

Committee: **Governance Committee**

APPENDIX A

Date: **2 October 2020**

Title of report: **Assessment of the Corporate Governance Framework for 2019-20**

By: **Assistant Chief Executive**

Purpose of report: **To (i) provide information on compliance with the Council's code of corporate governance and any changes to it that may be necessary to maintain it and ensure its effectiveness in practice; and (ii) gain approval of the Council's Annual Governance Statement in compliance with the requirements of the Accounts and Audit Regulations 2015.**

RECOMMENDATIONS: The Governance Committee is recommended to:

- 1. approve the action plan for 2020/21;**
 - 2. note that actions identified to enhance governance arrangements are reflected in Business Plans and that implementation will be monitored throughout the year;**
 - 3. confirm that Members are satisfied with the level of assurance provided to them through this report and the Council's governance framework and processes;**
 - 4. consider any comments from the Audit Committee;**
 - 5. identify any significant governance issues that should be included in the Council's Annual Governance Statement; and**
 - 6. approve the Annual Governance Statement for signature by the Leader and the Chief Executive and publication within the Statement of Accounts**
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1. Supporting Information

1.1 The corporate governance framework reflects both legislative and regulatory change and is based on revised guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Chief Executives and Senior Managers (SOLACE).

1.2 The Accounts and Audit Regulations 2015 require the Council to ensure that it has in place a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for risk management. The Council is required to conduct an annual review of the effectiveness of its system of internal control and to prepare an Annual Governance Statement (AGS) in accordance with proper practices in relation to internal control to accompany its Statement of Accounts.

1.3 The production of an AGS is the final stage of an ongoing process of review of our governance arrangements including risk management and internal control. In summary the process must involve an organisation reviewing the adequacy of its governance arrangements, developing an action plan for improving those arrangements and communicating the framework to users and stakeholders.

1.4 The draft AGS report was originally due to be submitted to SOG and CMT in June and the Audit and Governance Committees in July. In light of the coronavirus pandemic, and resulting pressures on local government, CIPFA has produced a briefing regarding the timing of the publication of the final Statement of Accounts and AGS. The revised deadline for publication of both is now 30 November 2020.

1.5 In June 2020 SOG agreed to delay consideration of the report as it is important that the AGS reflects the impact of coronavirus on the Council's governance. The impact of coronavirus has, and will, be felt by the Council and may require changes to the organisation's priorities and programmes. Consideration will also need to be given to the longer term disruption and consequences arising from the pandemic.

1.6 The report was considered by the Audit Committee on 18 September prior to the Governance Committee on 2 October. Any comments arising from the Audit Committee will be reported to the Governance Committee at its meeting.

2. Assessment of the Corporate Governance Framework for 2019-20

2.1 The main policies and strategies that make up the Council's corporate governance framework are set out in the Local Code of Corporate Governance. The Local Code of Corporate Governance was updated to reflect the revised CIPFA/SOLACE Framework that was published during 2016 and was agreed by the Governance Committee in March 2017. The County Council's Local Code of Corporate Governance sets out the main principles of good governance for the Council. The Code is based on existing good practice and the core principles of the CIPFA/SOLACE framework.

2.2 The CIPFA/SOLACE framework defines the principles that should underpin the governance of local councils. To achieve good governance the Council should be able to demonstrate that its governance structures comply with the core principles contained in the framework. It has therefore developed and maintained a Local Code of Governance including the core principles set out in the framework.

2.3 The seven principles included in the framework are:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

2.4 The Council's corporate governance framework is underpinned by a number of key documents and processes and the Local Code of Corporate Governance reflects the CIPFA/SOLACE Framework with the 7 core principles of the Framework being included as the County Council's principles of good governance. The main policies and processes that underpin the County Council's corporate governance framework have been reviewed against the seven core principles as set out in Appendix 1 with a view to seeing which principles they best relate to, and making sure that they do assist the Council in complying with the principles .

2.5 Evidence shows that the Council continues to have in place good arrangements for corporate governance and that they are working effectively. A review of the AGS was undertaken by Internal Audit during 2019/20 and a provisional Substantial Assurance rating was given. This opinion means that controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives. The recommendations arising from the review have been implemented or are in the process of being implemented.

2.6 A review of the Council's governance arrangements for 2019/20 has been undertaken. This review process is summarised in Appendix 2. Each document or process in the framework has been assessed and named officers have been required to provide an assurance as to whether the document is being complied with, the level of awareness of the document amongst staff and stakeholders, whether it reflects Council policy and best practice, and arrangements for reviewing it. Where further improvements are identified these are set out within the AGS and form part of departmental business plans for the year ahead.

