

## East Sussex County Council Annual Governance Statement 2023/24

### Executive Summary

The Annual Governance Statement (AGS) explains the processes and systems which give assurance for the effectiveness of the County Council's discharge of its responsibilities. It covers the period 1 April 2023 to 31 March 2024.

A summary of assurance is given for each of the seven principles on which the Statement is based.

### The Purpose of the Governance Assurance Framework

1. East Sussex County Council (the '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 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.
2. In discharging this overall responsibility, County Councillors ('Members') and senior officers are responsible for putting in place proper arrangements for the governance of the 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, the Council has approved and adopted a Local Code of Corporate Governance (the 'Local Code'), which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA)/ Society of Local Authority Chief Executives and Senior Managers (SOLACE) Framework Delivering Good Governance in Local Government. A copy of the Local Code is on our website and is set out in Annex C. This Statement also sets out how the 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.
3. 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.
4. The Local Code can provide only reasonable and not absolute assurance that the Council achieves its aim of good governance. Equally, the Council's system of internal control is designed to identify and prioritise the risks to the achievement of 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.
5. The Local Code and the system of internal control have been in place at the Council for the year ended 31 March 2024 and up to the date of the approval of the statement of accounts.

6. The recently published 'Best value standards and intervention: a statutory guide for best value authorities' has been considered as part of producing the Annual Governance Statement. The Council's arrangements for monitoring performance ensures that recommendations for improvements are implemented. The targets set out at Annex E demonstrate the ongoing continuous improvement across all of the best value themes, which will be delivered at pace.
7. The East Sussex County Council Framework for the Annual Governance Statement is set out at Annex D.

### **Review of effectiveness**

8. The 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 Executive, Monitoring Officer, Chief Finance Officer and the Statutory Officers Group (SOG);
  - 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, ongoing 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 and Social Care Ombudsman, the Care Quality Commission and the Office for Standards in Education.

### **Key elements of the governance and internal control environments**

9. 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 CIPFA'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 and Contract 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 whistleblowing, 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.

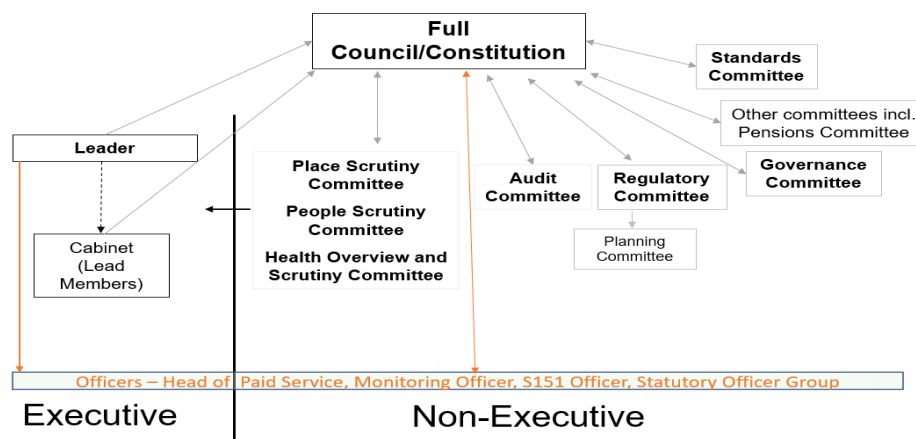
### The Governance Assurance Framework Principles

10. There are seven principles and sub-principles of Corporate Governance adopted by the Council, as set out below. Assurance for how they are met is provided in the text below each principle in this Statement. Whilst descriptions of how the principles are met are included in each section, this Statement should be viewed in its entirety as there is overlap between the principles and how they are met. Further work to be done is highlighted and set out at Annex E.

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

## The County Council's Governance Framework

11. The governance framework covers the allocation of functions, the rules for how they are carried out and the mechanisms for tracking that this happens correctly. The relationship of responsibilities is shown here:



### Section A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

#### Assured

The Council has high standards for sound governance as set out in law and government guidance. It promotes a culture of compliance.

The Council's codes of conduct set out expectations and requirements for behaving with integrity for both Members and officers. Action was taken to promote these and provide assurance that they continue to be implemented fully and correctly.

12. The Governance Committee oversees the democratic arrangements of the Council and reviews and advises Full Council on the Constitution. The Responsibility for Functions (including the Scheme of Delegation) and Standing Orders require Members and officers to ensure that all decisions are compliant with internal policies and procedures, as well as with the law. These help ensure transparent decision-making, giving authority and certainty to the allocation of responsibilities as set out in the Constitution.
13. Part 5 of the Constitution contains the Code of Conduct for Members. A parallel Code of Conduct for officers sits in the suite of employee policies. The Council has also adopted policies relating to responsibilities for ethical behaviour including equality and sustainability, such as the Equality of Opportunity and Diversity Policy Statement. Decision-making is supported by advice from officers and internal guidance that should ensure compliance with these policies.
14. The statutory roles of the Chief Financial Officer (s.151 officer) and the Monitoring Officer are set out in the Constitution and in the scheme of delegation. They provide oversight of propriety and lawfulness. They have a direct reporting line to the Chief

Executive and are involved in all major decision-making as part of the Corporate Management Team, as well as being signatories to all key and other significant decisions.

15. The codes of conduct define the standards of behaviour for Members and officers. All Members undertake training on the Member Code of Conduct. Member conduct is monitored by the Standards Committee, which has a remit to deal with complaints of breaches of the Member Code of Conduct. All Members complete the register of interests and receive quarterly reminders on the subject of personal interest declarations, and it is a standing item on all formal meeting agendas for both officers and Members. In relation to the appointment of Members to outside bodies, the Council will avoid structural conflict of interests where possible.
16. The Council has a whistleblowing policy to offer a route for challenges to processes or actions within the Council where complainants need confidentiality. The use and effectiveness of the policy is overseen by the SOG made up of the Chief Executive, Monitoring Officer, Chief Finance Officer, Chief Internal Auditor, Assistant Director for HR, and the Chief Operating Officer.
17. A system for recording officer interests, including gifts and hospitality, is in place and kept under review. A review of the system was undertaken in 2020 and actions were identified to improve the current system. The current system is situated within SharePoint 2013, support for which is soon to be withdrawn. Work is under way to migrate the system to SharePoint Online.
18. The Council's Procurement and Contract Standing Orders and the Financial Regulations and Procedures provide rules for lawful and sound processes for contract and spending decisions. These are managed by the Chief Operating Officer, Monitoring Officer, and Chief Financial Officer in consultation with the Governance Committee. These Standing Orders help ensure transparency and a Governance framework in relation to how decisions are made.
19. The Officer Scheme of Delegation is held under regular review by the Chief Executive and the Monitoring Officer, with any new delegations needing the agreement of the Leader of the Council (for executive functions) or the Governance Committee (for non-executive functions).

<b>Section B: Ensuring openness and comprehensive stakeholder engagement</b>
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The Council exists to serve its residents and is dependent on a wide range of stakeholders for working effectively in partnership.
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Consultation and engagement mechanisms are in place and are used effectively.
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The Council has clear decision-making processes and rules and procedures to enforce them which emphasise openness and transparency.
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### **Decision-making and Scrutiny**

20. The Council is the principal decision-making body and forum for political debate. All Council meetings take place in public and are webcast. The Council sets the strategic

aims that form the Policy Framework and determines the Council's budget following a well-developed process of Member engagement and scrutiny.

