Annual Governance Statement

2014/15

The Annual Governance Statement reports publicly on the extent to which the Council has to comply with its code of governance 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.

CONTENTS

1. **SCOPE OF RESPONSIBILITY**

1.1 Suffolk Coastal District 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,

- meet our 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 To achieve this, the Council must put in place proper arrangements for the governance of its affairs, to facilitate the effective exercise of its functions which includes arrangements for the management of risk.

1.3 Suffolk Coastal District Council has produced a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government.* The Code has been reviewed and revised in May 2014 and was approved by Audit & Governance Committee at its 5th June 2014 meeting.

1.4 This Statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations as amended.
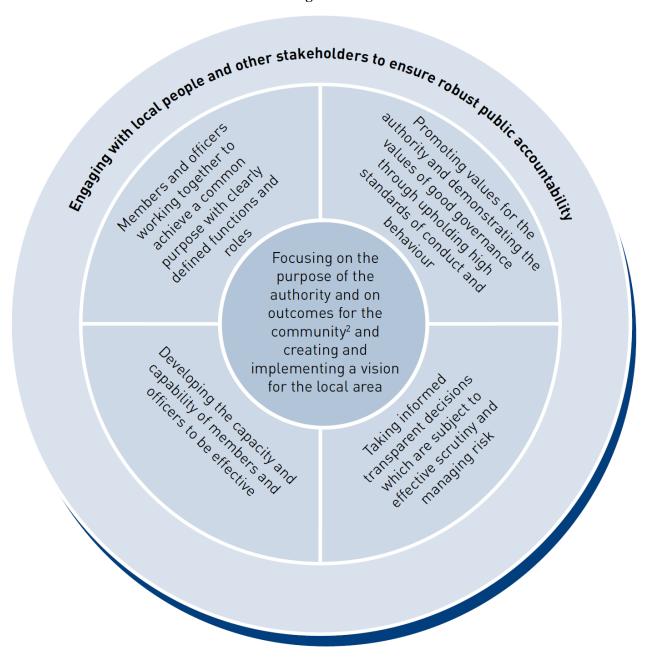
2. **THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

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 31st March 2015 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 six core principles of the CIPFA/SOLACE framework (pictured below).

Extract from CIPFA/SOLACE 'Delivering Good Governance in Local Government'

Footnote 2 in the picture refers to 'community' including citizens and service users.

3.4   Each of the core principles above has supporting principles to further explain the purpose of the core principle. The supporting principles are provided in Appendix A.

3.5   For each core principle we have described the governance mechanisms in place and the governance assurance the Council receives and these are set out in the following table:

Principle 1: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

Description of governance mechanisms in place

The Council has a Business Plan which shares a vision with Waveney District Council. An associated marketing plan raised awareness internally and externally. The Business Plan will be revised during 2015/16 with the new administrations, following the district elections.

The Business Plan informs the Council's Medium Term Financial Strategy, and is the basis for the annual budget and service planning. Council strategies and policies support delivery of the Business Plan.

To deliver our Business Plan, the Council works with local, County and regional partners to develop and deliver the Joint Strategic Needs Assessment, Joint Health & Wellbeing Strategy, New Anglia Local Enterprise Partnership's Strategic Economic Plan, Local Plan (formerly the Local Development Framework), Suffolk Growth Plan, East Suffolk Growth Plan, the East Suffolk Partnership Business Plan and other plans that are developed across the County through partnerships, including the approach arising from the successful Transformation Challenge Award for Suffolk.

The Council has an established programme of engagement, an Enabling Communities Strategy, working with town and parish councils, as well as local communities. The data supports the Customer Access Strategy which sets out standards monitored in the quarterly performance reports received by Cabinet. There is an established complaints process, with clear information on formal complaints. Complaints have led to improved service delivery.

Each Service Delivery Partnership has a business plan, with objectives agreed between the Council and delivery partner, set targets and performance indicators. Service Level Agreements are in place with third sector organisations that link back to our vision.

The Council's business performance management framework links to the personnel competency framework, supporting Managers to manage the performance of the Council. Through this framework, Members monitor performance: for example, Cabinet challenges performance and Scrutiny can call in poorly performing services for review.

Currently a draft joint procurement strategy, following a similpifed national procurement strategy for 2014, is in consultation stage between the Council and Waveney District Council for the delivery of Works, Services and Supplies commissioned directly or through our Service Delivery Partnerships. Budgets are set to achieve the Medium Term Financial Strategy.

Financial statements are produced in compliance with CIPFA and Accounts & Audit Regulations. Regular financial monitoring is reported to Cabinet to assist decision making and effective stewardship of public funds.

Governance assurances received from mechanisms above

Quarterly Performance Reports report progress by portfolio (reflecting the corporate priorities and targets) to Cabinet. The reports include performance indicators on budgetary issues, customer service, and an update on corporate risk.