2.7 In addition, all Chief Officers have signed their own Directorate Assurance Statement confirming that proper governance arrangements, effective risk management and a sound system of internal control are in place within their department. They are also asked to identify any exceptions and any actions being taken to address them. These actions will also be monitored through the

relevant business plans. The Chief Finance Officer has signed an Assurance Statement regarding the Council's governance arrangements.

2.8 The overall corporate governance assessment and review of effectiveness has also been informed by the sources of assurance set out in section 3 of the AGS (Appendix 3). As part of the assurance gathering process, the CIPFA/SOLACE guidance on corporate governance was taken into account and is reflected in the Local Code.

2.9 A report from the Committee on Standards in Public Life included the following best practice recommendation: *Councils should report on separate bodies they have set up or which they own as part of their Annual Governance Statement, and give a full picture of their relationship with those bodies.*

2.10 At its meeting in March 2020, the Governance Committee considered a report on the requirement to report within the AGS on 'separate bodies' that the Council owns or has set up. The Committee agreed for the purposes of the AGS the Council interprets this as those bodies which are a separate legal entity (e.g. a company) and of which the Council is a member or has appointed a Member or officer as a Director.

2.11 To ensure that all relevant separate bodies are included the Governance Committee agreed that a review be undertaken to identify these bodies and establish:

- What the relationship is between the body and the local authority;
- The structure and form of the body (e.g. private limited company)
- Council's percentage share in the body
- What role the statutory officers will have in overseeing its activities and providing assurance on its governance, including financial governance;
- How and when the body will report to the council;
- What the relationship will be between the body and individual councillors and whether councillors' involvement is likely to constitute a conflict of interest;
- How the activities of the body will be scrutinised

2.12 Although the Governance Committee agreed that the review would not need to be completed until the 2020/21 AGS, we have brought this forward for this year. The review has been completed and information regarding relevant bodies has been included at Annex B of the AGS.

3. Annual Governance Statement

3.1 An AGS from the Leader of the Council and the Chief Executive is attached at Appendix 3. It includes the mandatory disclosure of any significant governance issues identified through the Council's governance and internal control arrangements.

3.2 Sound corporate governance is crucial if the Council is to continue to provide leadership, direction and control. It is important that Members are aware of the documents and activities that work together to provide assurances about the Council's governance measures in place. The AGS provides an opportunity for the Council to assess and report transparently to the public how it ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

3.3 Our external auditors review the AGS and in their most recent Annual Audit Letter concluded that it was consistent with their understanding and did not identify any issues.

PHILIP BAKER
Assistant Chief Executive

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Russell Banks, Orbis Chief Internal Auditor, 07842 362739
Andy Cottell, Democratic Services Manager 01273 481955
Local Member: All