21. The Executive (Cabinet) takes decisions on most matters of Council policy and service delivery. The non-executive responsibilities of the Council are discharged through its non-executive committees as described in the Constitution. The Council appoints Members to Scrutiny Committees, by which Cabinet is held to account through Member overview and scrutiny. Scrutiny Committees are politically proportionate. Chairs and Vice-Chairs are appointed by Full Council. Influential scrutiny is achieved by ensuring the Scrutiny Committee's involvement in the Reconciling Policy, Performance and Resources (RPPR) process and having significant decisions or proposals previewed. Proposals may also be called in for scrutiny after a decision has been proposed in final form. The Council has determined that all Scrutiny Committee meetings take place in public and be webcast. An overview and summary of the work of the Scrutiny Committees is reported to the Governance Committee on a 6 monthly basis.
22. The Forward Plan describes all significant (key) decisions planned to be taken in the following four months and is published and updated at least monthly. The Forward Plan is used by Scrutiny Committees to help plan business. As decisions become more significant in terms of service changes and savings proposals there is a greater need to ensure early awareness by, and engagement with, all Members.
23. Decision-making operates with a presumption of openness. Cabinet, Lead Member and committee meetings are held in public. Members of the public can subscribe to email updates on Council committee meetings in which they have expressed an interest. Agendas and reports for Cabinet and committee meetings, unless considered exempt from publication, are published at least five clear working days in advance - exceptions are explained in public documents.
24. Decisions and agendas are held on the Council's website. The content management system, Modern.Gov, is the principal method of publishing the Forward Plan, decisions, agendas, and minutes. Members and staff have portable devices which can easily access Modern.gov information. The Constitution also prescribes the rules and constraints around urgent decisions (including those not notified in the Forward Plan). Key decisions taken under special urgency provisions (as set out in the Constitution) are reported to the Council. The report to the Council includes a summary of the decisions taken under these provisions.
25. To retain the benefits identified through remote meetings, the Council has agreed the following measures, which are permitted under existing legislation:

**Full Council** - All Council Members must attend in person.

**Cabinet** - all Members of the Cabinet must attend in person. Officers and other Members (including opposition spokespersons and local Members), as well as petitioners are permitted (with the agreement of the Chair) to attend and speak remotely.

**Planning Committee** - All Members of the Committee must attend in person. Officers and members of the public or local Members making representations are permitted to attend remotely.

At the Council's **Panels and Committees** (including Governance Committee, Pension Committee, Scrutiny Committees, Audit Committee and Health and Wellbeing Board) - Committee and Panel Members must be present in person (unless legally permitted to attend remotely). Other participants, including officers and advisors, may attend remotely.

**Pension Board** - may be wholly remote or a hybrid meeting with some Members present physically and others remotely at the Chair's discretion.

Lead Member decisions are not subject to the same legislation that applies to the majority of Council and committee meetings (i.e., that requires the Members of those committees to meet in person). The Council agreed that Lead Member decisions can continue to be made remotely on an ongoing basis, subject to the discretion of the Lead Member to hold a physical meeting if preferred. Other Members, with the agreement of the Lead Member, are able to attend and speak virtually at Lead Member meetings, whether the meeting itself is a remote or a physical meeting. All Lead Member meetings held remotely are webcast to facilitate public access and provision is made at County Hall for those members of the public who may not have access to the webcast to be able to watch it.

26. During 2023, the Council undertook a review of its process for considering Notices of Motion to ensure that the process remains efficient, effective and fit for purpose.
27. Full Council agreed, to retain the existing process whereby the Chairman of the Council determines the most appropriate route for the Motion to take. However, it was agreed that where a motion is referred straight to Full Council, it shall be accompanied by an officer briefing to ensure that full context and background information is provided. It was also agreed that where a motion is referred straight to Full Council, the deadline for submitting a Notice of Motion shall be twenty Working Days before the meeting at which it is to be considered. The revised process will be kept under review.
28. Communication to the public is via the Council's website, in public meetings, and through social media. The Council's corporate website meets legal requirements to ensure content is accessible to as many people as possible. A transition to the new, accessible corporate pages was completed in May 2022.
29. The Council works with a range of stakeholders. This includes a range of public bodies, local authorities, the NHS, and Sussex Police. Other tiers of local government are important partners in many areas of service delivery, strategic planning, and community development. There are both formal and informal forums in place for regular liaison with elected Members and senior officers in the district and borough councils, including regular meetings of all the leaders of the councils (East Sussex Joint Leaders Meetings), to discuss issues of common interest, and regular meetings of all chief executives, including the Chief Fire Officer, Chief Superintendent and the Chief Executive of East Sussex College Group (East Sussex Chief Executives Group). The Leader and Chief Executive of the Council are members of the East Sussex Strategic Partnership, which brings together public services, local businesses, community groups, and Voluntary, Community and Social Enterprise (VCSE) sector organisations to work together in a co-ordinated way to plan local services, tackle issues that matter to residents, and improve quality of life in East Sussex.
30. Regular meetings with other partners are held at various levels between officers to oversee operational, commissioning and service planning. For several years the Council has operated a joint service commissioning and pooled budget agreement with the NHS to cover a range of social care and NHS services, principally through the Better Care Fund.
31. The Sussex Integrated Care System (ICS) is made up of two statutory bodies; the Sussex Health and Care Assembly (the Integrated Care Partnership) and the NHS Sussex Integrated care Board (ICB). The Sussex Assembly is a joint committee formed by the NHS Sussex ICB with East Sussex County Council (ESCC), West Sussex County Council (WSCC), and Brighton & Hove City Council (BHCC). The Leader of the Council is a member of the Sussex Assembly (the ICP) in his role as Chair of the East Sussex Health

and Wellbeing Board, the principal forum for health and social care liaison and partnership. It was agreed in February 2024 that a new Independent Assembly Chair will be engaged by one of the Local Authorities on behalf of all four statutory partner members through a competitive selection process, with unanimous support for the successful candidate. The Chair will work closely with NHS Sussex ICB and all three Local Authorities to plan meetings and agendas in advance of meetings. ESCC will take the lead on recruiting the Independent Assembly Chair in 2024/25, and NHS Sussex will continue to publish the agendas, papers and meeting recordings on the Sussex Health and Care website. By agreement of the Chief Executives of each of the Councils, the three upper tier Councils in Sussex (namely East Sussex County Council, West Sussex County Council and Brighton and Hove City Council) are represented on the NHS Sussex Integrated Care Board (the ICB) by the ESCC Director of Adult Social Care and Health, the BHCC Director of Children's Services and the WSCC Director of Public Health. Each Officer provides a collective view from their professional peers drawn from across all three councils, which will alternate between professions on a timely basis.

32. The five-year Sussex Integrated Care Strategy 'Improving Lives Together' was approved by the Sussex Assembly in December 2022 which sets out our shared ambition for a healthier future for everyone in Sussex over the next five years. In line with the NHS England Joint Forward Plan guidance, the supporting Sussex Shared Delivery Plan (SDP) was developed and agreed by all system partners in July 2023, and covers areas for immediate, continuous and long-term improvement, as well as shared priorities specific to each of the three statutory Health and Wellbeing Boards and their populations in Sussex. Joint work takes place with the NHS on a pan-Sussex and Place (East Sussex) level which contributes to a range of service improvement objectives for the benefit of the East Sussex population.
33. Both the Strategy and the SDP build on our understanding of population health needs in East Sussex, and the refreshed East Sussex Health and Wellbeing Strategy 'Healthy Lives, Healthy People (2022 - 2027)'. Delivery plans reflect our shared HWB priority transformation programmes covering children and young people, mental health, community (and integrated community teams) and improving health outcomes. A core principle for this joint work is that the primary building blocks in Sussex are the three 'Places' (East Sussex, West Sussex and Brighton and Hove). East Sussex is clear that 'Place' is key to strategic leadership, local commissioning, and delivery in order to achieve the best health, care and wellbeing outcome for our population. This is operationalised through the East Sussex Health and Care Partnership which brings together local NHS partners with the County Council, Borough and District Councils, the VCSE Alliance and Healthwatch. The Partnership is accountable to the HWB and is the forum for local strategic management of integration and delivery of the SDP. There is a joint Executive Delivery Group that oversees system pressures, specific transformation programmes and the Better Care Fund (BCF), and a wider strategic Partnership Board.
34. The Council has set out its commitment to working in partnership with residents, businesses, communities, the VCSE sector, and local authority partners through a number of initiatives. It has a set of partnership principles with the VCSE sector for the commitment to more effective ways of working together, building stronger alliances, and empowering joint action.
35. The Leader of the Council is also appointed on behalf of the Council as a director of South East Local Enterprise Partnership Limited (SELEP). Following the government's announcement in August 2023 that the national network of local enterprise partnerships would no longer be funded beyond 2023/24 and that local enterprise functions would be transferred to the constituent upper tier local authorities, it was anticipated that SELEP would be wound up by 31 March 2024.



