



**Annual  
Governance  
Statement**

2019/20

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## **1. SCOPE OF RESPONSIBILITY**

1.1 East Suffolk Council's responsibilities are to:

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

1.2 On 1 April 2019 Suffolk Coastal District Council and Waveney District Council were replaced by East Suffolk Council, which assumed the district tier functions and responsibilities of these previous councils. As part of this process, the Council put in place proper arrangements for the governance of its affairs, to facilitate the effective exercise of its functions which included arrangements for the management of risk.

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

1.4 East Suffolk Council has produced a [Code of Corporate Governance](#) which is consistent with the principles of the revised CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The document was reviewed on 24 July 2018 by the Audit and Governance Committee and approved by Full Council on 27 September 2018.

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

1.6 This document supported the East Suffolk Business Plan 2015-2023 and the vision for the new Council, and the newly approved East Suffolk Strategic Plan 2020-24 adopted by Full Council on 26 February 2020.

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

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

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

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

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

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

### 3. THE GOVERNANCE FRAMEWORK

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

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



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

## **4. REVIEW OF EFFECTIVENESS**

### **Governance**

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

### **East Suffolk Council**

- 4.2 East Suffolk Council was created on 1 April 2019, replacing Suffolk Coastal and Waveney District Councils. Significant work was undertaken prior to its creation including comprehensive Member and Officer Working Groups leading on projects and programmes and good governance was the cornerstone of the new Council preparations.

### **External Audit**

- 4.3 The Council's auditors, Ernest & Young LLP (EY), independently audit the Council and provide an opinion on the truth and fairness of the financial statements, the Council's use of resources and provide a value for money judgement. In reaching an opinion EY take account of statutory requirements, national standards, their own audit work and the reports of Internal Audit. The Council aims to achieve an unqualified audit opinion for the financial years 2019-20 and will respond to any improvements suggested. No interim recommendations for 2019-20 have been made to date by the External Auditor.

### **Risk Management**

- 4.4 Risk Management covers all services and operations throughout the Council and is continuously monitored and managed across the Council by Corporate Governance Group (CGG). The CGG meets at least every quarter to review the corporate risk register. Corporate risks continue to be fully integrated into the Council's overall performance management which is considered quarterly by Cabinet and reviewed by the Audit and Governance Committee.
- 4.5 The risk management e-learning module is a mandatory requirement for all members of staff. The module was updated for East Suffolk Council from 1 April 2019.
- 4.6 As part of the ongoing risk management training programme, Zurich Insurance Group delivered, on behalf of the council, risk management training to members on 23 October 2019. The event was delivered to increase knowledge and understanding on risk management (including reporting and responsibilities). Training was also delivered on risk management to 18 officers in October 2019, tailored on the Council's risk management procedures and aimed to increase understanding and knowledge of how risks are managed. An 'horizon scanning/risk challenge session' was delivered to CGG on 23 January 2020 which thoroughly reviewed and challenged existing risks and identified risks to be considered. There is also a training programme to ensure risk management needs continue to be met.
- 4.7 The Council's risk management activity is co-ordinated and led by the CGG, chaired by a Strategic Director and supported by members of CMT and other senior officers.
- 4.8 An annual report on corporate risk management, including any changes to processes, is reported to the Audit and Governance Committee. The Risk Management Strategy continues to provide details of risk management roles and the responsibilities of individuals and groups across the Council.

### **Senior Information Risk Owner**

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

- 4.10 SIRO Annual Report - The following paragraphs represent the SIRO Annual Report. The main purpose of such reporting and management is to provide accountability and greater assurance that information risks are addressed.
- 4.11 Risk Register – Information Governance is recognised as a serious risk on the Corporate Risk Register and is regularly monitored, with mitigation plans implemented when necessary by the Corporate Governance Group and Councillors.
- 4.12 Information Governance – Information is treated as a priority by the Council which acknowledges that information is of value to enable effective and efficient outcomes for all stakeholders.
- 4.13 Data Quality - The importance of data quality is communicated at all levels throughout the organisation, via workshops covering business planning, performance and risk management and report writing, etc. The Council acknowledges that information is a priority, which aids the delivery of its services effectively and efficiently. Moreover, protecting personal data is the overarching responsibility of the Council to meet obligatory legal duties and to fulfil its public service duty to everyone.
- 4.14 Designated Posts – Job Descriptions are appropriate and filled i.e. Data Protection Officer, Deputy Data Protection Officer, and Senior Information Risk Owner, Freedom of Information Strategic Lead. Further clarity over ICT Security roles and responsibilities is in hand.
- 4.15 Policies – Key information governance documents are promoted across the organisation and all have been refreshed to reflect the new Council. These documents are included with a full list of Policies and Processes which are listed within Appendix B.
- 4.16 Compliance – The Council is currently compliant with the Central Government Public Service Network (PSN) information security requirements (this is a mandatory annual process). The Council acts upon any advice from the new Cyber Security Information Sharing Partnership and National Cyber Security Centre. Sysnet Global Solutions deliver PCI DSS compliance services and have validated the Council's systems.
- 4.17 General Data Protection Regulations and UK Data Protection Act 2018 – Qualified and experienced staff in post. The impact on GDPR of the Exit from the EU is also being closely monitored, and Government guidance on this will be followed.
- 4.18 Personal Data Breaches. The Data Protection Officer has investigated 61 potential personal data breaches, 29 were confirmed breaches. 2 of the 29 confirmed breaches were reported to the Information Commissioner's Office (ICO). Of the 2 taken by the ICO no further action was taken but recommendations were made. These recommendations were acted upon. Data Protection Act – Subject Access Requests and requests for advice has increased significantly, as expected given the change in the law during 2018. There is recognition that the process of capturing and reporting any breaches is operating effectively.
- 4.19 Freedom of Information Act (FOI) – 858 FOI requests (including EIR request) were received by the Council in 2019/20 of which 95% were answered within 20 days. One case has been referred to the ICO by a customer which is still being investigated. 12 requests required an internal review (four upheld, four part upheld, and four not upheld).
- 4.20 Training - Data Protection Act and Freedom of Information Act training is provided throughout the year and forms part of the induction process. Increased cyber security precautions including an e-learning training module for all staff and sponsoring a cyber security qualified officer demonstrates the Council's commitment to good information governance.
- 4.21 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 are able to scrutinise how well their local authority manages its assets enabling local people the information they need to ask questions about how their authority is managing its housing stock to ensure it is put to best use;
- Decision making – how decisions are taken and who is taking them, including how much senior staff are paid, and,
- Issues important to local people – for example, parking and the amount spent by an authority subsidising trade union activity.