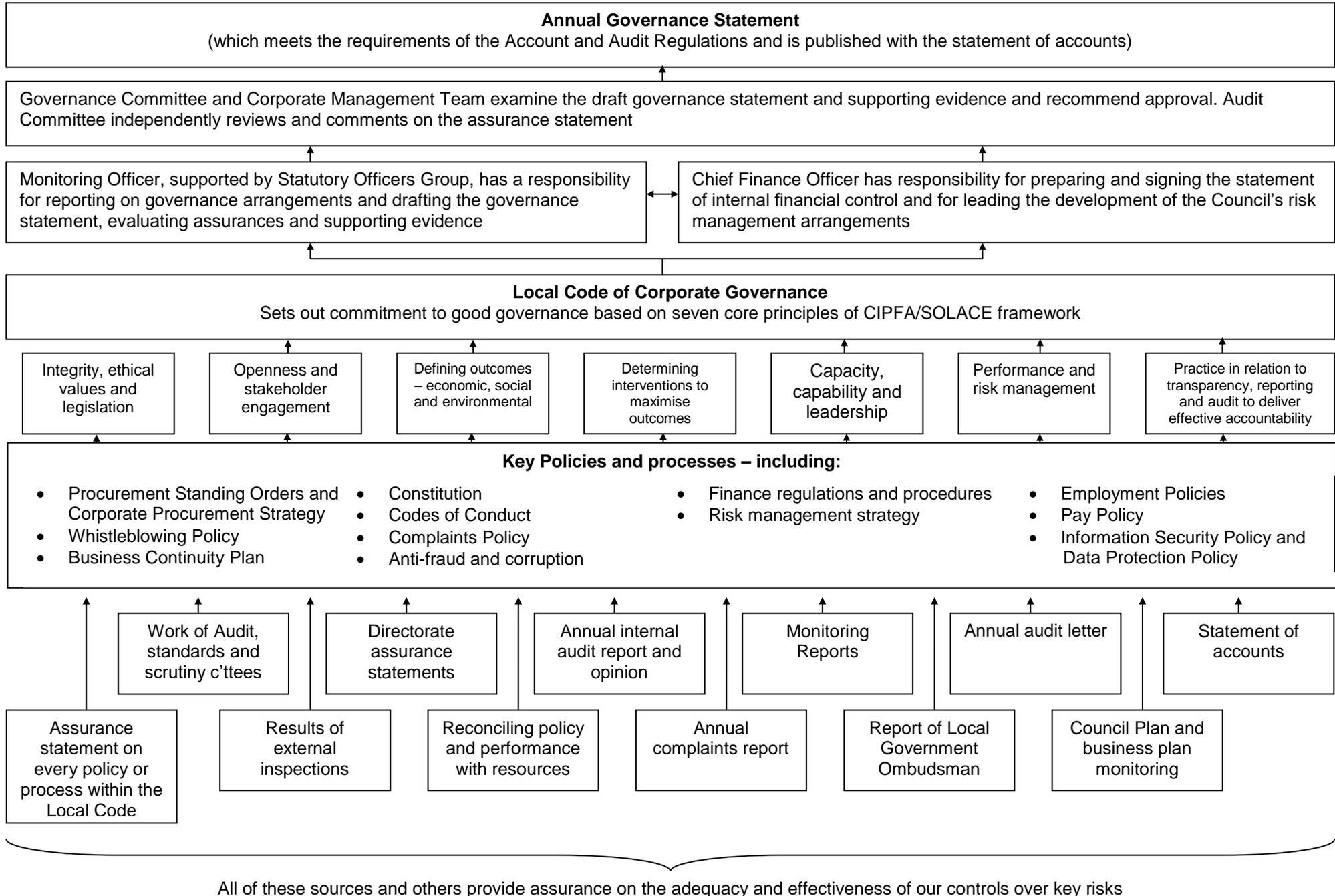
BACKGROUND DOCUMENTS: Pro formas returned by document “owners” setting out whether the various codes, policies and strategies are being complied with.

Local Code of Corporate Governance – key policies and processes

Policy or process	Integrity, ethical values and legislation	Openness and stakeholder engagement	Defining outcomes – economic, social and environmental benefits	Determining interventions to maximise outcomes	Capacity, capability and leadership	Performance and risk management	Practice in relation to transparency, reporting and audit to deliver effective accountability
Reconciling Policy, Performance and Resources	✓	✓	✓	✓		✓	✓
Council Plan	✓		✓			✓	✓
Council Monitoring		✓		✓	✓	✓	✓
Procurement Standing Orders and Corporate Procurement Strategy	✓		✓	✓		✓	✓
Risk Management Strategy			✓	✓		✓	
Corporate Complaints Policy	✓	✓				✓	✓
Constitution	✓	✓		✓		✓	✓
Business Continuity Plan						✓	
Employment Policies	✓				✓		
Pay Policy	✓	✓			✓		✓
Scheme of Delegation	✓				✓		✓
Code on Officer / Member relations	✓			✓			
Member Training and Development					✓		✓
Guidance to members on outside organisations	✓		✓				
Code of Conduct for Employees	✓						✓
Code of Conduct for Members	✓						✓
Anti Fraud & Corruption Strategy	✓						✓

Policy or process	Integrity, ethical values and legislation	Openness and stakeholder engagement	Defining outcomes – economic, social and environmental benefits	Determining interventions to maximise outcomes	Capacity, capability and leadership	Performance and risk management	Practice in relation to transparency, reporting and audit to deliver effective accountability
Confidential Reporting (Whistle-blowing) Policy	✓	✓				✓	✓
Anti Money Laundering Policy	✓						✓
Financial Regulations & Standard Financial Procedures	✓		✓	✓		✓	✓
Medium Term Financial Plan	✓		✓	✓			
Communication/ engagement with residents and partners		✓					✓
Health and Safety Policies & Procedures	✓						
Information Security Policy (including Data in Transit) and Data Protection Policy	✓						
Freedom of Information Policy		✓				✓	✓

ESCC Framework for the Annual Governance Statement



East Sussex County Council**Annual Governance Statement for the year ended 31 March 2020****1. Scope of responsibility**

East Sussex County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The County Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised. In discharging this overall responsibility, Members and senior officers are responsible for putting in place proper arrangements for the governance of the County Council's affairs, the effective exercise of its functions, the management of risk and the stewardship of the resources at its disposal. To this end, East Sussex County Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the Local Code is on our website at www.eastsussex.gov.uk or can be obtained from the Council's Monitoring Officer. This statement also sets out how the County Council has complied with its Local Code and also meets the requirements of the Accounts and Audit (England) Regulations 2015, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

2. Purpose of the governance framework

Good governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Our governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled. Through effective governance the Council is accountable to, engages with and, where appropriate, leads the community.