36. The functions that transferred to the Council on 1 April 2024 are business representation and strategic economic planning. The winding up the LEP is expected to take place in the 2024/25 finance year. The Leader will cease as a director of SELEP with effect from the date it is wound up.
37. Cabinet agreed the SELEP Transition Plan in March 2024 and the Council will enter into a Transition Agreement with Essex County Council (as the accountable body for SELEP), the other SELEP upper tier local authorities and the Department for Levelling Up, Housing and Communities later in 2024 to formalise the transfer arrangements.

### **Consultation and engagement in East Sussex**

38. The Council is committed to working with residents, businesses, communities, service users, and partners to help prioritise what it does, to give them a say over the approach and to have the chance to get involved in delivery and change. This requires sound arrangements for engagement and consultation.
39. The Council uses a variety of ways to engage residents and other stakeholders - publications (printed and digital), press releases and social media to keep people informed of plans or decisions, and engagement via questionnaires, public events, workshops, focus groups, satisfaction surveys and feedback forms.
40. In 2023 the Council developed a communications strategy setting out how ESCC's communications are designed to support the council's priority outcomes and keep residents well informed of services, information and activities that may be useful to them.
41. Consultation and Engagement Quality Assurance is managed within departments. Services must develop projects which are robust and produce reliable valid data upon which decisions can be made.

### **Formal consultation**

42. Formal consultation will generally only be undertaken where there is a statutory duty or legitimate expectation and where there is a service or policy need to do so. Consultations are carried out in accordance with current national Consultation Principles guidance and, where applicable, the Council's 'Statement of Community Involvement'. Individual services are required to maintain open channels of communication with relevant stakeholder groups and representative bodies where relevant to service planning.
43. All formal public consultations and engagement projects are made accessible online using the 'Citizen Space' consultation hub software. Other formats are available on request. They are also published on the Council's News and Press Release webpages. The Council ensures compliance with the public sector equality duty when processing and securing formal key decisions. The Council has taken steps to improve consistency and appropriateness of use of Equality Impact Assessments, and the template documentation for Key Decisions has been updated to include a prompt for officers to consider Equality implications. Further attention is required to ensure consistent compliance across all types of decisions.
44. The information gathered is analysed and considered as part of the decision-making process. Analysis reports and decisions are made available on the 'Citizen Space' engagement hub webpages as a means of ensuring clarity and increasing public trust in decision-making processes.

45. All elected Members, as part of their induction, were offered Equality, Diversity, and Inclusion in Leadership training to enable them to recognise the considerations that underpin fair decision-making in the Council and to ensure they can fulfil their legal obligations under the Equality Act 2010. All elected Members, as part of their induction, were offered “Let’s Talk Equality” training which explored language and terminology around equality characteristics as well as training on Census 2021 equality data.
46. The Council’s Corporate Equality Board continues to champion and support the integration of Equality, Diversity and Inclusion in day-to-day business throughout the Council’s services. Through its work, the Board helps the Council secure its vision of creating services that understand and effectively respond to our local communities and to meet its legal duties.
47. Through the Board, the Council develops and agrees an annual Equality, Diversity & Inclusion Action Plan. It defines priority cross-council functions for each year and the plan for 2024-25 will be agreed in May. Key successes from the 2023-24 Plan include:
  - updating the Council’s equality commitment, to reflect our approach and ambitions;
  - a joint project with the NHS to improve the quality of equality information we collect to better inform and improve service delivery and workplace activity;
  - further training and guidance has been provided to support strong recruitment practice to ensure the council recruits the best candidates for its diverse roles;
  - The recommendations of our workplace adjustment review have been implemented to strengthen support and streamline the process; and
  - further equality learning opportunities have been offered to all elected Members, including a session focused on Census 2021 data on ethnic minority people in the county and current issues.

The Council continues to implement its equality objectives as part of our public sector equality duty compliance.

48. The Council has a Petitions Scheme describing how petitions from residents are dealt with by the Council. These enable a petitioner to speak with a Cabinet Member or at a committee, or to the Council if prescribed thresholds for signatures are reached. A response is made to each petition, explaining what the Council will or will not do in response.

<b>SECTION C: Defining outcomes in terms of sustainable economic, social, and environmental benefits</b>
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**Assured**

The Council has established arrangements to define outcomes and monitor performance against agreed measures. These cover the strategic aims for supporting the economy, complement the social value policy of the Council and are built against a theme to address sustainability to support the Council’s climate change commitments.

In setting policies and strategies, the Council takes a long-term view of outcomes, taking into account sustainable economic, social, and environmental aims and has effective, comprehensive performance monitoring in place.

The corporate document 'the Council Plan' was adopted by the Council in February 2024. The Plan covers the period 2023-26 and performance has and will continue to be monitored in a structured, timely and transparent way by the leadership team, by Cabinet Members and through Scrutiny Committees.

49. The Council Plan 2024-2025 outlines the priorities for the Council over the next three years and how they are to be assessed in terms of delivery and measures to monitor performance. It was agreed by Full Council in February 2024 and is subject to quarterly performance monitoring by Cabinet and Full Council. The Council Plan was developed by the Cabinet and Corporate Management Team with the engagement of elected Members, Scrutiny Committees, and officers at all levels. Measures and targets were developed and approved as part of the agreed plan and are published online as well as being reported and scrutinised in public.
50. Active monitoring of performance is undertaken through regular reviews of business plans and with all staff through individual staff performance conversations. These arrangements link to performance and regular reviews of business plans. The Cabinet reviews the Quarterly Monitoring Report on a quarterly basis and this is reported to Full Council. The Council remains committed to the sustainable economic growth of East Sussex. Over the last year we have been developing a new strategy to guide the investment we and our partners make to achieve the growth and prosperity we aspire to. The strategy has been subject to wide ranging consultation, to ensure it reflects the needs of residents, businesses and stakeholders.
51. The strategy takes a long-term view, with a time horizon of 2050, and complements other related strategies around decarbonization, health & wellbeing, and transport. It is a strategy for East Sussex, and the membership of Team East Sussex (the de facto Growth Board for East Sussex), its sub boards such as Skills East Sussex, and Business East Sussex have been integral to its development.
52. Following the Council's Notice of Motion on climate change, agreed in September 2019, a Climate Emergency Plan was formulated with the aim for the organisation to achieve carbon neutrality from its activities as soon as possible and in any event by 2050. A [revised climate action plan for the period 2022-25](#) was adopted in February 2023 after Member engagement and scrutiny.
53. An internal Officer Climate Emergency Board is in place to lead and oversee the delivery of our climate change action plan. The Board reports on progress each year to Full Council. A dedicated budget of £9.867m is in place to deliver the action plan, supplemented by £1.9m of successful bids for external funding.
54. Following an internal audit review of the Council's arrangements in relation to climate change in 2022/23 which received an audit opinion of partial assurance, a follow-up audit was completed 2023-24. This resulted in an improved opinion of reasonable assurance.
55. Climate change is embedded in the Council Plan for 2023/24, in the corporate capital programme as a basic need, and in the corporate strategic risk register. Quarterly reporting to Cabinet and monthly management reporting (internal) will highlight progress on key climate change indicators.
56. The Council's Social Value Policy (adopted in September 2022) seeks to infuse Social Value into the Council's culture through Good Commissioning, Good Procurement and Good Contract Management. The Council's Social Value Review Group, which consists

of a group of subject matter experts, enables the Council to deliver real, meaningful value to local communities and residents.