### **Project Management**

- 4.22 The Project Management Framework is fully established and can be adapted according to the scale of a particular project. Advice and support continue to be offered to relevant staff on the application of good project practices, particularly surrounding changes in service delivery.
- 4.23 A new governance structure has been established for governing projects delivering to the Strategic Plan, adopted by full Council in February 2020. Each Theme of the Strategic Plan has a programme delivery team to monitor projects feeding into that theme, to govern the progress and delivery to the objectives. The Digital Theme Programme Team, for example, monitors all ICT and digital projects. All corporate projects and tasks are recorded on service plans to build up the programme for each Theme, covering the whole authority.
- 4.24 Where necessary, programme or project boards combining members and officers are established for specific large capital projects and where necessary the Council also works with various stakeholders to deliver significant projects. These boards ensure adequate project controls are in place and allow fast reaction to any specific project issues if they occur.

### **Contract Management**

- 4.25 Contract Procedure Rules are in place and form part of the Council's Constitution. The Contracts Procedure Rules support effective procurement by setting out key responsibilities and actions that are required when undertaking procurements within the Council. They support officers to meet legislative requirements and to meet the Council's ambitions for procurement, the Council's Procurement Strategy and related policies and procedures.
- 4.26 Guidance is published on the intranet, and support is offered by the specialist procurement and legal teams to relevant managers. In addition, a corporate contracts register is maintained by the Procurement Team, and contracts are monitored to ensure effective management. Comprehensive contract manuals are available detailing requirements of contracts, setting out business continuity arrangements, key personnel and key performance indicators.
- 4.27 A health and safety review has been carried out by an external organisation. A health and safety checklist has been produced for contract managers, and this will be used to carry out audits throughout the year of high-risk areas.

### **Designated Officer Group**

- 4.28 Membership of the Designated Officer Group is those officers that hold statutory roles within the Council, such as Head of Paid Service, Monitoring Officer, Section 151 Officer and Head of Internal Audit. The group met regularly to discuss management of:
- finances and governing business (value for money / Medium Term Financial Strategy (MTFS) and budget setting / risk management / internal audit / ethical issues / business continuity);
  - resources (workforce planning / recruitment monitoring / absences / health & safety / asset management); and
  - performance (inspections / business plan / service plans / partnerships / measuring performance / emerging issues).

## Head of Internal Audit Opinion

- 4.29 A sound system of internal control and the management of risks are integral elements of the Council's corporate governance arrangements. Based on the findings of the managed audits and governance reviews carried out throughout 2019/20 and taking into account the current climate in which the Council is operating it is the opinion of the Head of Internal Audit that the Authority's control environment provides **Reasonable Assurance** of sound systems of control. Generally, risks are well managed, but some areas require improvement of internal controls to ensure strategic objectives are met.
- 4.30 This opinion is based on internal work undertaken, and completed, prior to emergency measures being implemented because of the Coronavirus Pandemic. These measures have resulted in significant levels of strain being placed on normal procedures and control arrangements. The level of impact is also changing as the situation develops. All findings that are found to be of a significant corporate concern will be considered during 2020/21 and will be reported within the Annual Governance Statement for that year.
- 4.31 Internal Audit is an independent and objective function with all audit work carried out in this capacity and in accordance with the Internal Audit Charter, Code of Ethics and Public Sector Internal Audit Standards. The Head of Internal Audit has performed her duties in accordance with CIPFA's guidance on the Role of the Head of Internal Audit. In giving the audit opinion, it should be noted that assurance can never be absolute. The most that can be provided is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes.
- 4.32 It is not possible, as at 31 March 2020, to quantify the additional risk arising from the current short-term measures or the overall impact on the framework of governance, risk management and control brought about by the Coronavirus Pandemic. However, continuous assessment will take place by the Head of Internal Audit and be reported accordingly.

## Financial Management

- 4.33 A new set of financial procedure rules were introduced for East Suffolk Council from 1<sup>st</sup> April 2019.
- 4.34 The Government had announced proposals for Councils to retain 75% of all locally raised business rates and had intended to consult on Relative Needs and Resources as they look to revise the distribution of core grant from central Government. However, the Covid-19 pandemic has now meant that reforms to the local government finance system have been deferred until 2022/23 at the earliest and the planned national business rates revaluation exercise has also been postponed. The continuation of the current arrangements into 2021/22 is of significant financial benefit to the Council, given its advantageous position under the current system. Although the Government has implemented a range of support measures to local authorities, including additional grant and compensation for lost income, the Covid-19 pandemic is estimated to have a significant net impact on the Council's General Fund, estimated to be in the region of £3m in 2020/21 and 2021/22, with reduced and very uncertain impacts over the rest of the MTFs period. These impacts are dependent on the scale and duration of the economic recession, and the speed and nature of economic recovery. Significant changes may also be implemented for the New Homes Bonus (NHB), although consultation on replacement of the current scheme has also been delayed.
- 4.35 The MTFs report to Council in February 2020 indicates that future years beyond 2020/21 showed continuing budget shortfalls of core funding sources compared with budgeted expenditure. This position was updated to Cabinet in July 2020 as part of a report on the financial implications of Covid-19, which have exacerbated the situation.
- 4.36 This outlook highlights the importance of continuing to develop and implement entrepreneurial and commercial models, efficiencies and some key changes to service provision in order to be sustainable over the medium and long term.