Corporate Governance Days cover two main topics:

   Managing Finances & Governing the Business
   corporate risk (incl. corporate risk register), Annual Governance Statement (update and action plan), Medium Term Financial Strategy and budget setting, Internal Audit update

Principle 1: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area (continued)

Governance assurances received from mechanisms above (continued)

- Managing Resources
  Human Resources (update on workforce planning, quarterly performance statistics including absence update), health and safety, asset management, natural resources (sustainability), emerging issues.

Governance arrangements are in place for all commercial partnerships (including leisure). Annual performance reports are produced by our Service Delivery Partnerships and regular Joint Management Board meetings monitor performance against objectives and targets.

The Council's external auditors produce an Audit Results Report on the financial position of the Council. The Head of Internal Audit produces an annual audit opinion on the adequacy and effectiveness of the Council's systems of governance, risk management and internal controls.

Joint contract procedure rules are in place and training has been rolled out to relevant officers.

Revised financial procedure rules were adopted by Full Council on 27th November 2014.

New office accommodation is being built as part of an invest to save programme in order to reduce the cost of building maintenance and down size due to reduced staffing numbers.

The Enabling Communities Strategy gave each councillor a £4,000 budget during 2014/15 to support projects to deliver the Business Plan in their wards. Each Councillor's budget has been increased to £5,500 for 2015/16 following the reduction in the number of Councillors.

Progress against the Business Plan was reported to towns and parishes as part of the Budget review in January 2015, and an Annual Report is being prepared for May 2015.

Planned improvements:
- Embed and communicate the annual report.
- Review the Shared Business Plan.
- Determine the scope and provision of an asset investment plan in relation to 2015/16 capital and revenue budgets.
- Continue to address income streams which are reducing.

Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles

Description of governance mechanisms in place

A protocol on member/officer relations is in place.

The Constitution details 'key decisions' and matters reserved by Council. The Scheme of Delegation, Standing Orders and Financial Regulations are monitored and updated as required to ensure responsibilities are correct.

The Council's Constitution (including the Scheme of Delegation) sets out the roles and responsibilities of the scrutiny function, Councillors, the Cabinet

Description of governance mechanisms in place (continued)

and Senior Officers (including the Head of Paid Service / Section 151 Officer / Monitoring Officer). Chief Executive and other Senior Officers are employed under the Joint National Council terms and conditions for chief officers.

An appraisal system for officers is embedded. This staff performance management links to the shared corporate competencies and business performance plans. Job descriptions are reviewed as part of individuals annual appraisal.

A jointly recruited independent remuneration panel will review Members' Allowances and make recommendations. Members' Allowances are published on the Council's website and in the local newspaper.

Each service has its own plan to deliver the Council's Business Plan. Heads of Service monitor progress and key performance indicators, which are set with the relevant Cabinet Member and Strategic Management Team. Cabinet receive as part of the quarterly performance monitoring reports, progress against the Plan as well as highlights on areas where action is necessary. This is part of the corporate performance management framework to monitor service performance and delivery.

All partnerships have a statement of principles and objectives; clarity of roles; definition of board member roles; line management responsibilities; statement of funding sources; clear accountability; and protocol for dispute resolution.

Service Level Agreements are used for community partnerships to ensure clarity and commitment. Service delivery partnerships use agreed business plans or scorecards. Both types of partnership include regular performance reviews.

Governance assurances received from mechanisms above

Regular meetings are held between Cabinet Members and Heads of Service to ensure business objectives are being delivered (including performance against the Business Plan, individual service plans and against budgets). These feed into the Quarterly Performance Reports which are considered by Cabinet to ensure expenditure and performance are on track. These reports are published on the Council website.

Financial systems are in place to monitor compliance with the scheme of delegation, plus internal audit reviews check compliance against the scheme of delegation.

Recruitment process undertaken to appoint an independent remuneration panel to review both councils members allowance schemes.

As part of the annual process, budget-setting workshops are held between Cabinet Members, Heads of Service and the Senior Management Team.

The Constitution was reviewed and updated during the year.

The roles of Chief Finance Officer and Head of Internal Audit have been assessed against the relevant CIPFA standards. No issues arose from these assessments.

A staff survey is conducted biennially with the next survey to be undertaken in 2016. 73.5% of staff said they understood the role of councillors, and 74.9% understood the role of the Chief Executive, Directors and Heads of Service.

89.6% of staff said they could see how their role contributes to organisational objectives. (95.3% could see how it contributed to team objectives). These figures are an improvement on the 2012 staff survey.

Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles (continued)

Governance assurances received from mechanisms above (continued)

No longer continuing with IIP accreditation, it was agreed that the council would measure itself internally against the IIP Standard. A new set of outcomes will be developed that will clearly demonstrate the organisation, and the skills and behaviours required.