57. The Place Scrutiny Committee carried out a Scrutiny Review of Procurement in 2022/23 which focussed on Social Value and 'Buying Local' policies and procedures. The Review considered a wide range of evidence and endorsed the Social Value Policy. The Review made nine recommendations for improvements to the Council's approach to Social Value, including: continued engagement and training on social value requirements; improvements in monitoring the delivery of social value commitments; changes to strengthen linkages between social value requirements and achieving the Council's objectives; changes in the Council's approach to carbon reduction and climate change measures; and a recommendation to conduct a trial with the Adult Social Care and Health department to pilot a more qualitative approach to measuring social value, which may have benefits for the Council, local communities, our Voluntary, Community and Social Enterprise partners.
58. In response to the Place Scrutiny Committee's review, the Chief Operating Officer and officers in Business Services devised an action plan setting out the steps the Council will take to deliver against the recommendations. The recommendations of the Scrutiny Review together the Chief Officer's Action Plan were presented to Cabinet for comment on 18 April 2023 and were accepted at Full Council on 9 May 2023.
59. Place Scrutiny Committee considered an update on the implementation of the Action Plan in March 2024 and were pleased with the progress that has been made; in particular, the Social Value trial. The Place Scrutiny Committee will consider a further update report in September 2024.
60. The Council adopted an Environmentally Sustainable Procurement Policy in 2022, in conjunction with Surrey County Council and Brighton & Hove City Council. This sets out a clear commitment to ensuring our operations are environmentally sustainable and resilient to future change through its procurement and supply chain activities and has been embedded in a number of contracts since it was adopted. In 2024 the policy was updated to improve the use of the waste hierarchy, promoting avoidance and reduction, inclusion of Carbon Reduction Plans and aligning it with emerging legislation.

<b>SECTION D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>
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The Council takes decisions on interventions based on the priorities agreed in the Council Plan. In areas identified for improvement, systems for governance, oversight, and scrutiny of interventions will continue to be given particular focus.
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61. In December 2023 the Council was inspected by the Office for Standards in Education, Children's Services and Skills (Ofsted) under the framework and evaluation schedule for Inspections of Local Authority Children's Services (ILACS). The service was judged to be good overall and outstanding for the experiences and progress of children in care. The report and its findings were reported to Cabinet in March 2024. The report identified a number of good areas of practice and three areas for improvement relating to the quality of plans for children and care leavers so that they are all specific, measurable and timebound; the recording of management oversight, supervision and direction; the oversight, timeliness and rigour of the response to children experiencing neglect, including children in Public Law Outline pre-proceedings, and in private fostering

arrangement. An improvement is being prepared and will be shared with Ofsted. The financial outlook faced by the Council represents a step change. Growth in need for the statutory, demand-led services for vulnerable children and adults which account for around three quarters of our budget, coupled with the escalation in costs being felt right across the Council, have significantly increased the expenditure required to maintain core services. Our increased costs have not been offset by additional income.

62. The demand for children's social care and complexity of cases has continued to increase nationally and locally; whilst locally the total number of looked after children has remained relatively constant, the cost of all placements but specifically residential and specialist placements has risen significantly. In line with many other councils, there are some instances when no placements are available and ESCC has had to use unregistered placements until a registered placement can be found. In all cases comprehensive risk assessments are undertaken, which have senior management oversight. Increased visiting by the allocated social worker is undertaken. Due diligence checks are undertaken on all agencies commissioned to provide care and support. In addition unregistered placements are scrutinised by the Head of Service for Looked After Children, and Assistant Director on a monthly basis and overseen at monthly DMT, and monthly updates are provided to the DCS, Chief Executive and Ofsted.
63. The Ofsted inspection of Children's Services in December 2023 highlighted that 'A very small number of children with highly complex needs live in unregistered children's homes. The arrangements are closely monitored and the search to identify registered and suitable provision to meet children's needs is an ongoing process'.
64. The Council has commissioned external consultants, IMPOWER to support Children's Services (CSD) make informed estimates on future numbers and trends in relation to children cared for by the Council and define current challenges and opportunities relating to sufficiency and children in care. In May 2023, a Steering Group to manage the project was established and terms of reference for the Steering Group agreed. The Steering Group is Chaired by the Director of Children's Services and includes the Director of Adult Social Care and Health, the Chief Finance Officer, officers from CSD, and IMPOWER. Progress updates on this work are regularly reported to CMT.
65. Work carried out by IMPOWER between May and July 2023 helped the Council better understand the challenges facing the Council as well as potential opportunities and new ways of working, by drawing on data analysis, benchmarking, and significant stakeholder engagement. Working with IMPOWER, CSD developed a set of interventions to enable the Council to realise the opportunities identified to reduce cost and improve outcomes. Together these interventions form a change programme focused on care and sufficiency and targeting improvement in outcomes and reduction in cost.
66. Phase 2 of the project was approved in July 2023 and work commenced at pace to ensure benefits realisation and mitigation of pressures could take place within this financial year. Phase 3 was agreed in October 2023 and saw the Council establish a Valuing Care Panel; role out further Valuing Care training, host a matching event with potential placements planned and delivered as well as the first set of fostering workshops completed.
67. Artificial Intelligence (AI) describes when computers act independently, in a way that resembles human reasoning. AI applies advanced analysis and logic-based techniques to interpret events, support and automate decisions, and take action. The future of AI in local government in the UK is a topic of increasing importance and interest. As AI technology continues to advance and become more widely available, local authorities are exploring how it could be used to improve key services and support communities. At the same time, there are concerns about the potential limitations and risks of using

AI in local government, and the need to carefully consider the implications of this technology.

68. The Council's Corporate Digital Board oversees the governance of AI. Throughout 2023/24 the Corporate Digital Board has been working to develop pragmatic Guidance, Guardrails and Governance for the Council's use of AI. The initial workstreams focused on a usage policy for generative AI, which was considered by CMT in April 2024, and agreeing a best practice model to manage demand for technologies like ChatGPT. Subsequent workstreams include developing and sharing best practice guidance and also exploring what an Ethics Policy should look like and where one would best fit within the Council's governance and policy structure. Pilots will be identified to ensure that development of support and guidance aligns closely with service needs.
69. In the medium term, it is proposed that the Corporate Digital Board will develop an underpinning strategic framework that interprets National AI Strategy into local context. This will set out clear foundations on which departments can innovate and shape their service response in a consistent way, all the while keeping abreast of the evolving regulatory landscape and enhanced technological developments.
70. All Directorates are expected to prepare and monitor Portfolio Plans which set out the actions required to meet the outcomes set in the Council Plan and the measures, targets and milestones used to monitor their delivery. These are in place and progress is reviewed regularly by Departmental Management Teams (DMTs) alongside financial performance and the directorate's risk register. The Portfolio Plans are refreshed each year as part of the annual update of the Council Plan.
71. The Quarterly Monitoring Report provides details of our performance against our objectives in the Council Plan. The Cabinet and Full Council review performance through quarterly monitoring and the work of the Scrutiny Committees and Audit Committee.
72. The Quarterly Monitoring Report provides an overview of performance against the agreed priorities within the Council Plan and tracks financial performance and our strategic risks to ensure intended outcomes are kept in focus and expenditure controlled. The Quarterly Monitoring Report focuses on the delivery of:
  - Council Plan and Performance Measures;
  - Medium Financial Term Strategy and in-year budget;
  - Strategic Risk Management.
73. All recommendations and findings made by the Ombudsman have been accepted and are recorded through the Quarterly Monitoring Reports.
74. Executive decision reports provide a public record of all significant decisions to implement service plans and spend. They are required to show the intended outcomes, the rationale for the proposal, implications for Council resources, other options considered, advice received, consultation undertaken and how risks are managed.
75. A number of officer boards chaired by senior officers ensure oversight of strategic areas of Council business on behalf of the Corporate Management Team. These boards coordinate subject matter expertise as well as overseeing arrangements for the delivery of priorities at an officer level, prior to Member consideration. They include the Corporate Equality Board, the Corporate Climate Emergency Board, the Communications Management Board, the Corporate Digital Board, the Customer Experience Board, the Capital Board and the HR Management Board.