## Chief Finance Officer

- 4.37 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, reporting directly to the Chief Executive and Leader on key strategic



finance matters. The Council's financial management arrangements conform with the governance requirements of the CIPFA [Statement on the Role of the Chief Financial Officer in Local Government](#).

- 4.38 In continuing to strengthen the internal control arrangements regular and routine review and sign off by the Chief Finance Officer / Deputy Section 151 Officer of all key control accounts reconciliations was undertaken to ensure timely monitoring of key transactional activities.
- 4.39 In October 2019, CIPFA published the Financial Management Code (FM Code), which provides guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively.
- 4.40 The FM Code requires authorities to demonstrate that the processes they have in place satisfy the principles of good financial management. CIPFA's intention is that the FM Code will have the same scope as the *Prudential Code for Capital Finance in Local Authorities*, which promotes the financial sustainability of local authority capital expenditure and associated borrowing. Although the FM Code does not have legislative backing, it applies to all local authorities, including police, fire, combined and other authorities.
- 4.41 Local authorities are required to apply the requirements of the FM Code with effect from 1 April 2020. CIPFA considers that the implementation date of April 2020 should indicate the commencement of a shadow year and that by 31 March 2021, local authorities should be able to demonstrate that they are working towards full implementation of the Code. The first full year of compliance with the FM Code will therefore be 2021/22.
- 4.42 A review of compliance has been carried out and a draft action plan produced categorised by reference to the CIPFA financial management standards. Changes to processes and strategies required by the Code will be tested and embedded during 2020.

## 5. **SIGNIFICANT GOVERNANCE ISSUES**

- 5.1 In arriving at the areas to address during 2019/20, the Council has been informed by the results of the review of the effectiveness of the governance framework within the Council arising from last year's reports, by the outcomes of internal and external review bodies that report on the Council's performance to date, by undertaking a gap analysis of the seven core principles that underpin delivering good governance in local government, and by consulting Members.

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

- 5.2 'Significant Governance Issues Identified and Improvement Plan' records two carry forward issues identified in the 2018/19 Annual Governance Statement relating to contract management and asset management. Asset Management has now been completed and contract management remains ongoing within significant progress being undertaken. The Council is committed to completing agreed actions.

Ongoing Governance Issues	Progress/Improvement Plan	Status
<p><b>Asset Management</b></p> <p>The Council's Strategic governance arrangements with regards to Asset Management requires improvement specifically around:</p> <p>a) Asset Management Strategy</p> <p>b) A centralised Asset Register</p> <p><i>Carry forward from 2018/19</i></p>	<p><b>Head of Operations comment:</b></p> <p>A significant amount of work had been undertaken by the Service Area including:</p> <ul style="list-style-type: none"> <li>• New corporate Financial and Contract Procedure Rules for East Suffolk Council included within Constitution from 1<sup>st</sup> April 2019.</li> <li>• All assets have been visited, inspected, recorded, valued and are available on a register (on GGP) and are fully accessible by the public.</li> <li>• An assurance review was undertaken by Internal Audit.</li> <li>• Audit &amp; Governance Committee had been updated on a regular basis by the Head of Service.</li> </ul>	<p><b>Completed</b></p> <p>Internal Audit has assessed this outstanding action complete</p>

Ongoing Governance Issues	Progress/Improvement Plan	Status
	<ul style="list-style-type: none"> <li>Asset Management Strategy completed and approved by Cabinet and main actions reported at Scrutiny Committee in July 2020.</li> </ul> <p><b>Internal Audit comment:</b> This outstanding action is deemed as complete by Internal Audit and a report will be issued to Audit &amp; Governance Committee soon.</p> <p>Internal Audit will be undertaking assurance testing on reconciliations during November/December 2020.</p>	
<p><b>Contract Management</b> The Council's strategic governance arrangements over contract management requires strengthening specifically around:</p> <p>a) Procurement Strategy b) Contracts Register</p> <p><i>Carry forward from 2017/18 and 2018/19</i></p>	<p><b>Head of Operations comment:</b> A significant amount of work continued to be undertaken by the service area during 2019/20 including:</p> <ul style="list-style-type: none"> <li>Contracts register now in place and regularly updated.</li> <li>Contract managers in place and team operating within capacity.</li> <li>New Contract and Financial Procedure Rules implemented for East Suffolk Council from 1<sup>st</sup> April 2020.</li> <li>Review of major contracts took place, including work being undertaken to review the contract for Norse, and the work to re-procure a leisure contract for East Suffolk. This work will be completed by February 2021.</li> <li>Task Group set-up to look at how the council can maximise benefit of council procurement to people in East Suffolk. Group will develop a new policy for procurement for East Suffolk, which will inform the Procurement Strategy.</li> <li>Continuing to look at opportunities for contract management training, including through insurers, Zurich.</li> </ul> <p><b>Internal Audit comment:</b> Internal Audit can confirm that a contract register is in place. A review of Contract Management and the Procurement Strategy will be undertaken in the new year.</p>	<b>Ongoing</b>