Planned improvements:

- Continuous review of internal communications to embed and ensure effectiveness.
- Introduce a joint member/officer protocol with Waveney District Council.
- Review of members allowances to be undertaken by independent remuneration panel during 2015/16.
- Review local alternatives to IIP accreditation.

Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Description of governance mechanisms in place

The Council has adopted the Suffolk Local Code of Conduct. Newly-elected councillors undertake to observe the Code. Officers also sign up to a Code of Conduct on induction, and are expected to follow any Codes of Conduct relating to their professional organisations.

As part of these Codes, Councillors and Officers are required to register gifts, hospitality & interests. Officers' performance is monitored through the appraisal process and complaints procedures.

The Audit & Governance Committee has responsibility for the Standards function. Complaints about councillors can be made to the Monitoring Officer who will consult with "an independent person" appointed by the Council. The Audit & Governance Committee will determine those complaints which have been investigated and where the 'independent person' has made a finding of breach of the Code of Conduct.

Training on diversity is given to all new members of staff and offered to councillors. There is a dignity at work policy.

The Council has its own values, while shared values are covered through the Statement of Partnership Intent, Business Plans and Joint Partnership Competency framework with Waveney District Council.

The Council has up-to-date Anti-Fraud and Corruption policies (including a Whistle-Blowing policy) and an Anti-Bribery Policy. There is a fraud helpline for the public, staff and members. Financial and Contractual Procedure Rules are part of the Council's Constitution.

The Corporate and Strategic Management Teams lead and manage the quarterly Corporate Governance Days to deliver and monitor the Council's governance arrangements. Standing agenda items include the Annual Governance Statement action plan, business performance, human resources, corporate risk management and finance.

Governance assurances received from mechanisms above

The Monitoring Officer may undertake an audit trail of sample decisions of committees in line with Monitoring Officer protocol.

Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour (continued)

Governance assurances received from mechanisms above (continued)

The Audit & Governance Committee receives reports summarising the number of complaints and their nature and results of investigations conducted into possible breaches of the Members' Code of Conduct and to determine those cases referred to it by the Council's Monitoring Officer; receives reports on declarations of interests made and gifts/hospitality received by members and officers. The register of councillors' interests is published on the website.

Majority of staff feel there is a culture of dignity and respect at the Council (an improvement on 2012), while feeling their views and opinion are respected. The Bullying and Harrassment Policy reviewed and publicised, training and adhoc awareness sessions delivered in 2014.

Courses on diversity and equality have taken place and are available to all staff.

Majority of staff who deal with councillors felt their relationship with councillors was positive. Some staff were concerned councillors did not understand the role that officers undertake. As part of the induction for new members there was training on the code of conduct, and a session on the roles of the officers presented by each Head of Service.

Planned improvements:

- Review the statement of partnership intent as and when necessary.
- Review the need for a wider partnership statement of intent with other organisations such as HealthEast.
- Review the values of the organisation.
- Continous review of internal communications regarding understanding of members/officers roles.

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Description of governance mechanisms in place

Council, Cabinet, Scrutiny and Audit & Governance Committees terms of reference are set out in the Constitution and subject to regular review. Officers adhere to a calendar of dates to submit, publish and distribute reports.

Key decision-making principles are set out in the Council's Constitution. The Council also holds a key decisions register. Material items of expenditure are subject to formal tender procedures in line with the Contract Procedure Rules.

The Scrutiny function is in place to challenge policy development, performance and to be a 'critical friend' to the Cabinet.

An effective Audit & Governance Committee is in place whose purpose is to provide independent assurance of the adequacy of the internal control environment and to oversee the financial reporting process. Specialist training is given to Members. The Head of Internal Audit supports the Audit & Governance Committee and reviews its effectiveness on an annual basis using CIPFA's Audit Committee self-assessment tool.

The Internal Audit function complies with the new Public Sector Internal Auditing Standards. There is a 'managed audit approach' with the Council's external auditors in place to ensure there is no duplication of effort. The Internal Audit plan is based on high risks and coverage of all fundamental

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk (continued)

Description of governance mechanisms in place (continued)

financial systems.

The Head of Internal Audit ensures that an up to date Anti-Fraud and Corruption policy (which incorporates a Whistle-Blowing policy) and Counter Fraud policy are approved annually by the Audit & Governance Committee. In addition, a fraud hotline is available to Officers, Members, Contractors & members of the public.

The Council's Risk Management Strategy has been approved by Members and training has been provided to Members and Officers on risk management. The Corporate Risk Register is reviewed at quarterly Corporate Governance Days and there are also six-monthly Corporate Risk Management Group meetings.

The Council has a Corporate Complaints system. The public can leave feedback at any office and via the website. A customer feedback day is conducted once a month when all Customer Services staff obtain feedback from every customer they deal with.