The code of corporate governance can provide only reasonable and not absolute assurance that the Council achieves its aim of good governance. Equally the County Council's system of internal control is designed to identify and prioritise the risks to the achievement our policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage those risks efficiently, effectively and economically. It cannot eliminate all risk of failure; it can therefore only provide reasonable and not absolute assurance that our policies, aims and objectives are achieved.

The Local Code of Corporate Governance and the system of internal control have been in place at East Sussex County Council for the year ended 31 March 2020 and up to the date of the approval of the statement of accounts.

3. Review of effectiveness

East Sussex County Council reviews the effectiveness of its governance arrangements, including its system of internal control, on an ongoing basis. This review of effectiveness is informed by:

- the work of Members through the Cabinet, Committees including Governance Committee, Standards Committee, Audit Committee, Scrutiny Committees generally and the full Council;
- the work of Chief Officers and managers within the Council, who have primary responsibility for the development and maintenance of the internal control environment;
- the work of the Chief Operating Officer and the Chief Finance Officer;
- the work of the Monitoring Officer and the Statutory Officers' Group;
- the risk management arrangements, including the maintenance and regular review of strategic risks by Chief Officers and departmental risks by management teams;
- the work of the internal audit service including their quarterly progress reports, on-going action tracking arrangements and overall annual report and opinion;
- the external auditors in their audit annual letter and annual governance report;
- the judgements of a range of external inspection and other statutory bodies including the Local Government Ombudsman, the Care Quality Commission and the Office for Standards in Education

4. Key elements of the governance and internal control environments

The key elements that comprise the Council's governance arrangements are set out in the Local Code and they include:

- a Council Plan that sets out our vision for the community and the outcomes we intend to achieve;
- an established medium term planning process including the process for reconciling policy priorities with financial resources, which takes account of performance and the need to improve both customer focus and efficiency;
- a business planning and performance management framework which includes setting clear objectives and targets, both financial and otherwise;
- regular reporting of performance against the Council's key objectives, as set out in the Council Plan, to officers and Members;
- established budgeting systems, clear budget management guidance and regular reporting of financial performance against budget forecasts to officers and Members;
- financial management structures which promote ownership of financial issues within service departments;
- compliance with the Chartered Institute of Public Finance and Accountancy's Statement on the Role of the Chief Finance Officer;
- the Council's constitution which sets out clear arrangements for decision making, scrutiny, communication and the delegation of powers to officers and Members;
- codes of conduct for Members and employees which set out clear expectations for standards of behaviour;
- a clear framework for financial governance based on Procurement Standing Orders, Financial Regulations and Standard Financial Procedures;
- a risk management framework, which takes account of both strategic and operational risks and ensures that they are appropriately managed and controlled;
- Member committees with clear responsibilities for governance, audit and standards;
- established arrangements for dealing with complaints and whistle-blowing, and combating fraud and corruption;
- schemes for identifying the development needs of Members and officers, supported by appropriate training;
- strategies for communication and consultation with the people of East Sussex and our key stakeholders;
- clear guidance that promotes good governance in our partnership working;
- a range of policies and processes designed to ensure best practice and legal compliance for personnel matters, ICT security, access to information, data protection and project management.

5. Assurance and Significant Governance Issues

No assurance can ever be absolute; however this statement seeks to provide a reasonable assurance that there are no significant weaknesses in the County Council's governance arrangements. On the basis of the review of the sources of assurance set out in this statement, we are satisfied that the County Council has in place satisfactory governance arrangements, including a satisfactory system of internal control, both of which are operating effectively.

As part of our review, we have not identified any gaps in assurance over key risks or significant governance issues.

The Council will continue to regularly monitor issues that may seriously prejudice or prevent achievement of its key objectives through its strategic risk review process

Both governance and internal control arrangements must be kept under review to ensure that they continue to operate effectively and meet changing legislative needs, reflect best practice and our intention to achieve excellence in all our activities. The Council, through the Directorate Assurance Statements and the Chief Finance Officer's Assurance Statement, has identified a number of areas where it wishes to enhance its governance arrangements. These are set out on the attached Annex A together with the department responsible for them. Each Director has included in their Directorate Assurance Statement confirmation that the actions identified for 2019/20 have been completed or provided an update and explanation regarding progress.