### Other Governance Issues Identified in 2019/20

- 5.3 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 2019/20, issues under review with the intention to improve processes in 2020/21 were identified in the following areas:

AGS Action	Issues/Challenges Identified	Progress
<b>Flood Risk</b>	Significant flood risk project in Lowestoft without the funding to complete	<ul style="list-style-type: none"> <li>Lowestoft Flood Risk Management Project had funding issues until July 2020.</li> <li>Project now awarded funding by Government.</li> <li>Next phase is delivery of the scheme.</li> </ul>

AGS Action	Issues/Challenges Identified	Progress
<b>External Audit Results Report 2019/20</b>	2019/20 External Audit results reports for East Suffolk Council delayed due to Covid-19 pandemic and changes to the Accounts and Audit Regulations.	<ul style="list-style-type: none"> <li>External Audit work was due to commence in August 2020 but was delayed. Planning work began in September and the main audit work was started in November 2020. A significant amount of work was undertaken by the Council to ensure accounts were presented ready for audit to be undertaken. The draft Statement of Accounts was published on 10 August 2020, before the 31 August 2020 publication deadline prescribed in the amended Accounts and Audit Regulations.</li> </ul>
<b>Performance Framework (ARP)</b>	Overview Improvement Board (OIB) requested further transparent reporting of performance	<ul style="list-style-type: none"> <li>Principles of new Framework requirements and links to ARP Strategic Themes agreed in 2019/20.</li> <li>Work ongoing to review and improve performance reporting for approval by Joint Committee in March 2021.</li> </ul>
<b>Delivery of Energy and Sizewell C Projects</b>	Uncertainty of ongoing requirements for Sizewell C and offshore wind projects on resources and impact on Council, the District and wider community.	<ul style="list-style-type: none"> <li>Mechanism in place for ESC to influence Central Government.</li> <li>Resource to support projects monitored and reviewed. Additional resource has been made, through PPA's to address capacity, although uncertainty remains relating to future funding.</li> <li>Senior Officer Group in place internally looking at Sizewell C and its impact in short, medium and long term.</li> </ul>
<b>Brexit</b>	Impact of national policy changes and uncertainty of Brexit on the Council.	<ul style="list-style-type: none"> <li>Working with Government departments to identify likely impact on Port Health at end of Brexit transition period.</li> <li>Additional funding from FSA and Defra being made available. Recruitment and training plans in hand.</li> <li>Implications of Brexit and identification of possible issues managed by senior management. Business continuity planning in place.</li> <li>Extensive engagement with Government departments around impacts and concerns relating to Brexit. Countywide Brexit planning team established.</li> </ul>
<b>Covid-19 Pandemic</b>	Impacts from the Covid-19 pandemic upon all service areas within Council, residents, partners, communities, and businesses.	<ul style="list-style-type: none"> <li>Significant work undertaken to ensure the Council continued to deliver essential services to residents, businesses and communities. Work involved ensuring that those who were most vulnerable received support. Emergency Response and Business Continuity Plans in place and the way major incidents are managed was adapted to meet specific challenges of pandemic. The financial impact on the Council's costs and income is monitored and reported on regularly – internally to officers and members, to central Government via monthly returns and information sharing with other Suffolk Local Authorities. The financial impact of Covid-19 is taken into consideration for updating the MTFs and the budget setting process for 2021/22.</li> </ul>

AGS Action	Issues/Challenges Identified	Progress
<b>Sentinel Leisure Trust Partnership</b>	Review of existing partnership	<ul style="list-style-type: none"> <li>Full review of leisure contract underway, currently undergoing procurement exercise to reduce financial risk to council of leisure contracts. Contract with Sentinel Leisure Partnership ceased and Places Leisure awarded an interim operational contract for Waveney Valley Leisure Centre and Waterlane Leisure. Full procurement exercise to be undertaken.</li> </ul>
<b>Completed in 2019/20</b>		
<b>External Audit Results Reports 2018/19</b>	2018/19 External Audit results reports for Suffolk Coastal DC and Waveney DC were delayed due to External Audit resourcing issues and Covid-19.	<ul style="list-style-type: none"> <li>The external Audit Reports were considered at the Audit and Governance Committee in September 2020. Following this meeting, the 2018/19 Accounts for Suffolk Coastal DC and Waveney DC are subject to final review and sign off by the external auditors</li> </ul>

### Examples of Good Governance in Operation in 2019/20

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

AGS Action	Improvements	Progress
<b>General Data Protection Regulation (GDPR) Training</b>	Target 100% staff and Councillors to receive refresher GDPR training.	<ul style="list-style-type: none"> <li>Rollout of refresher Data Protection Act/ GDPR training for staff and Councillors. Near to completion.</li> </ul>
<b>Review of Building Control policies and procedures to ensure compliant with legislation</b>	Ongoing review of Building Control policies and procedures to ensure compliant with legislation.	<ul style="list-style-type: none"> <li>Policies and procedures constantly reviewed to ensure compliant.</li> <li>Building Control continuing to work closely with Housing Team and colleagues across Suffolk.</li> </ul>
<b>ICT Work Programme</b>	ICT working with service teams to review processes and identify benefits.	<ul style="list-style-type: none"> <li>ICT working with service teams to review business processes to ensure they are realising full benefits from ICT systems.</li> <li>All ICT/digital projects identified are managed through the Strategic Plan Digital Theme. This ensures transparency over work being done and clarity on how each project/ operational service contributes to strategic digital priorities and that right technical environments/systems are in place.</li> </ul>
<b>Digital Transformation</b>	Stakeholder Engagement: Building on customer satisfaction / customer access work. Looking to engage customers to better understand channel choice and channel performance.	<ul style="list-style-type: none"> <li>Further work to be undertaken to upskill staff to engage with customers in a robust manner and understand data collected.</li> <li>Work underway to engage with consultant / external providers to ensure work is undertaken in a robust manner.</li> <li>Digital transformation a main theme within the East Suffolk Strategic Plan and clearly identifies the priorities for its delivery.</li> </ul>

