arrival of an additional Strategic Director in February 2023 has created capacity at strategic corporate management level. The corporate services focus is providing leadership for the next stage of the organisation's development and ensuring there is alignment between the Council's corporate processes, resources, culture, systems and the strategic ambitions of the new Administration.

New dedicated CLT resource (Head of Nationally Significant Infrastructure Planning) was created in March 2024 to lead, manage and co-ordinate the Council's role in Sizewell C and numerous key energy projects. In January 2024 the Development Consent Order for Sizewell C was triggered which will require a significant amount of additional resources to be applied to monitoring the progress of the build and mitigating the impact and maximising the benefits for East Suffolk. This comes at the same time as the progression of a number of key offshore wind projects and interconnectors making landfall in East Suffolk bringing with them associated planning requirements.

Permanent appointment to the role of Chief Finance Officer and Section 151 Officer in November 2023 following an interim arrangement.

Appointment of an additional Deputy Monitoring Officer in October 2023 to support the Monitoring Officer in response to the increase in demand for legal and democratic advice.

Formation of an East Suffolk Leadership Forum in November 2023 to create opportunities for senior managers to come together to build a strong, collaborative leadership culture with the capacity to adapt to change. This leadership and management cohort builds on the contribution senior managers already make and provides a focus for future planning and organisational design. It also provides a network for senior officers to come together and create a leadership culture through the consideration and development of ideas and projects.

## **Prioritisation**

Following the district council elections in May 2023, a new approach was developed to establish the themes and priorities of the new Administration. The 'hothouse' approach adopted in 2019 following the formation of East Suffolk Council was not considered necessary since the new plan would be an evolution of the first which already had considerable momentum. Staff were encouraged to have their say at a series of pop-up sessions held in September and October 2023 at the Council's office locations and the evolving plan also featured at staff briefings and as part of a series of dedicated Councillor briefings.

Prioritisation has been a key focus for CLT at their Away Days in June, September and December 2023.

## **Recruitment and Retention**

Revised People Strategy 2024-2028 launched in January 2024 after wide-ranging discussion and consultation with staff. A refreshed approach to guide every aspect of the organisation's relationship with its people, ensuring that the Council attracts, develops and retains talented people to deliver the best possible outcomes for its communities and stakeholders.

## **Compliance within the housing service**

Housing Peer Review initially scheduled for November 2023 placed on hold following changes to the way these are funded and the number of significant pieces of work the housing service is currently focussed. In the meantime, regular meetings with the Regular for Social Housing have continued.

## GOVERNANCE ACTION PLAN

In arriving at the areas to address during 2023/24, the Council has been informed by 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. In 2023/24, issues under review with the intention to improve processes in 2024/25 were identified in the following areas:

### Actions reported in 2022/23

AGS Action	Issues/Challenges Identified	Progress 2023/24
<b>Housing Regulation</b>	Breach of the Rent Standard and the 'Home' Consumer Standard.	<p>Following report to Full Council in January 2023, an independent Housing Governance Review reported to Audit and Governance Committee in July 2023. Governance recommendations for whole Council as well as Housing specifically adopted.</p> <p>Significant progress has been made against this action and it is anticipated that the Regulatory Notice could be removed in early Autumn 2024.</p> <p>The critical path is driven by the requirement for an independent third-party audit of compliance capability in Housing providing external assurance and compliance. A scoping document for the audit has been prepared for discussion and agreement with the Regulator of Social Housing (RSH) in April, and then procurement for the auditor will start with a target date for audit completion of September/October 2024.</p> <p>Refund processes commenced in the second half of 2023/24 and a dedicated team are working solely on this process. It is expected that all current tenant refunds will be completed by Autumn 2024.</p> <p>Compliance of the housing stock continues to remain consistently good.</p> <p>Housing Health and Safety Board had continued to meet monthly. Policy development continues, including the adoption of 'standards' for the areas of compliance during 2023/24.</p>