A review of the Annual Governance Statement was undertaken by Internal Audit during 2019/20 and a provisional Substantial Assurance rating was given. This opinion means that controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives. The recommendations arising from the review have been implemented

The Council Plan identifies a number of areas that have governance implications and these will be monitored through the Council Plan monitoring process. The areas outlined in the attached Annex A will be monitored through departmental business plans.

The Council has also identified a need to develop its approach to transparency and to respond to the Government's open data agenda which will be monitored and managed.

Actions plans are in place to address these issues, and their implementation will be monitored and reviewed during the year.

A report from the Committee on Standards in Public Life included the following best practice recommendation: *Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas and minutes and annual reports in an accessible place.* Further detail regarding relevant bodies is set out in Annex B.

Councillor Keith Glazier, Leader
Becky Shaw, Chief Executive
2 October 2020

The following actions will be taken to strengthen governance, risk management and internal control environment during the current year. The actions are shown for each department and will be monitored through departmental business plans. Alongside these all departments will contribute to the council's Covid 19 response and recovery plan and consider what actions are required to return to business as usual and the identification of any learning (Ongoing)

Business Services (BSD)

- Implement Pension Fund's Good Governance Review (September 2020 and ongoing)
- Deliver priorities in the Orbis Business Plan (including savings) and managed progress through the relevant governance process (March 2021)
- Implement a new Property Asset Management System (January 2021) and asset maintenance contracts to ensure increased visibility of asset condition
- Implement a new target operating model for the property service (September 2020)
- Implement data improvement programme for Pensions administration (September 2020)
- Implement a project and portfolio management tool to ensure adequate control and governance over our change initiatives, ensuring they remain aligned with priorities and are adequately resourced and monitored post 'go live' to maximise benefits realisation (December 2020)
- Rollout the Contract Management Framework and training across the Council. The Framework will continue to evolve, with the addition of guidance around de-commissioning services and exit management (December 2020)

Children's Services

- Develop and monitor the multi-agency action plan to address the areas for development identified in the Joint Targeted Area Inspection of the multi-agency responses to children's mental health in East Sussex. Plan agreed July 2020
- Develop, monitor and report on the children and young people's priorities for the East Sussex Health and Care Plan and embed the new Children and Young People's Oversight Board (March 2021)
- Establish robust arrangements as the host authority and work with partner local authorities (West Sussex County Council, Surrey County Council and Brighton and Hove City Council) to establish Adoption South East as the Regional Adoption agency in line with government expectations and guidance (March 2021)

Communities, Economy and Transport

- Implementation of powers of entry actions identified by Internal Audit (August 2020)
- Review of progress and governance of the highways re-procurement project (Ongoing until contract award)
- Development of corporate strategy for the digital preservation of modern records and archive material (March 2021)
- Audit of grants and loans governance and process (March 2021)
- Review of our effectiveness as a statutory consultee on planning applications (March 2021)
- Review of highways cultural compliance actions identified by Internal Audit (March 2021)

Adult Social Care and Health

- Delivery of the Adult Social Care and Health Covid-19 Recovery Plan by August 2021

- Developing by December 2020 our East Sussex Integrated Care Partnership model to align with the priorities for the health and social care plan and delivering our objectives in 2020/21
- Establishing by December 2020 a shared understanding of our system financial model covering a 3 – 5 year period, including setting out the required shifts in investment to primary care and community services that will support the plan. More detail will be developed for 2020/21 and this will align with organisational budget-setting processes for future years, as well as any risk share arrangements that may be developed.
- Complete the review of Public Health and by March 2021 establish a delivery plan and governance arrangements to ensure all agreed proposals are delivered
- Complete an Adult Social Care Winter Plan that meets all requirements ESCC and DHSC requirements by October 2020
- Continue to review every three months the Local Outbreak Plan to ensure it reflects latest guidance, learning from outbreaks elsewhere best practice (ongoing)