Governance assurances received from mechanisms above

Improvements have been made to ICT and Housing Services following Scrutiny reviews during the year.

Proactive use of 'Scrutiny' and 'Policy Development Task Group' reviews. Audit & Governance Committee has completed their full work programme in the year, including detailed reviews of two of the Council's capital projects.

The Forward Plan of Key Decisions is published and up-dated monthly on the Council's internet; agenda and reports are published on the internet five clear days before meetings. Decision Notices and minutes are published on the internet after meetings, all in accordance with relevant legislation. Revisions to procedures were made to take account of The Access to Information (Local Authorities) (England) Regulations 2012. A protocol for the filming and recording of meetings has been adopted and published by the Council. Public speaking takes place at Development Management Sub-Committee meetings and at Licensing and Health Sub-Committee meetings.

Declarations of Members' interests are published on-line and recorded in the minutes of meetings, as they arise.

Improvements have been made to service delivery as a result of customer feedback, including:

- From February 2015, following Felixstowe office relocation to Suffolk Library (Felixstowe) customers receive 5 day a week service (previously 2 days).
- Restructured the main planning policy pages on the SCDC website, in response to customer feedback/customer services feedback.
- Understood the increasing demand from customers for tourist information via websites and social media and responded accordingly, bolstering support for the Destination Management Organisation's web campaigns and assisting the DMO to launch an improved website in April.

Members have reviewed their ICT policy. Officers and Members have prepared induction training for members following the 2015 elections.

Internal Audit reviews are undertaken across all service areas. The results of these audits are reported to management and the appropriate Cabinet Member / Committee.

A number of Community Engagement events have been held during the financial year, such as events on Sizewell Power Station and Thorpeness Coastal Protection.

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk (continued)

Governance assurances received from mechanisms above (continued)

Changes have been made to the planning system (Uniform) which now emails Town and Parish Councils to inform them of applications lodged in their area.

Compliance with the Local Government Transparency Code has been extended beyond the minimum data requirements and with a number of the recommended data requirements also been disclosed.

Planned improvements:

- Clear and effective understanding of pressures and demands and effective use of required resources.
- Review of the Council's website.

Principle 5: Developing the capacity and capability of members and officers to be effective

Description of governance mechanisms in place

The Constitution clearly sets out the requirement of the Council to provide sufficient resources for Members and key officers to carry out their duties.

A comprehensive induction programme is delivered to all new Members, which have been revised based on feedback and suggestions from Scrutiny. Regular training is available for members on topics they have identified as useful. Regulatory training is provided to Committees responsible for Licensing and Health and Development Management. Specialist training is provided to Scrutiny, Governance and Planning on specific areas of responsibility.

All new staff are required to attend corporate induction that includes business and personal performance management, the Council's partnership structure, and our diversity policy.

The Council is migrating to Suffolk County Council Learning Portal which will cover statutory training requirements such as Health & Safety.

The Council has an established performance management appraisal system for all officers; annual appraisals identify training needs. This supports all officers (including statutory) to make sure they have the skills, resources and support necessary to perform their roles.

Business performance is assessed for Heads of Service through regular reviews with Cabinet members. Human Resources continue to work with Heads of Service to embed workforce planning at team level through use of workforce planning toolkit and reference to performance data. The objective is staffing resources are aligned to maximise efficiency and develop a productive and skilled workforce.

Recruitment through the internet is accessible to all. The Council actively continues to support apprenticeships and has adopted the Job Centre Plus 'positive about disabled people' scheme and displays the '✓✓' symbol.

There are specialist consultation groups to support improvements within services e.g. Revenues and Benefits, Housing and Planning.

Principle 5: Developing the capacity and capability of members and officers to be effective (continued)

Governance assurances received from mechanisms above

Officers have given specialist briefings for Members on complex areas, such as Local Government finance, increasing the supply of affordable housing, welfare reforms and housing impact of welfare reforms.

Specialist training was provided to committees, including planning, licensing, corporate fraud and treasury management during the year.

In recognition of the need to have succession planning, and a suitably skilled workforce, managers are studying for Institute of Learning and Management qualifications of which a number of managers have passed. There is also a Senior Management development programme which is lead by the Chief Executive.

The Council, in partnership with Waveney District Council, participated in the Local Authority Challenge. A group of Officers from both Councils competed against officers from other councils in work related exercises and finished up as finalisits.

Work is currently being undertaken to migrate to Suffolk County Council's Learning Portal and to introduce new modules for compliance and induction. Three modules are now available for new starters.

Career grades are used throughout the council including services such as Planning, Environmental Health, Financial Services, Internal Audit, Building Control and Electoral Services.

A new business planning process, based on the intranet has been introduced. Use has improved. Management and skills based training ongoing throughout the year and a range of development activities undertaken to the forthcoming accommodation moves and associated changes in the way staff will be required to work.