AGS Action	Issues/Challenges Identified	Progress 2023/24
<b>Fire Safety (in housing stock)</b>	<p>The Regulatory Reform (Fire Safety) Order 2003 Notification of Fire Safety Deficiencies (NOD) issued by Suffolk Fire and Rescue Service (SFRS) Since August 2021 four Notifications of Fire Safety Deficiencies (NOD) for St Peter's Court, Amy Court, Wesley House and Harry Chamberlain Court were received, which had to be actioned within six months.</p>	<p>Fire Safety Works have been completed in line with the Notifications of Fire Safety Deficiencies (NOD's) issued by SFRS. Reports submitted and payments continuing. Six-weekly meetings are held with RSH, who are happy with the Council's performance.</p> <p>NOD's for Amy Court and Wesley House have been removed and the Enforcement Notice at Harry Chamberlain Court has also been removed. The only remaining Notice is for St Peter's Court, which is currently being decanted and is on target to have everyone rehoused.</p>
<b>Disclosure/ information sharing relating to taxi licensing</b>	<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>Members of Licensing Services have had a positive and productive meeting with managers from the police disclosure team to discuss procedures and processes. There is a greater understanding of our different roles and responsibilities. Any delays in notification/disclosure are continuing to be monitored, recorded and fed back to the Police in support of our objective of safeguarding the traveling public.</p>

AGS Action	Issues/Challenges Identified	Progress as at 2023/24
<b>Introduction of Border Target Operating Model (BTOM) for Port Health Services</b>	Uncertainty due to introduction and what new target operating system will look like in future.	A report was approved at Cabinet on 5 September 2023 and Full Council on 27 September 2023 relating to staffing, funding and operational requirements. In 2024 recruitment will take place to expand the service to meet additional inspection requirements.
<b>Coastal Partnership East (CPE) – awarding of Contracts</b>	Potential concerns identified in the process of awarding a small number of contracts within the Coastal Partnership team in the years before 2023/24.	The CPE team has been working with Procurement, Legal and others regarding the ongoing servicing of contracts. Also work is ongoing with Internal Audit on reviewing historical contract procedures. Matters were delayed due to the required CPE staff significantly involved in the Lowestoft Barrier project alongside other staffing constraints. Review is in hand with the aim to report to Audit and Governance Committee in July 2024.
<b>Philis Replacement System (PRS)</b>	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.	Cabinet approved the investment in PRS and agreed the project governance arrangements and the Project Initiation Document (PID). Port Health ICT reorganisation is in progress and business analysis work commenced. Good progress is being made with successful migration to the Cloud and recruitment to key posts to enable delivery.
<b>Data governance around Asset Management records and processes</b>	Data governance around Asset Management records and Processes.	A new Asset Management Strategy is being prepared to cover how the Council will manage its assets, a framework for assessing assets for acquisition, development and disposal and policies on each class of asset. The process for reviewing the current strategy has commenced and will continue into 2024/25.

AGS Action	Issues/Challenges Identified	Progress as at 2023/24
<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.	During 2023/24 the necessary permission was obtained from Department for Work and Pensions (DWP) for the re-use of Anglia Revenue Partnership data (DWP data only) for the Linked Data Set project (Suffolk Office of Data and Analytics (SODA)), which uses data to promote targeted campaigning and support to individuals and families.
<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.	<p>A new Department for Levelling Up, Housing and Communities programme-wide subsidy scheme for Freeports was confirmed in April 2024. This means that, for eligible seed capital and business rates subsidy awards in relation to Freeport East, the Council will not need to develop its own control principles assessments or make referrals to the Competition and Markets Authority.</p> <p>External training was also provided by Birketts Solicitors to Corporate Leadership Team and other key officers on 10 January 2024. This training provided a high-level awareness of the new Subsidy Control Regime.</p>
<b>Deben Meadows Development, Melton</b>	Potential Land Contamination Issues and possible Legal action and claims from householders.	Following a dialogue with the owner/developer of the Deben Meadows site the discharge of the contamination conditions was finally agreed in March 2024, this required the Council to engage specialist consultants to review all submissions. Separately Construction Industry Levy (CIL) payments are also due on this site which the Council is actively pursuing.