Governance Services

- Implement and maintain revised decision-making arrangements as provided for in the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 to ensure that effective and lawful decisions can continue to be made during the Coronavirus pandemic. This will include providing appropriate training for councillors in relation to remote meetings and agreeing procedures for remote meetings. (Ongoing 2020)
- Implement revised arrangements for school admission appeals to be heard during 2020/21 in line with the The School Admissions (England) (Coronavirus) (Appeals Arrangements) (Amendment) Regulations 2020. (June 2020)
- Ensure decision-making arrangements and school admission appeal arrangements are revised to reflect any further Regulations published during the year as a result of Coronavirus. (ongoing throughout 2020/21)
- Undertake planning and preparation for the 2021 County Council elections and Member induction, including maintaining a risk log. (work will continue throughout 2020/21)
- Support implementation of the recommendations arising from the Internal Audit review of the of the online declaration of interest and gifts/hospitality system. (October 2020)
- Ensure updated legal advice provided as required in relation to changes to coronavirus legislation, including secondary legislation and newly issued guidance.
- Undertake work with the Judiciary to implement solutions to enable the progression of court proceedings in light of Covid 19 in order to avoid delays in relation to decisions being made for children and vulnerable adults.

Separate bodies owned or set up by the County Council

A report from the Committee on Standards in Public Life included the following best practice recommendation: *Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies.* Details regarding relevant bodies are set out below

TRICS Consortium Ltd – TRICS is an international system of trip generation analysis that is used in the transport planning industry. TRICS collect data relating to trip rates of different land uses, with members paying to access the database to use the data for a variety of uses.

What the relationship is between the body and the local authority	ESCC is a shareholder in TRICS Consortium Ltd. The Council has a 16.7% share - equal share with the five other county council shareholders
What is the structure and form of the body (eg private limited company etc)	TRICS is a local authority trading company. It has a board of directors (one from each of six counties that are shareholders plus a managing director). It is a private company limited by shares.
How the Council oversee its activities and provided assurance on its governance including financial governance	The ESCC nominated company director attends monthly board meetings to oversee the business of the company to ensure it is run to maximise the business for the benefit of ESCC. The ESCC Director shares the annual report with the relevant Head of Service.
What the relationship is between the body and individual councillors and whether councillor's' involvement is likely to constitute a conflict of interest	There is no relationship, aside from the Lead Member for Transport & Environment is updated on the work of TRICS through briefing meetings.
How can councillors scrutinise the activities of the body, in particular if it will fall within the remit of the audit or scrutiny committee, and if not, how else scrutiny will happen	The scrutiny of the work undertaken by the Body is through the planning process. The Council's role within the TRICS consortium falls within the remit of the Places Scrutiny Committee.
Designated Officer contact	Alex Jack, Communities, Economy and Transport

Woodland Enterprise Ltd. - The principal activity of the company is creating prosperity in woodland and wood using industries through sustainable development. The business works with woodcutters and other local businesses to promote sustainable use of wood.

What the relationship is between the body and the local authority	ESCC is a Member of this company. This is a company without shares but in terms of "influence" ESCC has one seventh (14.3%).
What is the structure and form of the body (eg private limited company etc)	The Company is limited by guarantee.
How the Council oversee its activities and provided assurance on its governance including financial governance	ESCC receives copies of Woodland Enterprise Limited's annual accounts. ESCC is required to disclose its interest in Woodland Enterprises in its own statements of accounts. A copy of the Woodland Enterprise Ltd annual accounts are requested each year and are included in the ESCC Statement of Accounts.
What the relationship is between the body and individual councillors and whether councillor's' involvement is likely to constitute a conflict of interest	The Council has appointed Councillor John Barnes to serve as a Director on the Board of Woodland Enterprise Limited. There might be possible conflicts of interest (eg. grant funding from ESCC etc).
How can councillors scrutinise the activities of the body, in particular if it will fall within the remit of the audit or scrutiny committee, and if not, how else scrutiny will happen	The Council's role within the Woodland Enterprise Limited consortium falls within the remit of the Place Scrutiny Committee
Designated Officer contact	Andy Fowler, Business Services

Sea Change Sussex is a trading name of East Sussex Energy Infrastructure & Development Ltd (ESEID Ltd) – This is a not for profit economic development company delivering capital infrastructure schemes in the County