The Council's Apprenticeship Scheme continues to be successful. The council had six apprentices within 2014-15 and continues to support the scheme. Work experience has been offered to young people from local high schools and job fairs attended. New Careers Guidance had also been distributed to all high schools within the area. The Council took part in a very successful intership assessment centre and successfully appoint two interns (one in HR and one in Economic Services). We continue to participate in the Job Centre Plus 'positive about disabled people' scheme and display the '✓✓' symbol on our job adverts.

The number of complaints against Councillors has reduced and none of the complaints have resulted in the need for an investigation or a finding that the Code of Conduct has been breached.

In response to feedback, new members are offered a councillor mentor. Officers are participating in the county mentoring scheme.

Following a Local Government Boundary Commission for England review, triggered because two wards had electoral variances over 40% and to ensure that wards are better aligned with local comunities, the number of Councillors for the District has reduced from 55 members to 42 from May 2015.

Planned improvements:

- Continue with the development and improvement of ICT systems to support business needs.
- Review of the capacity to deliver emerging projects and skills of officers.
- Development of e-Learning to meet statutory training requirements.

Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability

Description of governance mechanisms in place

The Council's Constitution demonstrates the Council's commitment to openness and transparency. The Council operates a comprehensive web site which allows access to all relevant information.

Details of the role of Scrutiny are published on the website.

The Council has published its ten year Business Plan online. The Business Plan sets out the Council's Vision and makes it clear that the Council will listen, respond, be accountable, provide value for money, set high standards for services and build strong collaborative partnerships.

Participate support for Town and Parish Councils.

Establishment of Felixstowe Forward which replaces Felixstowe Future.

Views of citizens and service users are sought and used to develop services.

The Council actively engages in consultation and partnership working with key stakeholders and has set up the East Suffolk Partnership to work with institutional stakeholders. The Council has also signed up to Suffolk Compact and uses Suffolk Speaks Citizen Panel to receive feedback. Regular meetings to engage with different sections of the community are held (from planning to the disability forum).

The Council maintains a consultation database for corporate planning and promotion. Consultations and their results are published on the internet and promoted through Suffolk Speaks. The Statement of Community Involvement sets out how we will include communities in planning decisions.

There is a Workforce Development Strategy covering staff engagement. Staff can contribute to team and service plans, and are engaged in the strategic planning process through the regular Chief Executive meetings.

There is a Petition Scheme in place. No petition were received during the year.

The Council adheres to the Local Government Transparency Code and publishes all required data in accordance with the specified requirements and is going beyond the required and also publishing some of the recommended data as set out in the Code.

Governance assurances received from mechanisms above

The Council is transparent, publishing details of expenditure over £250, transactions on corporate credit cards, Senior Officers pay over £50,000 on its website and the pay multiple showing relationship between the pay of chief officers and of other staff. Contracts register and procurement forward plan are also published regularly. Responses to Freedom of Information requests are published on the Council's website, and information frequently requested under FOI is regularly updated on the website.

The Council promotes the Localism Priority through the Business Plan. It is supporting the development of a growing number of neighbourhood plans (which give local communities a greater say in development). The Enabling Communities Strategy was launched in March 2014, which also gave each councillor a £4,000 budget to support projects to deliver the Business Plan in their wards. Each councillors budget has been increased to £5,500 in 2015/16 due to the reduction in member numbers following the Bounday Review.

The Scrutiny committee has reviewed its contribution to health and wellbeing within the District, the Enabling Communities Budget including initial guidance, ongoing arrangements and their contribution to the development an delivery of the Council's Enablishing Communities Strategy, also

Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability (continued)

Governance assurances received from mechanisms above (continued)

continued to review progress in the provision of affordable broadband as well as the implementatikon of the ICT Action Plan.

Promoted widespread engagement and consultation through Active Communities team, partnership working with the ESP and others. There are specialist consultation groups within services e.g. revenues and benefits, housing, planning.

There is a Joint Union Group. Transformation Champions from all service areas work with the IT and the project team to deliver change in the Council. An ideas scheme is in place to allow staff to put forward better ways of working.

General election turnout was 71.6% and District Council election turnout was 72.4%. 22.8% of the total votes were postal votes (15,876). 2013 Electoral Registration Canvass achieved a 93% return rate. IER maintained the level of registrations

Neighbourhood Plan Referendum was held in the parish of Rendlesham, which was the first to happen in the County. The outcome was that the Neighbourhood Plan was adopted.

The Head of Communities has been jointly employed by the Council, Waveney District Council and NHS Great Yarmouth and Waveney Clinical Commissioning Group (locally known as Health East) to drive forward Community engagement within the Districts through joint working.

Suffolk Coastal District Council works hard across all the communication channels to engage effectively with the public.

The council now has over 4,800 followers on its corporate Twitter account, allowing the Council to engage with individuals directly over a range of issues. Obviously, many of the Council's tweets are retweeted by our colleagues and followers, so the messages get out to a far greater audience.