## SECTION E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

### Assured

Officers and Members are expected to have a clear sense of their purpose, roles, and responsibilities in line with the Council's vision and the suite of policies and processes which support it.

The Chief Executive and the Corporate Management Team manage the Council's workforce, skills and resource planning. All officers are expected to have their performance monitored and their development needs identified and addressed. Specific attention is paid to programmes for leadership development. Work continues to enable the Council's leaders to promote a positive and supportive culture and to provide the means of enhancing or reinforcing good leadership skills.

The Council launched a second wave of its leadership programme (Ladder to Leadership) in September 2023. The programme is designed to encourage junior/mid-level managers to develop the skills required for senior leadership positions. This includes coaching, mentoring and masterclasses focussed on leadership styles and strategic leadership as well as the opportunity to work on inter-departmental projects. All senior leaders are also offered a series of masterclasses designed to support the development of Heads of Service and Assistant Directors. These masterclasses provide insight into key topic areas that are relevant for strategic leadership in the public sector.

A system is in place to ensure that all elected Members have an understanding of their roles and responsibilities when appointed or elected to particular positions within the Council. Members are expected to be able to fulfil the expectations and demands of their roles as local Members and those positions to which they may be appointed. Areas of focus for review are identified. Members have received training and support to help them to focus on the strategic nature of their roles.

### Members

76. Arrangements for the Council's Member appointments to specific roles are open and set out in the Constitution. The Council elects the Leader who decides the composition and responsibilities of the Cabinet. The Council makes appointments to all committees. Changes can be made at each Full Council meeting. All terms of reference are published. There is a system for reviewing and refreshing all constitutional terms of reference for committees and boards which transact Council business.
77. Member roles - Executive and non-executive roles are defined and published within the Constitution on the Council's website and as part of the Members' Area of the intranet. The Member induction and training programmes cover these roles. All Member development sessions have attendance and feedback recorded.
78. The knowledge and development needs of Members are identified and addressed through a cross-party Member Reference Group (MRG). The MRG oversees the delivery of a planned programme of development to meet Member training needs, taking into account Members' views on priorities through surveys and feedback. It reviews the impact of Member development work and identifies areas for improvement.
79. Two new members were appointed following by-elections in July and August 2023. Those members were provided with an induction following their election. Member Services have provided access to All Members to training sessions designed to help them focus on their strategic roles, including training relating to Fiduciary duties, planning

reform, the role of public health in local government, climate change, race equality in East Sussex, highways East Sussex, town and village green panels and treasury management. Courses on 'getting the most out of Microsoft' and questioning skills (scrutiny) have also been provided to Members. Members also received training on their duties around Member Interests and the Code of Conduct in September 2023. Guidance, which was agreed by the Governance Committee, has been developed and made available to members in relation to the use of social media.

80. Specialist training is given to Members according to the roles they carry out. This includes training for Cabinet Members, Members appointed to the Scrutiny Committees and Members of the Regulatory Committee, Audit Committee, Planning Committee, Pensions Committee and Appeals Panels. Enhanced DBS checks are carried out for Members in Adult and Children's Services related roles, with an online training module also available. As part of the Member Induction, training was also provided to ensure awareness of Information Governance and data protection responsibilities as they apply to elected Members. Members also received guidance on cyber security.

## Officers

81. Statutory roles include the designation of the Chief Executive as Head of Paid Service, the Assistant Chief Executive as the Monitoring Officer and the Chief Finance Officer as s.151 officer. Other critical statutory and leadership roles and their responsibilities are described in the Council's Constitution. These include the Director of Children's Services, the Director of Adult Social Care (ASC) and the Director of Public Health. All Directors are formally required each year to give assurance as to their compliance and that of their Service with a range of requirements and expectations of them as senior leaders within the Council.
82. All levels of management within the Council have a designated role profile and these profiles are accessible via the Council's intranet. Officers are given copies of their roles on appointment and are supported through induction training, their personal development review and supervision in understanding and developing their roles. Internally published HR procedures cover all aspects of performance and procedure to support managers.
83. Personal development priorities are agreed through a personal development review process. There is an established programme of induction training for new staff. Training is available increasingly through an online learning system. Leadership skills and development for senior officers is led by the Assistant Director of Human Resources and Organisational Development.
84. Issues of capacity and service resilience to ensure service effectiveness are covered through workforce planning as part of directorate business planning. Being an employer of choice is key to ensuring the Council can attract and retain the high calibre staff it needs. There are a number of initiatives underway that support this, including:
  - the implementation of hybrid working arrangements as part of the Workstyles review;
  - the launch of a new employer recruitment brand - 'We Choose East Sussex';
  - a range of targeted recruitment and retention strategies including a 'Refer a Friend Scheme', 'Apprenticeships Incentives Policy', an updated relocation policy, salary sacrifice schemes, employee loans policy and financial wellbeing resources;
  - targeted actions such as the use of market supplements etc. for specifically identified job roles where a particular focus is needed;
  - review of the corporate Equality, Diversity and Inclusion Action Plan which includes a number of workforce specific actions to support having a diverse workforce.



85. In April 2023 the Council launched an ‘Officer’s Guide to Governance’ as a reference guide for officers to understand how the Council’s governance processes operate. The Guide covers a range of topics including: the Council’s Constitution, the role of Members, Scrutiny, Procurement, Finance and Data & Information Management and draws together a range of information from other sources into a single document.

**SECTION F: Managing risks and performance through robust internal control and strong public financial management**

**Assured**

Risk management is robust overall and risks are being considered during business planning and decision-making processes, corporately and across all services.

Service and corporate performance management has been addressed in earlier sections of the report.

The Council has robust internal financial controls in place, displays strong public financial management and operates systems to manage risks and performance in the most effective manner.

86. The Constitution sets out the rules to ensure robust internal control over the Council’s finances. The system and arrangements for financial performance management and budget monitoring demonstrate sound internal monitoring and control and have formal and well published arrangements for Member and officer oversight and transparency.
87. The system of internal financial control is based upon a framework of comprehensive financial regulations and procedures which comply with the CIPFA ‘Good Practice Guide for Financial Regulations in a modern English Council’. Control is maintained through regular management information, supervision and a structure of delegation and accountability. External audit of the 2021/22 statement of accounts has now been concluded and Grant Thornton has provided their final report, which confirms an unqualified audit opinion. Grant Thornton reported the audit findings for the 2022/23 statement of accounts to the Council’s Audit Committee on 24 November 2023. At the time further work was required to conclude the audit and provide final sign off. The audit of the 2022/23 accounts is nearing completion in April 2024. The report confirms a draft unqualified audit opinion but sets out those matters that are yet to be concluded. A certificate of audit completion is anticipated in early or mid-April. The Council’s financial management arrangements conform to the governance requirements of the CIPFA ‘Statement on the Role of the Chief Financial Officer in Local Government 2010’. A continuous review is maintained. The Financial Regulations and Procedures are kept under review by the Chief Finance Officer.
88. In completing and signing the Directorate Assurance Statement, each Chief Officer reviews the effectiveness of governance arrangements, risk management processes and the system of internal control and considers:
- The adequacy and effectiveness of management review processes;
  - The work of the department’s management team and other managers and staff;
  - The regular review of the department’s performance against both financial and non-financial targets;
  - Outcomes from the strategic and operational risk management processes;
  - The level of compliance with the Council’s key policies and procedures;