What the relationship is between the body and the local authority	East Sussex is a member of Sea Change Sussex, with Councillor Rupert Simmons sitting on the Board of Directors. The company members do not hold shares, but have a percentage voting right in the company. The County Council alongside Rother District Council and Hastings Borough Council a 19.9% voting right in ESEID Limited company. The University of Brighton have a 30.1% voting right and local businesses the remaining 50%.
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	<p>Sea Change Sussex is a delivery partner developing and managing key economic development and infrastructure schemes in East Sussex. The partner delivers capital infrastructure schemes which unlock housing and employment sites in the county – this includes new site infrastructure (access roads) as well as employment space.</p> <p>These schemes are largely funded by external funding from either the South East Local Enterprise Partnership (SELEP) - Local Growth Fund capital grant programme or the SELEP - Growing Places Fund (GPF) loan programme or the Getting Building Fund (GBF) capital grant programme that Sea Change Sussex has secured, alongside some of their own capital receipts from the sale of commercial properties/land in their portfolio. East Sussex County Council acts as the Local Accountable Body for overseeing the devolution of funds from the SELEP to external partners such as Sea Change Sussex and has contract agreements in place for each scheme awarded.</p>
<p>What is the structure and form of the body (eg private limited company etc)</p>	<p>Not-for-profit economic development company limited by guarantee</p>
<p>How the Council oversee its activities and provided assurance on its governance including financial governance</p>	<p>The Lead Member for Economy (Cllr Simmons) is the Council appointed Director of the Sea Change Sussex Board and, supported by senior officers, attends the quarterly Board meetings. These meetings provide quarterly reporting on legal commitments, operations and finance statement and updates on all individual projects.</p> <p>As a scheme promoter of LGF, GBF and GPF funded projects, Sea Change Sussex enters into legal agreements for the County Council to monitor the delivery of this public funding and report back to SELEP. The authority to enter into these agreements is sought from the Lead Member for Strategic Management and Economic Development. Sea Change Sussex are bound by the terms of individual Grant and Loan agreements stipulating the guidelines for which Sea Change must adhere to.</p> <p>East Sussex officers regularly meet with Sea Change Sussex representatives and attend project progress meetings for individual schemes, along with attendance and participation at the SELEP Programme progress meetings.</p> <p>The Section 151 Officer carries out the stewardship role in terms of monitoring and accounting in respect of the financial case within the overall business case and agreeing to the receipt of the funding.</p> <p>Capital Programme management of projects includes financial management of the public funds, monthly invoicing and spend review with the delivery partner. This information is used to inform quarterly reports</p>

	<p>to Team East Sussex (TES), and SELEP and within the County Council, quarterly reporting to the Departmental (CET) Capital Board and Corporate Strategic Asset Board.</p> <p>A report is considered by the Lead Member for Strategic Management and Economic Development annually on the year-end financial statement of public funding (e.g SELEP Funding managed by ESCC (Local Growth Fund grants, Growing Places Fund loans, and more recently Getting Building Fund grant) invested in the delivery of the capital infrastructure delivered by Sea Change Sussex) and the forecast spend for the coming financial year, all of which are compiled with finance colleagues and signed off by S151 officer.</p> <p>Schemes can be subject to review by Internal Audit.</p>
<p>What the relationship is between the body and individual councillors and whether councillor's' involvement is likely to constitute a conflict of interest</p>	<p>Councillor Rupert Simmons, as the Lead Member for Economy, is a member on the Sea Change Sussex Board of directors and attends the quarterly Board meetings.</p> <p>Councillor Simmons regularly attends TES and occasionally attends SELEP Board and SELEP Accountability Board meetings as a substitute for Councillor Keith Glazer. If an agenda item relating to projects delivered by Sea Change Sussex is on the agenda, a declaration of interest is declared and recorded in the minutes.</p>
<p>How can councillors scrutinise the activities of the body, in particular if it will fall within the remit of the audit or scrutiny committee, and if not, how else scrutiny will happen</p>	<p>Councillor Keith Glazier sits on both the SELEP Board and SELEP Accountability Board and regularly attends meetings. In his absence, a member of the Cabinet attends meetings.</p> <p>There are scrutiny arrangements in place for all funding decisions taken by the Accountability Board. Under the SELEP Assurance framework, the Places Scrutiny Committee has the power to call in and scrutinise the decisions before they are implemented. Under the SELEP Accountability Board Joint Committee Agreement, each of the six Partner Authorities has the ability to challenge a decision made by the SELEP Accountability Board.</p> <p>Accountability Board decisions may be called-in by members of any Partner Authority in the same way they call-in decisions of their own executive arrangements, call-in may only be made if the decision affects that partner area. The 6 upper tier Authority Areas that form the SELEP are East Sussex, Essex, Kent, Medway, Southend and Thurrock.</p> <p>Furthermore, to facilitate Local Authority scrutiny of SELEP work and decisions, requests to attend Local Authority partner scrutiny committees are welcomed, and attendance prioritised.</p>
<p>Designated Officer contact</p>	<p>Richard Dawson, Communities, Economy and Transport</p>

South East Local Enterprise Partnership Ltd (SELEP Ltd) - Local Enterprise Partnerships (LEPs) were set up by Government in 2011 to identify and support local strategic growth priorities, encourage business investment and promote economic development. As one of 38 LEPs across England, the South East LEP is a business-led partnership between business, government, education and the third sector, plus other groups, covering the local authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock.