High quality customer contact remains important and Suffolk Coastal Customer Services answered 95% (24,418) of calls within 20 seconds in 2014-15.

Specific examples of recent community engagement include:

The Electoral Commission boundary review has been finalised and became law, bringing in the new ward arrangements for Suffolk Coastal. Following extensive public consultation, the number of councillors representing the district was cut from 55 to 42 (which came into force at the May 2015 Election).

We also engaged with the public with regard to changes to Electoral Registration ahead of the 2015 elections to increase the turn out to the General and Local Election.

The council continues to welcome online petitions and engage with the public through planning and community consultations. Currently we are working with communities to identify non-designated heritage assets in the district.

We are also working with them to as develop neighbourhood plans. Rendlesham became the first village in the county (and one of the first in the country) to submit its local plan, which will enable the community to influence planning proposals at a local level. The draft plan went to referendum, with local people voting overwhelmingly to adopt the plan.

The Suffolk Coastal Disability Forum continues to assist Suffolk Coastal District Council in listening, learning and consulting with disabled people in the area to improve their lives.

Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability (continued)

Governance assurances received from mechanisms above (continued)

The Issues and Options consultation asked the public for their views on future housing, community facilities and employment sites across the district between December 2014 and February 2015. This is part of an on-going community engagement/development process.

Local people were also asked to have their say on the plans which will help fund infrastructure within Suffolk Coastal. The Community Infrastructure Levy (CIL) is now in place in the district and means we can now charge on most types of new development in the area. Funds collected through CIL will be used to help fund infrastructure needed to support the development planned in the Council's Core Strategy.

The council is committed improving the health and wellbeing of people in this district and, following extensive community engagement, has developed a leisure strategy, which provides direction for operational partners in developing leisure in the district for the next 10 years.

Planned improvements:

- Embedding the annual report and its communication to the public (reported under Principle 1 above).
- Improve IER based on feedback from the Electoral Commission
- Statement re. Community Enabling

3.6 Appendix B details all the supporting evidence and processes for the Corporate Governance Assurance Framework.

4.   REVIEW OF EFFECTIVENESS

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.

4.2   The flowchart at Appendix C explains the governance assurance framework, starting from the Council's Framework policy to the Annual Governance Statement being published.

4.3   A sound system of internal control and the management of risks are integral parts of the Council's corporate governance arrangements.   As a consequence the Council's external auditors can place greater reliance on the outcomes of the work undertaken by the Internal Audit Team.   Internal Audit has completed successfully its approved audit plan for the year and made recommendations as appropriate.   The Audit & Governance Committee monitors the progress against agreed actions and recommendations and will request officers report back on overdue recommendations. There still remain a small number of recommendations relating to 2014/15 that are overdue for completion at the year-end; these are continually monitored by Internal Audit and where necessary are considered by CMT as part of the regular Corporate Governance Days. It is planned that the recommendations will be fully implemented during 2015/16.

4.4   The Council continued to strengthen its internal control systems by addressing the issues raised. No recommendations were made by the External Auditor as part of his Audit Results Report in 2013/14.

4.5   Risk Management covers all services and operations throughout the Council and is continuously monitored and managed across both Councils by the joint Corporate Risk Management Group (CRMG).   The CRMG meets at least every quarter as part of Corporate Governance meetings to review the joint 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 & Governance Committee. The activities undertaken by the group and the approach to joint risk management has been externally assessed as part of the lead officer's Management of Risk training.

4.6   The Council continues to promote the understanding of risk at all levels (developing a toolkit, training at induction, manager training and support), as the responsibility for managing risks is not restricted to one area or person but to every Member and Officer.   The Council's risk management activity is co-ordinated and led by the CRMG, chaired by a Strategy Director and supported by members of CMT and other senior officers.

4.7   The joint Risk Management process was considered by the Audit & Governance Committees of both councils during the year.   The Risk Management Strategy continues to provide details of risk management roles and the responsibilities of individuals and groups across both councils.

4.8   The combined Corporate Risk Register identifies those risks, along with the controls that are in place to prevent them, and proposals for improvement and mitigation.   These continue to be reviewed on a rolling programme through CRMG and Audit & Governance Committee.

4.9   Following the introduction of a shared project management methodology, training continues to be provided as part of the core corporate governance training for all managers. Advice and support is offered to relevant staff on the application of good project practices, particularly surrounding changes in service delivery. All projects are recorded on Service Plans, which are combined into a joint Corporate Project Register which is considered at Corporate Governance Days to ensure that projects are effectively managed and any significant risks arising can be addressed corporately.