AGS Action	Improvements	Progress
		<ul style="list-style-type: none"> <li>Channel shift group being set up as part of the Digital Transformation Group.</li> </ul>
<b>Implement CIPFA Financial Management Code</b>	Requirements of the Financial Management Code to be applied with effect from 1 April 2020. 2020/21 is a shadow year for full compliance in 2021/22.	<ul style="list-style-type: none"> <li>Review of compliance carried out and a draft action plan produced, categorised by reference to the CIPFA financial management standards.</li> <li>Changes to processes and strategies required by the Code will be tested and embedded during 2020/21. Behind schedule due to Covid-19 impact.</li> </ul>
<b>Review of other Partnerships</b>	Review of existing partnerships including contracts to ensure value for money and good service delivery.	<ul style="list-style-type: none"> <li>Due to start an external review of other contracts in 2020, including services provided through Norse.</li> </ul>
<b>Workforce Values</b>	Work being undertaken to continue to embed the corporate values, including review of the People Strategy in 2020.	<ul style="list-style-type: none"> <li>Values will be reinforced as part of People Strategy review. Workshops scheduled for October 2020 involving staff and members to help re-create a refreshed People Strategy which will identify goals and how to develop staff capabilities to realise organisational ambitions. Incorporates a delivery plan with monitoring processes in place.</li> <li>Values and behaviours to be incorporated in recruitment and selection processes.</li> </ul>
<b>Corporate Training Plan</b>	Improvements relating to Corporate Training Plan	<ul style="list-style-type: none"> <li>The corporate training plan continues to provide training to meet identified individual needs. Working closely with Strategic Plan Theme Delivery Groups to align corporate training plan to organisational priorities.</li> <li>Senior Management Team Development has been suspended due to the pressure from Covid-19, but will recommence as soon as is appropriate.</li> </ul>
<b>East Suffolk Strategic Plan</b>	Following formation of (and elections to) the new council in April/May 2019, work on a new Strategic Business Plan began which centres around five key themes and now drives the work of Members and Officers.	<ul style="list-style-type: none"> <li>New Strategic Business Plan created following close collaboration between Members and Officers in the form of a three day 'hothouse' event in October 2019. Collaboration has continued through implementation and delivery.</li> <li>Series of briefings held early 2020 (Members and Officers) to involve and engage everyone.</li> <li>Creation of a new reporting framework; Strategic Plan Delivery Boards focussing individually on each of the five themes.</li> <li>Plan updated and adapted to take account of the implications of Covid-19.</li> </ul>
<b>Corporate Peer Review</b>	It is recognised that peer reviews are important to good governance and performance of the Council. Corporate Peer Review to be undertaken by LGA.	<ul style="list-style-type: none"> <li>Corporate Peer Review was due to take place but was delayed due to impact of Covid-19. Likely to take place second part of next financial year. Ongoing discussions taking place with LGA to establish how this will be delivered including possible online reviews.</li> </ul>

AGS Action	Improvements	Progress
<b>Corporate Fraud Plan and Internal Audit Plan</b>	Refocussed corporate fraud plan and internal audit plan due to changing risks due to Covid-19	<ul style="list-style-type: none"> <li>• Significant anti-fraud work regarding Coronavirus Pandemic grant awards and other corporate anti-fraud activity e.g. cybercrime.</li> <li>• Risk based holistic Internal Audit Plan in operation.</li> </ul>
<b>Strategic Planning Committee</b>	Establishment of newly formed Strategic Planning Committee enabled detailed operational planning and performance matters to be reported at each meeting.	<ul style="list-style-type: none"> <li>• Strategic Planning Committee in place. First meeting held 10 June 2019 with regular meetings undertaken throughout each year.</li> <li>• Details on operational planning and performance are reported and provides useful mechanism for identifying issues ensuring transparency. Data includes determination of planning applications, enforcement and appeals. It also reviews decisions made and complaints received to consider any lessons learnt.</li> </ul>
<b>Partnership working with other Councils</b>	Successfully established partnerships including Building Control, Coastal Management, Internal Audit and Emergency Planning which ensure good governance, resilience and valuable delivery of services.	<ul style="list-style-type: none"> <li>• Regular partnership board meetings and aligned working practices.</li> <li>• Work ongoing to ensure programmes are met and necessary legislation changes are implemented.</li> </ul>
<b>Forums for Towns and Parish Councils</b>	Forums for town and parish councils undertaken to ensure two-way communication relating to planning matters within District and specific local areas.	<ul style="list-style-type: none"> <li>• Forums held every six months. One for developers and one for town and parish councils.</li> <li>• Identified outcomes and issues are monitored and rectified where appropriate.</li> <li>• Lowestoft Town Liaison meeting in place.</li> </ul>
<b>Community Partnerships</b>	Community Partnership Board and eight Community Partnerships in place to meet ambitions within East Suffolk Strategic Plan	<ul style="list-style-type: none"> <li>• Community Partnership Board oversees governance of Community Partnerships.</li> <li>• Regular Community Partnership meetings held.</li> <li>• Delivers into the East Suffolk Strategic Plan.</li> </ul>
<b>Management Development Programme</b>	Ongoing management development programme in place.	<ul style="list-style-type: none"> <li>• Training Plan in place to ensure middle managers are put through Setting the Standard Development Programme. Ensures consistency through staff management and underpins Council's values and agreed behaviours. Tenth cohort of programme completed. A focus group will review content and identify organisational needs moving forward. Part of this will be carried out in partnership with SCC and other Suffolk authorities.</li> <li>• Mandatory e-learning units included in welcome and induction information, including Code of Conduct. Ongoing review of East Suffolk E-learning with jointly funded shared postholder in place to support/ develop e-learning within Suffolk Councils.</li> </ul>