<p>What the relationship is between the body and the local authority</p>	<p>The County Council is a partner authority of SELEP Ltd – one of six county/unitary authorities, as listed above. The Leader of the County Council is a Company Director of SELEP Ltd. There are no shares/shareholders in the company. The County Council has one seat on the Board of Directors of SELEP Ltd, occupied by the Leader of the County Council.</p>
<p>What is the structure and form of the body (e.g. private limited company etc)</p>	<p>SELEP Ltd became a ‘company limited by guarantee’ in Feb 2020. SELEP Ltd has a Board of 20 Directors (plus an additional 5 co-opted Directors). East Sussex, Essex, Kent, Medway, Southend and Thurrock are members of the company. SELEP Ltd operates a federated model of governance, with four ‘federated boards’ covering its geography, allowing for decision-making and project prioritisation at a local level. The federated board for East Sussex is ‘Team East Sussex’ (TES).</p>
<p>How the Council oversee its activities and provided assurance on its governance including financial governance</p>	<p>The SELEP Strategic Board (Board of Directors) meets at least quarterly, so the Leader of the County Council can directly oversee the activities of SELEP Ltd.</p> <p>SELEP Ltd has also established the following groups:</p> <ul style="list-style-type: none"> • Accountability Board – a ‘joint committee’ made up of SELEP’s six county/unitary authority members, to oversee the financial governance of SELEP Ltd, responsible for the sign-off of all funding decisions. The Leader of the County Council is our representative on the SELEP Accountability Board. • Investment Panel – a sub-committee of the Strategic Board to act as an advisory committee on matters pertaining to project prioritisation, recommendations on provisional funding allocations and future priorities. The Leader of the County Council is our representative on the SELEP Investment Panel. • Senior Officer Group – an advisory group made up of a senior officer from each of SELEP’s six county/unitary authorities. ESCC’s Head of Economic Development, Skills, Culture and Infrastructure is our representative on the SELEP Senior Officer Group. <p>For projects within our local federated area, the County Council acts as the local accountable body for the defraying of funds (such as the Government’s Growing Places Fund, Local Growth Fund or Getting Building Fund) from SELEP Ltd to external partners. A Service Level Agreement (SLA) is in place</p>

	<p>between the County Council and Essex CC as the accountable body to SELEP Ltd, and the County Council's S151 Officer is required to sign-off on all contract agreements between the County Council and project promoters.</p> <p>All of the governance arrangements for SELEP Ltd are set out in the SELEP Articles of Association, SELEP Framework Agreement and SELEP Local Assurance Framework. ESCC senior officers, including the Chief Finance Officer, collaborated on the development of all of these documents, and they have been approved through our own internal governance procedures (Lead Member SMED and Governance Committee).</p>
<p>What the relationship is between the body and individual councillors and whether councillor's' involvement is likely to constitute a conflict of interest</p>	<p>The Leader of the County Council is a Company Director of SELEP Ltd, and has filed an appropriate declaration with SELEP Ltd in accordance with the SELEP Register of Interests policy. Where the Leader cannot attend a SELEP meeting, a substitute Cabinet Member may attend in their place, subject to full compliance with the same Register of Interests policy (the Lead Member for Economy has also filed an appropriate declaration with SELEP Ltd for such an eventuality). The declaration of a disclosable pecuniary interest does not apply where the interest concerned relates primarily to the general interest of any public sector member in her/his area of geographical responsibility; therefore the involvement of the ESCC Leader on SELEP Ltd is <u>not</u> likely to constitute a conflict of interest.</p>
<p>How can councillors scrutinise the activities of the body, in particular if it will fall within the remit of the audit or scrutiny committee, and if not, how else scrutiny will happen</p>	<p>The activities of SELEP Ltd do not fall within the remit of the County Council's audit or scrutiny committee, but SELEP Ltd does have its own scrutiny arrangements for all funding decisions taken by the SELEP Accountability Board, whereby each of the six county/unitary authority members of SELEP Ltd has the ability to challenge a decision made by the Accountability Board, and the scrutiny committees of the six county/unitary authorities have the power to call-in the funding decisions before they are implemented.</p>
<p>Designated Officer contact</p>	<p>Richard Dawson, Communities, Economy and Transport.</p>