4.10 Joint contract procedure rules have been rolled out across both Councils. Training has been delivered by the procurement and legal teams at both sites, for any officer to attend. Guidance is published on the intranet, and support is offered by the specialist procurement and legal teams to relevant managers. A corporate contracts register is maintained by the Procurement team, published on the intranet and considered as part of Corporate Governance Days, so that senior managers can monitor that contracts are being effectively managed.

4.11 New joint financial procedure rules have been approved and training for Members and Officers is being developed and will be rolled out during 2015/16.

4.12 The Head of Internal Audit Opinion states that *reasonable assurance* can be placed upon the adequacy and effectiveness of the Council's systems of governance, risk management and internal control in the year to 31st March 2015. The Head of Internal Audit has highlighted the following areas where control weaknesses were identified and improvement required.

- ICT Strategy – Significant progress has been made within this area and work continues, due to the major changes taking place within ICT Services, which are enabling the Council to deliver its services. Senior Management have agreed independent Internal Audit coverage in this area in the forthcoming year.

- Business Continuity and ICT Disaster Recovery – Improvements have been made over the last year. Further work is required around embedding the process, which is planned for 2015/16.

- Contract Management – The Councils ability to oversee effective, efficient and economic contracts requires strengthening, specifically around contract monitoring and contract risk management (excluding Strategic Partnerships). Internal Audit plan to review this area in 2015/16.

4.13 All the issues raised by the Head of Internal Audit have been incorporated within the Council's Annual Governance Statement, which will be presented to the Audit & Governance Committee and Council.

4.14 In continuing to strengthen the internal control arrangements regular and routine review and sign off by the Chief Finance Officer of all key control accounts reconciliations was undertaken to ensure timely monitoring of key transactional activities.

4.15 The Council's Medium Term Financial Strategy (MTFS) remains affected by reductions in its grant funding, which are expected to continue and possibly increase as a result of Government spending plans indicated by the March Budget Statement. These have contributed to further budgetary pressures that may rise to nearly £2.9m by 2018/19 if no actions were taken. In addition, since 2013, Council funding has become more dependent on incentivised income areas such as Business Rates and New Homes Bonus (NHB) which are exposed to greater volatility. The Council is committed to delivering Value for Money services and is continuing to undertake further reviews and consider a full range of options in order to deliver balanced budgets that respond appropriately to Government policy changes and the wider economic environment.

4.16 In accordance with the 2010 'CIPFA Statement on the Role of the Chief Financial Officer in Public Service Organisations', the Section 151 officer, Chief Finance Officer, is a professionally qualified member of Association of Chartered Certified Accountants (ACCA), and is a member of the Council's Corporate Management Team, reporting directly to the Chief Executive and the Leader on all key Strategic finance matters. In addition this post is a member of the Designated Officer Group, chaired by the Chief Executive; it comprises the statutory officers that represent both Councils. 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 (2010). The document is available on the CIPFA website.

5. SIGNIFICANT GOVERNANCE ISSUES

5.1 In arriving at the areas to address during 2015/16, 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 six core principles that underpin delivering good governance in local government, and by consulting Members.

5.2 The 2013/14 Annual Governance Statement included five governance improvement actions, of which one area concerning ICT Infrastructure has been successfully completed and positive movement has taken place on elements of the other four areas during the last financial year. The following four actions were not completed during the year and are rolled-over to be addressed in 2015/16:

Agreed Areas to Address	Responsibility	Priority
Business Continuity Plan – complete the joint review of Business Continuity Plans to ensure practical arrangements are in operation.	Head of Environmental Services & Port Health	High
ICT Strategy – this Strategy and associated operating elements need updating to be in line with corporate objectives.	Head of ICT	High
ICT Disaster Recovery Plan - update the Plan to become a joint disaster recovery plan that underpins the Business Continuity Plans.	Head of ICT	High
Contract Management – improve the oversight of contract management around contract specification, contract risk management and execution of lessons learned registers.	Corporate Management Team	High

5.3 We have also identified 19 planned improvement areas listed within this statement which can be found within each Principle in Section 3. Seven of the improvement areas are carried forward from last year, with eight having been actioned. A number of the new improvement areas this year are regarding the embedding of improvement made during 2014/15.

5.4 We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Post	Signature	Date
Ray Herring Leader of the Council		24th September 2015
Stephen Baker Chief Executive		24th September 2015

SUPPORTING PRINCIPLES OF CIPFA'S SIX CORE PRINCIPLES OF DELIVERING GOOD GOVERNANCE

Principle 1: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area	Principle 2: Members and officers working together to create achieve a common purpose with clearly defined functions and roles	Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour	Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk	Principle 5:Developing the capacity and capability of members and officers to be effective	Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability
Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users	Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function	Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles	Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships
Ensuring that users receive a high quality service whether directly, or in a partnership, or by commissioning	Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard	Ensuring that organisational values are put into practice and are effective	Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs	Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group	Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning.
Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money	Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other		Ensuring that an effective risk management system is in place	Encouraging new talent for membership of the authority so that best use can be made of individual's skills and resources in balancing continuity and renewal	Making best use of human resources by taking an active and planned approach to meet responsibility to staff.
			Using the legal powers to the full benefit of the citizens and communities in their area		