AGS Action	Improvements	Progress
<b>Review of Safeguarding within Council</b>	Our commitment to safeguarding is audited on an annual basis by the Suffolk Safeguarding Partnership.	<ul style="list-style-type: none"> <li>Safeguarding is internally communicated through the Services for All Group and through regular training.</li> </ul>
<b>Asset Management Strategy (2019-2023)</b>	Asset Management Strategy sets out high-level strategic framework for managing our non-residential property portfolio effectively for four years. It will guide future strategic property decisions to ensure we manage our property portfolio sustainability and efficiently.	<ul style="list-style-type: none"> <li>Approved by ESC Cabinet in July 2019.</li> <li>Asset Management Strategy clearly identifies Key Performance Indicators which will be monitored.</li> <li>Asset Management Group meets regularly and has clearly defined objectives and aims that are detailed within the terms of reference ensuring the Council's assets are governed appropriately.</li> </ul>
<b>Acquisitions and disposals</b>	Mechanism in place for all stock acquisitions and disposals to be approved by Cabinet Member/ Cabinet and ensures compliance with Constitution.	<ul style="list-style-type: none"> <li>Regular reporting of acquisitions and disposals to Cabinet and/or Portfolio Holder.</li> </ul>
<b>Staff Wellbeing</b>	Health and wellbeing resources available to all staff.	<ul style="list-style-type: none"> <li>Access to health and wellbeing information on Council's internal intranet.</li> <li>Up to date wellbeing information on topics such as domestic violence, anxiety, sleep, depression, money and debt advice.</li> <li>Regular managers bulletins focusing around staff wellbeing (e.g. 24 hour counselling).</li> </ul>
<b>Completed in 2019/20:</b>		
<b>Government enabled local planning authorities to increase planning fees by 20% in January 2018 if it used the additional money to increase staff resources and maintain and improve performance</b>	The former two councils agreed to invest increased fees in staff	<ul style="list-style-type: none"> <li>Approved by Cabinet and Full Council of former councils.</li> <li>Additional officers recruited to increase processing of applications within Council.</li> <li>Meeting operational requirements, all key performance indicators relating to speed of planning determinations in 2019/20 achieved.</li> </ul>
<b>Local Plan</b>	Local Plans providing full coverage of East Suffolk District.	<ul style="list-style-type: none"> <li>Full reviews of Local Plans undertaken. Waveney Local Plan adopted in March 2019 and Suffolk Coastal Local Plan was adopted in September 2020.</li> <li>Work continuing to proactively manage the delivery of the Local Plans and a framework will ensure deliverables are achieved.</li> </ul>
<b>E-enabled consultation on all planning applications</b>	E-enabled consultation on planning applications to improve service delivery and processing.	<ul style="list-style-type: none"> <li>Successfully Implemented in April 2020.</li> <li>All details and information accessible via the Council's website.</li> </ul>

AGS Action	Improvements	Progress
<b>New approach and framework of Community Partnerships</b>	East Suffolk Partnership evolved and replaced with a new governance framework to respond to community needs, both for the District and in each community area. Community partnership priorities influence and are a core deliverable in East Suffolk Strategic Plan.	<ul style="list-style-type: none"> <li>In 2019/20 Community Partnership Board established and 8 Community Partnerships were created for each part of the District, focussed around market towns but with strong rural dimension. Regular meetings held.</li> <li>At a data led workshop each Community Partnership used a voting process to agree future priorities for its area.</li> </ul>

## Leisure Operations

- 5.5 During the course of 2019/20 there were two developments concerning the Council's relationship with related parties and associated companies which will entail governance changes during the course of 2020/21. With effect from 1 April 2011, Waveney District Council transferred the management and operation of its leisure operations to Sentinel Leisure Trust, which included two Council representatives on the Board. Waveney District Council had a 15-year partnership management agreement with Sentinel. The facilities and equipment remain the property of the Council throughout the Partnership, with the Trust operating under a lease. East Suffolk Council gave Sentinel 12 months' notice in respect of the Waterlane Leisure Centre in October 2019. In respect of the Bungay Leisure Centre, Sentinel were given 12 months' notice of a major re-development in June 2019.

## Commercial Partnerships

- 5.6 East Suffolk Holdings Limited is wholly owned by the Council and was incorporated on 24 October 2019. East Suffolk Holdings is the sole shareholder of East Suffolk Construction Services Limited, East Suffolk Property Developments Limited, and East Suffolk Property Investments Limited, all of which were incorporated on 26 November 2019. All these companies were dormant in 2019/20 and are intended to commence trading in 2020/21.

## 5.7 Impact of Covid-19

During March 2020, the Coronavirus pandemic resulted in a nationwide lockdown and an emergency response, which significantly impacted our 'business as usual' service delivery and alternative models were used to deliver critical services. This has and will continue to have an impact on the Council's governance arrangements. The impacts on governance will fall into the following broad categories:

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

In the last week of March 2020 over 170 members of staff were diverted to Covid-19 related work. The cost associated with staff time diverted to Covid-19 is estimated at over £900,000 for the 12 month period since March 2020. This includes activities such as, supporting communities administration of the business grant scheme and enforcement and compliance of guidelines on re-opening and outbreak planning.