- Relevant internal audit reports and results of follow-ups regarding implementation of agreed actions in relation to audit findings; and
  - Outcomes from reviews of services by other bodies including our external auditors, inspectorates and other statutory and regulatory review bodies.
89. Evidence of assurance given is supplemented in the Annual Assurance Statement for each directorate. These include actions for improvement. In 23/24 Internal Audit conducted an audit aimed to provide assurance over the extent to which policies and procedures exist which contribute to the Council's overall governance arrangements, and that Directorate Assurance Statements are in place to improve governance within individual departments of the Council.
90. The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:
- Activities to enhance Council governance arrangements, and therefore the integrity, transparency and efficiency of the Council, are taken in a timely manner by appropriate individuals;
  - Key policies and procedures that contribute to the Council's overall governance arrangements are in place and subject to regular review, update and approval;
  - Actions from the previous audit have been implemented as agreed.
91. The Audit was completed in 23/24 and provided substantial assurance.
92. The officer scheme of delegation is critical for the effectiveness of controls of spending and performance. Directors are required to ensure and confirm the effectiveness of the scheme of officer authorisation and have worked with the Assistant Chief Executive to ensure that there is shared understanding of the operation of delegations and the need to continually review them.
93. The County Council annually reviews the effectiveness of its governance framework including the system of internal control. The review is informed by the Chief Internal Auditor's Annual Audit Report and Opinion 2023/24, by the external auditor and other agencies and inspectorates. These findings are brought together within this Statement and are reported annually to the Audit Committee. The Audit Committee undertakes the functions of an audit committee. This includes review of the work and findings of Internal Audit. The audit arrangements which support and reinforce financial controls and assurance are fully addressed under Principle G below.
94. The appropriate management of risk is a fundamental element of the Council's ability to provide cost effective, quality services and to deliver its four priority outcomes. To achieve this, sound risk management policy and practice are firmly embedded within the culture of the Council, providing a proportionate and effective mechanism for the identification, assessment and, where appropriate, management of risk. In developing its Risk Management Framework, the Council recognises that risks cannot be fully managed and that, in being more innovative, efficient and effective in the delivery of its services, it may choose to take and/or accept more risk. Where this is the case, robust risk management practice will help ensure that the Council takes appropriately informed decisions, having properly evaluated the potential risks and the associated opportunities.
95. The Council's risk profile is dynamic and continually changing due to the influence of external factors and/or internal influences. The level of risk can alter and consequently, identified risks and associated mitigations are regularly re-assessed to address and combat the impact of these changes. In addition, new risks will periodically emerge which must be identified and analysed to reduce the Council's exposure to adverse risk.

96. Risk information is recorded within registers maintained at a corporate (strategic) level and individual department/divisional level. As a minimum, all risk registers should be formally reviewed and updated on a quarterly basis as part of the Council monitoring process. This process includes a review of departmental risk registers by each DMT, including any strategic risks for which the Chief Officer concerned has responsibility, prior to subsequent review by the Corporate Management Team. The Strategic Risk Register is also reviewed and updated by the Corporate Management Team prior to being reported to Cabinet and the Audit Committee.
97. As part of the above process, consideration is given as to the escalation and de-escalation of risks between the Departmental and Strategic Risk Registers.
98. There is a separate requirement for material risks connected with proposals, policies and spending decisions to be formally identified with actions taken to manage such risks in all recorded and published decision reports.
99. Risk management is delivered through robust directorate controls including the business planning process, supported by the Risk Management Framework. The Chief Operating Officer carries the operational officer responsibility for risk management. The Chief Executive is accountable to the Council for the effectiveness of the risk strategy.

**SECTION G: Implementing good practices in transparency, reporting and audit, to deliver effective accountability**

**Assured**

The Council has transparent processes in place through publication of the Forward Plan of key decisions as well as agendas and reports of its meetings and those of its committees. This includes key decision reports on the website and the prominence given to reporting and enforcing of agreed audit actions through the Audit Committee, which meets in public.

The Council has effective, open data reporting arrangements to ensure the accessibility of significant spend, contractual and other data relevant to financial performance. This has also been addressed through the development of the performance management reporting arrangements linked to the implementation of the Council Plan.

100. All meetings of the Full Council and of the committees which discharge executive, non-executive or scrutiny functions take place in public and have their reports and minutes published on the Council's website. Cabinet, Lead Member and Committee decisions, agendas and reports are published on the website and are available to the press and public. This is driven by the publication of the Forward Plan of key decisions. A limited number of reports are considered in private session, but only when the subject matter of the report meets the prescribed criteria set out in the Local Government Act 1972.

**Assurance and Significant Governance Issues**

101. The Audit Committee undertakes the functions of an audit committee. This includes review of the findings of Internal Audit. The Committee meets regularly and in public and holds officers to account for the timely implementation of agreed audit actions.
102. In 2021, the Council undertook a high-level a self-assessment of its governance arrangements in light of the 'Lessons Learned' report published by Grant Thornton in the same year. In 2023/24, the Council updated this self-assessment in light of the updated Grant Thornton report issued in September 2022. Additionally, the Council

carried out a self-assessment against the the ‘characteristics of a well-functioning authority’ and ‘potential indicators of failure’ identified by the Department for Levelling Up, Housing and Communities (DLUHC) in the draft statutory guidance, ‘Best Value Standards and Intervention’, issued in July 2023. The self-assessment found that the Council’s arrangements for governance are robust and well managed.

103. As a key part of its sector-led support programme, the Local Government Association (LGA) offers a Corporate Peer Challenge (CPC) to all councils, approximately every five years. LGA CPCs are intended to be a robust and effective continuous improvement tool managed and delivered by the sector, for the sector, with local government officers and members - as ‘peers’ - at the heart of the process. The Council’s latest CPC took place in June 2023. The review offered a timely opportunity to check in on the Council’s progress over the recent challenging years, including the impact of the pandemic, and to provide an external perspective on how the Council has been approaching future challenges and whether we are capturing all we can from national best practice.
104. As part of the CPC, the peer team considered five themes which form the core components of all CPCs, and which are critical to the Council’s performance and development: Local priorities and outcomes; organisational and place leadership; governance and culture; financial planning and management; and capacity for improvement. The public report produced by the LGA following the CPC was very positive, finding ESCC to be a well-run and well-managed council, a trusted and respected partner with a strong track record of service delivery. Following the CPC, the peer team made eight recommendations for areas to develop, building on strong foundations already in place. The Council’s response to the recommendations was reported to Cabinet in September 2023 and thereafter made publicly available.
105. No assurance can ever be absolute; however, this Statement seeks to provide a reasonable assurance that there are no significant weaknesses in the Council’s governance arrangements. On the basis of the review of the sources of assurance set out in this Statement (in Annex A), the LGA CPC and the self-assessments carried out, we are satisfied that the Council has in place satisfactory governance arrangements, including a satisfactory system of internal control, both of which are operating effectively.
106. The Annual Internal Audit Annual Report and Opinion provides an opinion on the adequacy of the Council’s control environment as a contribution to the proper, economic, efficient and effective use of resources. The Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. Annually, the Chief Internal Auditor is required to provide an overall opinion on the Council’s internal control environment, risk management arrangements and governance framework to support the Annual Governance Statement and this is provided in the Internal Audit Annual Report and Opinion. Based on the internal audit work completed, the Orbis Chief Internal Auditor has provided reasonable assurance that the Council had in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2023 to 31 March 2024.
107. Additionally, every five years, Orbis Internal Audit is subject to an independent external assessment, with the scope including assessment of compliance, benchmarking against best practice and assessment of internal audit’s profile and impact with client organisations. The most recent review was completed in Autumn 2022 by the Chartered Institute of Internal Auditors who assessed Orbis internal audit as achieving the highest level of conformance against professional standards, with no areas of non-compliance identified.