**GOVERNANCE ASSURANCE CORPORATE FRAMEWORK
SUPPORTING EVIDENCE & PROCESSES**

Policies, Strategies, Rules & Codes	Processes and Frameworks	Key documents	Functions
• Anti-theft, fraud & corruption policy • Capital Strategy • Code of Conduct • Code of Corporate Governance • Constitution • Customer Access Strategy • Data Quality Strategy • Employment rules • Equality & diversity policies • Financial procedure rules and standing orders • Financial regulations • Health and Safety policies • ICT strategy and action plan • Medium Term Financial Strategy • Members' allowances scheme (Constitution) • Members' code of conduct (Constitution) • Member Communication Guidelines • Member Development Strategy • Officers' code of conduct (Constitution) • Pay policy statement • Procedure rules (contracts, employment, meetings) (Constitution) • Procurement regulations • Procurement strategy • Protocol on member / officer relations (Constitution) • Prudential code • Risk Management Strategy • Scheme of Delegation (within Constitution) • Suffolk Growth Strategy • Treasury Management Policy statement • Treasury Strategy • Whistleblowing policy	• Budget process • Business case appraisal process • Business continuity framework • Competency frameworks (part of Managing Performance – people – framework) • Complaints process • Customer feedback process • Health and Safety audit process • Induction process • Job evaluation process • Managing performance (people) framework (including appraisal process) • Member training • Partnership framework • Performance Management (business) framework (including team and service plans) • Risk management process • Scrutiny framework (Constitution)	• Annual audit letters • Annual Governance Statement • Assurance Statements • Business Plan • Committee reports, agendas and minutes • Complaints reports • Consultation register • Corporate Risk Register • Council newsletter • Council tax booklet 2013-14 • Council website • East Suffolk Partnership priorities • External inspection / review reports • Ideas scheme • Intranet • JNC terms & conditions • Job descriptions • Key decisions (within Constitution) • Law & governance • Local development framework • Local Enterprise Partnership • Publication Scheme (Freedom of Information) • Quarterly performance reports • Record of decisions • Registers of interest • Salary scales • Senior management remuneration report • Service level agreements • Service plans • Staff surveys • Statement of Accounts • Statement of Internal Control (part of AGS) • Statement of Partnership Intent • Suffolk Code of Conduct • Suffolk Compact • Suffolk Coastal Local Plan • Suffolk Growth Strategy • Timetable of council meetings • Training programmes • Transforming Suffolk priorities • Transparency publications • Workforce development and plans	• Functions and responsibilities of senior officers and councillors (within Constitution): • Corporate Governance Group • Financial services • Head of Internal Audit • Head of Paid Service • Health and Safety officer • Human Resources • Internal audit • Monitoring officer • S151 officer • Local Government Ombudsman (report) • Independent remuneration panel • External audit (and other reviews) • Terms of reference for committees (Constitution): • Audit & Governance Committee

Key Hyperlink to information on internet   Function / system   Internal document / system

The Council's Governance Assurance Framework

Governance Assurance
Supporting evidence & processes
- Corporate Framework

Heads of Service
- Produce Assurances Statements; and
- Deliver service plans and report on performance to Cabinet members and through Quarterly Performance Reports.

Strategic and Corporate Management Teams – form the Corporate Governance Group
- Ensure compliance with key corporate governance issues;
- Ensure that the councils have a suitable frameworks to manage performance, risk, projects and partnerships and others; and
- Monitor progress against Plans including Annual Governance Statement actions during the year.

And the **Corporate Risk Management Group**
- Ensure the Council has a suitable risk management framework; and
- Scrutinise, score and update corporate risks, and regularly review the Corporate Risk Register, including projects and partnerships.

Internal Audit

External Audit

Support Services
- Feedback from: Financial Services, Human Resources, Performance & Risk Management, Legal, ICT, Projects, S151 and Monitoring Officers.

Chief Executive & Leader
(after approval by Full Council)
Sign Annual Governance Statement at September meeting for final publication

Annual Governance Statement working group
- Ensure the Annual Governance Statement complies with the Accounts & Audit Regulations and the CIPFA/SOLACE governance framework "Delivering Good Governance in Local Government".
- Review of the Annual Governance Assurance Statements on the Effectiveness of the System of Internal Control completed by the Heads of Service, independent Internal and External Audit reports, the Corporate Risk Register and the reports of other external inspection bodies to inform the draft (and final) Annual Governance Statement.

Audit & Governance Committee
- Review and monitor the effectiveness of governance, risk management and internal control.
- Review and recommend to Full Council approval of the Annual Governance Statement.