During the lockdown period, temporary governance arrangements were put in place to allow for essential decision-making, either by making changes to the Scheme of Delegation to Officers, or by relying on the cascade of delegations to Officers in the Council's Constitution. Examples of this included:

- Officers being able to make financial decisions up to £250K in consultation with the relevant Portfolio Holder.
- All development control decisions being delegated to the Head of Planning and Coastal Management, acting in consultation with Advisory Panels of Members.





- Some few formal meetings being cancelled during the early weeks of the lockdown whilst regulations were awaited from Government to allow meetings to be held remotely.
- Remote meetings being held from 6 May 2020 onwards, the relevant regulations to allow for this having come into force on 4 April 2020.

### Brexit

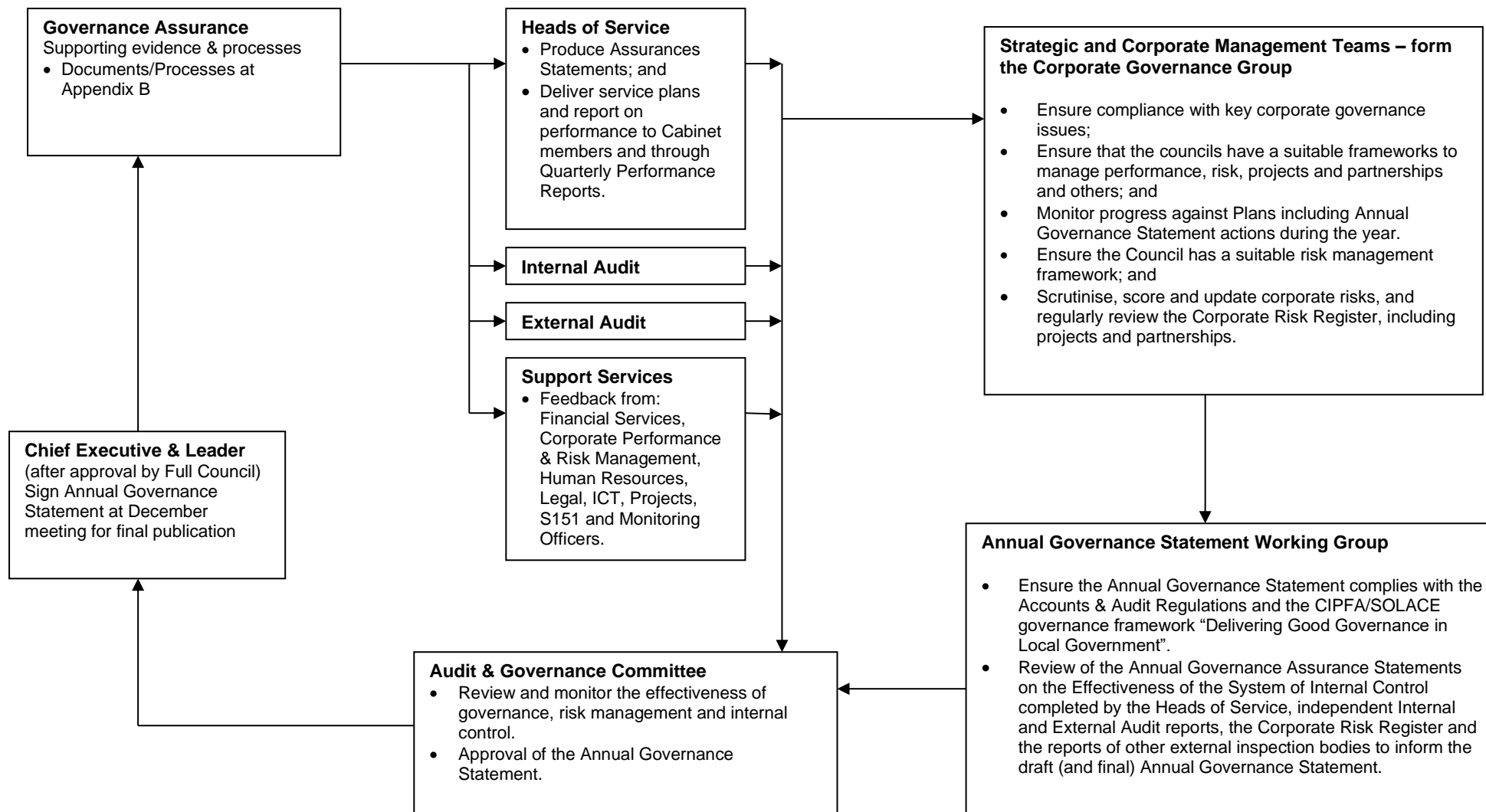
5.8 In anticipation of the UK's planned exit from the European Union in 2020 the Council is proactively involved in regional and national working groups assessing the risks and opportunities of the UK's withdrawal and the potential impact upon the Council stakeholders.