108. 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.
109. Both governance and internal control arrangements must be kept under review to ensure that they continue to operate effectively, meet changing legislative needs and 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 in Annex A to this Statement, together with the department responsible for them. Each Director has included in their Directorate Assurance Statement confirmation that the actions identified for 2023/24 have been completed or provided an update and explanation regarding progress.
110. In 2022 CIPFA updated its position statement on local authority audit committees and recommended that each local authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise. Also in 2022, the Council's external auditor recommended the Council to carry out a self-assessment of the effectiveness of the Council's Audit Committee in line with the National Audit Office's (NAO) 'Audit and Risk Assurance Committee effectiveness tool'. In October 2023, the Council agreed the proposal to add two co-opted independent members to the Audit Committee.
111. In addition, officers of the Council have carried out an assessment of the Audit Committee and members of the Audit Committee were asked to self-assess their skills, both of which were carried out by reference to the CIPFA Code of Practice. The outcome of the self-assessment were reported to the Audit Committee in March 2023. The two independent members of the Committee will be recruited in 2024/25 based on the skills gaps identified through the member self-assessment. The findings of the self-assessment were reported to the Audit Committee in March 2024. For the large part, the assessment identified full compliance to good practice; however, some areas that require improvement were identified. Actions to address these were included in the report to Audit Committee. In particular, a standalone Audit Committee Annual Report will now be presented to Governance Committee; the first one in June 2024 and the Audit Committee terms of reference will be reviewed to ensure clarity.
112. Internal Audit completed a review of the Annual Governance Statement (Directorate Assurance Statements and Policy Review) in July 2023. The audit provided assurance over the extent to which policies and procedures exist which contribute to the Council's overall governance arrangements, and that Directorate Assurance Statements are in place to improve governance within individual departments of the Council. The audit concluded substantial assurance.
113. 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 Annex A will be monitored through departmental business plans.
114. Details of bodies where the Council is a Member or appoints a Director are set out in Annex B. Where members are appointed to outside bodies, the Council avoids structural conflict of interests where possible.

**Keith Glazier Leader of the Council September 2023**

**Becky Shaw Chief Executive September 2023**

## Annex A - Sources of Assurance and Actions

### Key:

ACE = Assistant Chief Executive

ASC = Adult Social Care

CET = Communities, Economy and Transport

CFO = Chief Finance Officer

COO = Chief Operating Officer

HR&OD = Human Resources & Organisational Development

MRG = Member Reference Group

Table of assurance for Principle A: Integrity and Compliance

Source of assurance	Where found	Who is responsible	Role	last review/ action planned*
Constitution	Website and intranet	Full Council, Governance Committee and ACE	A single source for rules and procedure for lawful sound business and meeting management	Constitution has been reviewed and updated several times during 2023/24. Will continue to be reviewed on a regular basis
Code of Conduct for Members	Website, webshop for schools, intranet, Constitution	Standards Committee & ACE	Defines standards of behaviour and how to enforce them	Approved by the Full Council in May 2019. Reviewed by Standards Committee April 2023.
Code of Conduct for employees	Website, webshop for schools, intranet, Constitution	Governance Committee HR&OD	Defines standards of behaviour and how to enforce them	The Code of Conduct was last reviewed and updated in February 2024, and the following changes will shortly go to the Governance Committee for consideration: <ul style="list-style-type: none"> <li>To state that employees must not access any records that hold information on relatives or friends who access services from the Council.</li> </ul> <p>The document is considered fit for purpose for 2023-24 and beyond.</p>
Code on Officer / Member relations	Website and intranet	Governance Committee and ACE	Defines standards of behaviour and interaction between officers and members	Allegations of breaches of the Code by councillors are monitored.  Allegations of breaches by employees are monitored and dealt with by managers. There was no need to update the Code during 2023/24.
Whistleblowing Policy	Intranet	Governance Committee & All Chief Officers	Defines process to report breaches of rules or standards confidentially	Review as part of Counter Fraud Strategy (most recently in 2021). Approved by Audit Committee and Governance Committee.
Anti-fraud and corruption strategy	Intranet	COO	Statutory obligations recorded and enforced	A major review was undertaken in 2021 and the refreshed strategy and policy was approved by Audit Committee in 2021. The strategy remains fit for purpose and a refresh to the strategy will be considered following the publication of the revised Fighting Fraud & Corruption Locally Strategy (a guidance note for local authorities).

Source of assurance	Where found	Who is responsible	Role	last review/ action planned*
Anti-Money Laundering Policy	Intranet	COO	Statutory obligations recorded and enforced	Reviewed by Audit Committee 2021. Annual review of Policy and compliance as part of LEXCEL accreditation
Register of Member Interests	Website	ACE	Statutory list of interests	Entries updated on an ongoing basis. Quarterly reminders to Members to review.
Register of Officer Interests	Restricted access		Record of financial and conflicting business interests	On going review through regular reports submitted to SOG regarding system issues and actions
Corporate Complaints Policy	Website, intranet	Chief Executive & Governance Committee	Describes mechanism for handling all complaints	Reviewed annually. Quarterly reports raise awareness with heads of services and team managers of the number and nature of complaints being received.  *Action to have an ongoing dialogue regarding sharing lessons learnt within the complaints team and colleagues handling complaints across the Council.
Employment Policies	Intranet	Governance Committee and Assistant Director HR&OD	Defines rules of conduct and procedures to manage	Policies reviewed in line with changes in legislation and best practice
Information Security Policy (including Data in transit) and Data Protection Policy	Intranet	COO	Defines rules and procedures to protect data.	Reviewed and updated March 2023. *Improvements are informed by feedback from the Information Governance Board (IGB) and the Information Security & Governance Group (ISGG) Guidance documents have also been created to accompany policy. A training and awareness programme is ongoing which includes raising awareness of relevant policy. Training is deployed to ensure comprehensive awareness of information governance and security including tests of understanding.
Freedom of Information policy	Website	Director of CET	Defines rules and procedures	Policy reviewed in 2023/24. *Encourage services across the Council, on an ongoing basis, to make more information available on the website for the public.
Procurement and Contracts Standing Orders	Website, Constitution	COO	To prescribe the rules for all contracts and procurement activity	Reviewed January 2022. The production of the Procurement and Contract Standing Orders are developed in conjunction with our stakeholders and our processes are subject to ongoing review. A series of procurement activities are selected for Audit across each financial year. In addition, we provide reports back to Statutory Officer's Group on a regular basis about the processes we support.

**Table of Assurance for Principle B: Openness and Stakeholders**

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Scheme of Delegation	Website, Constitution	Full Council, Governance Committee & All Chief Officers	To fully define who takes what decisions and how and how recorded	Scheme updated in 2023/24. Action to continue to monitor and update. Ensure that Internal Schemes of Authorisation are updated accordingly
Forward Plan	Website	ACE	Describes planned key decisions for next 4 months	Ongoing
Scrutiny Committee business planning	Scrutiny Committee reports	Statutory Scrutiny Officer	Records planned scrutiny work	Continuous with annual work programme published with each Scrutiny Committee agenda
Openness and access to meetings/ decisions.	Constitution and Website	ACE	Describes rules and process for ensuring transparency of business	Web casting of meetings extended to all formal meetings during 2020 during Covid restrictions. Meetings held remotely/hybrid continue to be webcast
Equality , Diversity and Inclusion Commitment	Website And decision-making protocol	Chief Executive. Relevant Director (for decisions) COO (for staff)	Source of guidance for ensuring compliance with public sector equality duty	Reviewed in 2023 and changed from the Equality Policy to Equality, Diversity and Inclusion Commitment.
Health and Wellbeing Board arrangements	Constitution	Director of ASC	Forum for strategic joint business and service oversight	Terms of reference were reviewed again in June 2022 to reflect ICS changes.

**Table of Assurance for Principle C: Sustainability**

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Our Council Plan	Website	Ful Council, Cabinet & Chief Executive	Describes the measure and targets for key corporate & service aims	The County Council agreed current Plan in February 2022. Quarterly reports to Cabinet and Full Council
Climate Change Strategy	Website	Director of CET	Sets Council's commitment to becoming carbon neutral and climate resilient by 2050 at the latest	The Climate Emergency Plan was in 2020. Annual report on progress submitted to the Cabinet and Full Council January 2023.