## New Actions identified in 2023/24

AGS Action	Issues/Challenges Identified	Context to Action
<b>Backlog of External Audit reviews</b>	<p>External assurance on the Council's Financial Statements, Financial health, governance arrangements and Value for Money is not being provided on a timely basis to stakeholders.</p>	<p>The Council's external auditors, Ernest and Young (EY), signed off the statement of accounts for 2020/21 in December 2023. For 2021/22 and 2022/23, EY have focussed on Value for Money work. Their final report for both years is expected to be alongside their audit opinion for 2022/23, subject to legislation yet to be enacted. This will confirm the requirement to disclaim financial statement opinions on any open audit year. It is also anticipated that unaudited years prior to 2023/24 will need to be completed by 30 September 2024.</p> <p>EY commenced work on 2023/24 before the end of the financial year, with the Audit Plan issued and reported to the Audit and Governance Committee in March 2024. EY plan to start the audit at the end of August 2024 and to complete in November 2024. The focus for 2024/25 is on resetting the audit system for the 2023/24 audit and to return to a traditional audit timetable. The Finance Team will work with EY to support this.</p> <p>The annual work undertaken by internal audit is an important element to provide assurance on key controls and matters of governance at the Council.</p>



AGS Action	Issues/Challenges Identified	Context to Action
<p><b>Recovery of funding related to the Lowestoft Flood Barrier Project</b></p>	<p>Deliverability of the project due to a funding gap which has led to the closure of the project in January 2024.</p>	<p>During the last two quarters of 2023/24 the Council submitted the Transport and Works Act Order (TWAO) application to DEFRA acknowledging the funding situation had not been resolved. Despite significant efforts by the Council, no funding had been secured and at Full Council in January 2024 it was agreed to stop the project. The TWAO application was withdrawn from DEFRA on 28 March 2024.</p> <p>As at the end of 2023/24, claims have been submitted to the Environment Agency (EA) for costs incurred, with a final claim yet to be submitted for closedown costs. The Council continues to be in regular dialogue with the EA to support a prompt conclusion to the outstanding funding to be paid to the Council in early 2024/25. This has been a matter of consideration for the 2023/24 Statement of Accounts.</p>

AGS Action	Issues/Challenges Identified	Context to Action
<p><b>Improvement of quality and timeliness of management of commercial rents</b></p>	<p>Need to ensure accurate data in relation to the Council's assets in order to facilitate timely management action such as rent reviews.</p>	<p>Significant work has been undertaken to ensure that the Asset Register is consistent with data held on the Council's Uniform system and is subject to continual review. Uniform has been populated with accurate and current lease information for all the Council's leased assets.</p> <p>Guidance notes for key procedures including rent reviews, lease renewals, valuation, disposal, acquisition, vacant building inspection have been developed and implemented.</p> <p>A project is underway to roll out a new asset maintenance system, called Shire. Once live, this system will provide a real time view of the maintenance and upkeep of the Council's assets.</p> <p>The Enterprise modules of Uniform have been implemented and are now live, providing a more transparent view of the workflow of the lease renewal and rent review programme that the team is managing.</p> <p>An audit is currently taking place to further evaluate the work that has been undertaken in this area and identify any additional actions to further improve this area of work.</p>
<p><b>Appointment of independent members to Audit and Governance Committee</b></p>	<p>To meet CIPFA guidance for local authorities to appoint two non-elected independent members attending Audit and Governance Committee.</p>	<p>Appoint two independent members to attend Audit and Governance Committee in line with CIPFA guidance for local authorities relating to non-elected independent members. A report is to be presented to Audit and Governance Committee in July 2024 for the new proposal to commence in Summer 2024.</p>