## 6 ASSURANCE BY CHIEF EXECUTIVE AND LEADER OF THE COUNCIL

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

Post	Signature	Date
Stephen Gallant Leader of the Council		23.11.20
Stephen Baker Chief Executive		23.11.20

The Council's Governance Assurance Framework



DOCUMENTS/PROCESSES SUPPORTING THE CODE OF CORPORATE GOVERNANCE

<ul style="list-style-type: none"> <li>• Access and Customer Care Strategy</li> <li>• Air Quality Consultation</li> <li>• Air Quality Reports</li> <li>• Annual audit letters</li> <li>• Annual Governance Statement</li> <li>• Anti-Bribery Policy and Procedure</li> <li>• Anti-Money Laundering Policy</li> <li>• Anti-Fraud and Corruption Strategy</li> <li>• Asset Management Strategy 2019-24</li> <li>• Assurance Statements</li> <li>• Audit &amp; Governance Committee</li> <li>• Budget process</li> <li>• Business case appraisal process</li> <li>• Business Continuity Plan</li> <li>• Capital Programme</li> <li>• Capital Strategy</li> <li>• Code of Corporate Governance</li> <li>• Committee reports, agendas and minutes</li> <li>• Compliance and Enforcement Policy</li> <li>• My Conversation Managing Performance – people</li> <li>• Compliments, Comments and Complaints Policy</li> <li>• Complaints process and procedure</li> <li>• Contaminated Land Strategy</li> <li>• Contracts Register</li> <li>• Corporate Governance Group</li> <li>• Corporate Risk Register</li> <li>• <b>Constitution</b> <ul style="list-style-type: none"> <li>- Part 2: Functions and responsibilities (including Scheme of Delegation)</li> <li>- Part 2: Terms of reference for committees</li> <li>- Part 3: Council Procedure Rules (contracts, budget &amp; policy framework, financial, employment, meetings, scrutiny)</li> <li>- Part 4: Codes and Protocols</li> <li>- Part 4: Members' Code of Conduct</li> <li>- Part 4: Officers' Code of Conduct</li> <li>- Part 4: Suffolk Local Code of Conduct</li> <li>- Part 5: Members' Scheme of Allowances</li> </ul> </li> <li>• Council newsletter</li> <li>• Council website</li> <li>• Customer feedback process</li> <li>• Data Protection Policy</li> <li>• Data Quality Strategy</li> <li>• Digital Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• East Suffolk Business Plan</li> <li>• East Suffolk Strategic Plan (2020-2024)</li> <li>• East Suffolk Economic Growth Plan 2018-2023</li> <li>• East Suffolk Housing Strategy 2017-2023</li> <li>• East Suffolk Partnership priorities</li> <li>• East Suffolk People Strategy</li> <li>• East Suffolk Quarterly Performance Reports</li> <li>• Economic Growth Plan</li> <li>• Economic Development Delivery Plan</li> <li>• Efficiency Plan</li> <li>• Efficiency Strategy</li> <li>• Enabling Community Strategy</li> <li>• Enabling Communities Delivery Plan</li> <li>• East Suffolk Environmental Policy</li> <li>• Equality &amp; Diversity Policy</li> <li>• External audit (and other reviews)</li> <li>• Felixstowe Town Forward Improvement</li> <li>• Financial procedure rules and standing orders</li> <li>• Financial services</li> <li>• FOI and EIR request performance statistics</li> <li>• Freedom of Information</li> <li>• Green Infrastructure Strategy</li> <li>• Head of Internal Audit</li> <li>• Head of Paid Service</li> <li>• Health and Safety Officer</li> <li>• Human Resources</li> <li>• Health and Safety Policy</li> <li>• Health and Safety policies</li> <li>• Housing Strategy</li> <li>• ICT Strategy and action plan</li> <li>• ICT Acceptable Use Policy</li> <li>• ICT Security Policy</li> <li>• Independent remuneration panel</li> <li>• Internal audit</li> <li>• JNC terms &amp; conditions</li> <li>• Job evaluation process</li> <li>• Job descriptions</li> <li>• Joint Emergency Response Plan</li> <li>• Key decisions</li> <li>• Law &amp; governance</li> <li>• Leisure Strategy</li> <li>• Licensing Policy</li> <li>• Local Plan</li> <li>• Local Government Ombudsman (report)</li> </ul>	<ul style="list-style-type: none"> <li>• Medium Term Financial Strategy</li> <li>• Member training</li> <li>• Member Communication Guidelines</li> <li>• Member Development Strategy</li> <li>• Modern Slavery and Human Trafficking Statement</li> <li>• Monitoring Officer</li> <li>• Neighbourhood Plans</li> <li>• Our Values</li> <li>• Partnership framework</li> <li>• Pay Policy Statement</li> <li>• Petty Cash Policy</li> <li>• People Strategy</li> <li>• Performance Management (business) framework (including service plans)</li> <li>• Private Sector Housing Strategy</li> <li>• Procurement Forward Plan</li> <li>• Procurement regulations</li> <li>• Procurement Strategy</li> <li>• Prudential code</li> <li>• Record of decisions</li> <li>• Record Retention Policy</li> <li>• Recruitment Policy</li> <li>• Register of Councillors' interest</li> <li>• Risk management process</li> <li>• Risk Management Strategy</li> <li>• S151 Officer</li> <li>• Safeguard Policy</li> <li>• Salary scales</li> <li>• Senior management remuneration report</li> <li>• Service plans</li> <li>• Staff surveys</li> <li>• Social Media Enterprise Project</li> <li>• Social Media Policy</li> <li>• Social Value Policy</li> <li>• Statement of Accounts</li> <li>• Suffolk Care Leavers Policy</li> <li>• Suffolk Code of Conduct</li> <li>• Suffolk Growth Strategy</li> <li>• Temporary Accommodation Policy</li> <li>• Timetable of council meetings</li> <li>• Tourism Strategy</li> <li>• Transparency publications</li> <li>• Training programs</li> <li>• Treasury Management Strategy</li> <li>• Treasury Management Policy Statement</li> <li>• Whistleblowing Policy</li> <li>• Workforce development and plans</li> </ul>
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Blue = Available on Internet / Purple = processes / Green = Internal Use