AGS Action	Issues/Challenges Identified	Context to Action
<b>Complete Review of the Council's Constitution</b>	Refresh of Constitution	A Constitution Review Working Group (CRWG) has been created to carry out a full review of the Constitution adopted in 2019. In 2023/24, CRWG completed its review of Functions and Responsibilities, the Council Procedure Rules, Cabinet Procedure Rules and Committee Procedure Rules with proposed changes agreed by Full Council. In 2024/25 the CRWG will review the Contract Procedure Rules and Finance Procedure Rules, along with Officer Code of Conduct.
<b>Implementation of New Contract Procedure Rules</b>	Refresh of Constitution and to meet requirement of new Contract Procedure Rules	New Contract Procedure Rules to be approved by Full Council. Once approved, the rules will be supported by a detailed guidance document which will support effective procurement by setting out detailed responsibilities, actions and minimum requirements for officers to undertake compliant procurement activities on behalf of the Council. The level of detail in the guidance document is that it can be simply updated in view of developments in best practice and any legislative changes such as the new Procurement Regulations.
<b>Introduce and ensure compliance with Procurement Regulations 2024</b>	To ensure meeting the new Procurement Regulations 2024	Procurement Regulations 2024 are anticipated to go live on 1 October 2024, and work is continuing on updating internal processes, procedures, guidance. Training will be developed and delivered to officers before the go live date. The Procurement Team are liaising with the Cabinet Office and Local Communities of Practice to ensure the regulations are embedded in the Council by Autumn 2024.

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<b>Approve new Procurement Strategy</b>	Refresh of Procurement Strategy including alignment to Our Direction 2028	The Council's current Procurement Strategy, approved by the previous administration in September 2022 for the period up to and including 2025, is being revised. A workshop for officers and councillors was held in January 2024 to help define the priorities for procurement in the Council. The new Procurement Strategy will incorporate these priorities and align the Strategy with Our Direction 2028. The Procurement Manager is working on developing the Strategy and seeking the necessary approvals.
<b>Put in place delivery and monitoring arrangements to achieve the ambitions set out in Our Direction 2028</b>	Review and update processes to deliver Our Direction 2028	New service planning approach was developed in 2023/24. Outcome of this together with Cabinet prioritisations exercise will inform the action plan. New Key Performance Indicator (KPI) dashboards for the Strategic Plan will be published in 2024. Overview and Scrutiny's role in performance reporting and monitoring progress will be developed.
<b>Increase frequency of reporting Corporate Risk Report to Audit and Governance Committee</b>	To increase frequency reporting of the Council's corporate risk report	Corporate Risk Report to be reported twice yearly to the Audit and Governance Committee, to commence in 2024/25.
<b>Budget and Financial Challenges</b>	To strengthen the budget strategy and ensure a sustainable MTFS to address forecast budget gaps.	Budget discussions with Corporate Leadership Team and Members will commence earlier in 2024/25 with greater focus on the priorities of the Strategic Direction. Working with the Overview & Scrutiny Committee in 2024/25 to support the Committee's knowledge and understanding of the budget build process

AGS Action	Issues/Challenges Identified	Context to Action
<b>Emergency Planning – review all Service Business Continuity Plans to ensure they are fit for purpose</b>	<p>Ensure plans are up to date and responses sufficient in the event of a major incident.</p>	<p>In 2022/23 an exercise was carried out to test plans should there be a national power outage or loss of IT systems. A further exercise will be undertaken during 2024/25.</p> <p>Following the agreement of the Corporate Business Continuity Plan by CLT, all Heads of Service will be asked to review their Business Continuity Plans during 2024/25.</p>
<b>Develop and implement Cyber 360 Action Plan</b>	<p>Ensure that threat of cyber incidents are effectively dealt with throughout the Council.</p>	<p>Following completion of the National Cyber Security Centre self-assessment and subsequent LGA 360 review to test our approach to cyber security, an action plan has been put in place to be delivered in 2024/25.</p>
<b>Strengthen approach to development and management of Capital Programme, Asset Management and Major programmes</b>	<p>Ensure appropriate governance relating to major programmes and projects, development and funding of the Capital Programmes for the Council and the Housing Revenue Account.</p>	<p>The Council has an ambitious and extensive capital programme and continues to identify opportunities for improvement across the District. Capital Strategy and Capital programme development and monitoring need to be linked better to asset management, e.g. disposal and proceeds from disposal, alongside other forms of funding. This will be done by reviewing and updating the terms of reference for the Council's Asset Management Group.</p> <p>Lessons learned from major programmes, such as Deben Fields, need to be completed with recommendations and actions put in place in line with the resources available.</p> <p>The 'client' function of the Council, the associated skills and expertise and necessary project governance need to be in place for major programmes.</p>