**Sources of Assurance for Principle D: Optimising Interventions**

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Policy, Performance and Resources Reports	Website	Chief Executive & Cabinet and	Reviews policy and financial and operational performance	Regular reports to Full Council, Cabinet and Scrutiny Committees
Executive Decisions process	Website	ACE	To record rationale, legality and financial compliance of decisions	Format revised 2018. New publication system by Modern.gov 2018 Kept under review by Member Services
Business Plans	Share Point	All Directors	Record of actions and objectives for delivery of Our Council Plan	Annual. Action taken to ensure better coordination of plans between Directorates implemented as part of Our Council Plan
Financial Regulations (FR) and compliance with Financial Management Code (FMC)	Website, Constitution	CFO	Provide sound systems for financial management	FR - Revision February 2019. Further review in May 2022. FMC - annual compliance report to Audit Committee



### Sources of Assurance for Principle E: Leadership Capability

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned
Scheme of delegation	Website, Constitution	Full Council, Governance Committee, All Chief Officers	Formal allocation of key roles and functions, including Statutory and senior officers	Scheme updated several times in 2023/24. *Action to continue to monitor and update. *Ensure that Internal Schemes of Authorisation are updated accordingly.
Budget, including medium term financial plan (MTFP)	Reports to Cabinet and Full Council	County Council Chief Executive, CFO	To agree a sound budget and financial strategy	Budget set in February 2023. The MTFP is subject to review as part of the RPPR process
Member Training and Development	Councillors' area of intranet	Governance Committee, MRG, ACE	Plan and record all Member training	Plan reviewed as part of the induction arrangements for August 2023 onwards. Survey undertaken annually with councillors to identify training needs. Rolling plan that is updated during the year and Members are surveyed to help identify training needs.
Employment Policies	Intranet	Governance Committee, HR&OD	Describe all officer duties, rules and requirements	Policies reviewed in line with changes in legislation and best practice
Workforce Planning arrangements	HR policies and Directorate plans	Relevant Director	Provides rationale and scheme for ensuring resilience and capacity	Particular focus on service improvement plans
Staff role profiles	Intranet	Heads of Service	Describe all officer roles	Updated as roles change
Member Induction Programme	Intranet	MRG, ACE	To determine the content of the programme	Plans completed in August 2023 following two byelections. The induction will be comprehensively reviewed throughout 2024 ahead of the elections in 2025.
Officer Performance management	Intranet	HR&OD & all Directors for delivery	To manage performance and development	Annual performance review process for all staff

### Sources of Assurance for Principle F: Risk and Performance

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned
Governance Statement	Website	Governance and Audit Committees, ACE	Captures all sources of governance assurance	Annual (this document)
Guidance to Members on Outside Bodies	Website, Constitution	ACE	To provide guidance to Members in relation to roles and responsibilities when appointed to outside bodies	Reviewed March 2024. Two training sessions to Councillors as part of the induction programme in 2023.
Local Code of Corporate Governance	Governance agenda	Governance Committee ACE	To confirm the corporate governance principles in place	Reviewed on an annual basis
Risk Management Framework	Intranet	COO	Strategic aims and objectives for corporate risk management	Last updated in May 2022 and subject to regular review ESCC is committed to formalising the training for Audit committee members, in line with the CIPFA Position Statement 2022. This will cover risk management.

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned
Health and Safety Policies	Intranet and Webshop for schools	Assistant Director HR&OD	Provides rules, procedures and systems for assurance in relation to health and safety at work and in relation to property risk	All policies regularly reviewed. *Action to continue the regular policy review with the consideration of accessibility.
Internal Audit Function	Website, Constitution	Audit Committee Chief Internal Auditor COO	To manage and ensure the effectiveness of Audit	External Quality Assessment of Internal Audit in accordance with the Public Sector Internal Audit Standards. Annual internal audit report and opinion review. Quarterly internal audit report to the Audit Committee. Annual External Audit Plan. Annual Audit Letter
Treasury Management Strategy	Website	COO	For sound strategy to limit risks to borrowings and investments	Reviewed and updated by Council February 2023
Financial Regulations (FR) and compliance with Financial Management Code (FMC)	Website, Constitution		To prescribe the rules for all financial transactions in line with Financial Management Code.	Due to the delay in Oracle go-live, there will be a Financial Regulations review in 24/25, to take into account the impact of the new system
Business Continuity	SharePoint	Director of CET	To provide safe systems and procedures to manage local and civil emergencies	The policy was reviewed in March 2024.  The Action log held through BC management team meeting. The audit suggested all Business Impact Assessments be aligned which has now been implemented.  eLearning module for new starters is being produced. BC Exercises are taking place in different departments. Further testing. BC exercise is being planned for BC week.

#### Sources of Assurance for Principle G: Audit and Transparency

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned*
Internal Audit Function	Website, Constitution	Audit Committee Chief Internal Auditor COO	To manage and ensure the effectiveness of Audit	External Quality Assessment of Internal Audit in accordance with the Public Sector Internal Audit Standards. Annual internal audit report and opinion review Annual internal audit report and opinion review. Quarterly internal audit

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned*
				report to the Audit Committee. Annual External Audit Plan. Annual Audit Letter
External Audit of Accounts	Website	COO, CFO	To give external assurance to the quality of the Council's accounts and accounting practice	The 2022/23 audit is completed and the report was published in November 2023.

**Annex B - Separate bodies where the County Council is a member or appoints a Director**

**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	East Sussex County Council 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 (e.g., private limited company etc.)	TRICS is a local authority trading company, and is a company limited by shares. 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 East Sussex County Council 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 East Sussex County Council. The East Sussex County Council Director shares the annual report with the relevant Head of Service.
What the relationship is between the body and individual councillors and whether councillors' 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	Michelle Edser , 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	East Sussex County Council is a member of this company. This is a company without shares but in terms of "influence" East Sussex County Council has one seventh (14.3%).
What is the structure and form of the body (e.g., 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	East Sussex County Council receives copies of Woodland Enterprise Limited's annual accounts. East Sussex County Council 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 East Sussex County Council Statement of Accounts.
What the relationship is between the body and individual councillors and whether councillors' involvement is likely to constitute a conflict of interest	Councillor Kirby-Green has been appointed to serve as a Director on the Board of Woodland Enterprise Limited. There might be possible conflicts of interest (e.g. grant funding from East Sussex County Council, 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	East Sussex County 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

**East Sussex Energy Infrastructure and Development Ltd (ESEID Ltd) trading as 'Sea Change Sussex'**- This is a not-for-profit economic development company delivering capital infrastructure schemes in the County

<p>What the relationship is between the body and the local authority</p>	<p>East Sussex County Council (with others including Rother District Council and Hastings Borough Council) is a member of Sea Change Sussex. The Council is entitled to appoint a Director to the Board of Directors - Councillor Bennett is appointed to this role. As Sea Change Sussex is a company limited by guarantee without share capital its members do not hold shares, but have a percentage voting right in decision-making by members of the company. The County Council alongside Rother District Council and Hastings Borough Council have a combined maximum voting right of 19.9%. Hastings Borough Council and Rother District Council currently do not have Directors appointed to the Sea Change Sussex Board and so East Sussex County Council is currently the only active A Member.</p> <p>Sea Change Sussex develops and manages key economic development and infrastructure schemes in East Sussex. The company 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 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 grant or loan agreements (as applicable) in place for each scheme awarded.</p>
<p>What is the structure and form of the body (e.g., private limited company etc.)</p>	<p>Private company limited by guarantee without share capital.</p> <p>The company has four classes of membership:  A Members - East Sussex County Council together with Hastings Borough Council and Rother District Council;  B Members - Hastings, Bexhill and East Sussex Business Association Limited;  C Members - representative(s) of the education sector;  D Members - representative(s) of the voluntary and community sector.</p> <p>Under the company's articles of association, so long as there are at least three A Members, one B Member and one D member, votes cast by the B member constitute 50% of the voting rights. The aggregated voting rights of C members constitute no more than 19.9%.</p>
<p>How the Council oversee its activities and provided assurance on its governance including financial governance</p>	<p>Councillor Bennett is the East Sussex County Council appointed Director of the Sea Change Sussex Board of Directors and 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 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 on a project by</p>

	<p>project basis. Sea Change Sussex are bound by the terms of individual Grant and Loan agreements stipulating the guidelines which Sea Change Sussex 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 Sea Change Sussex. This information is used to inform quarterly reports 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 East Sussex County Council (Local Growth Fund grants, Growing Places Fund loans, and more recently Getting Building Fund grant) including that 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 councillors' involvement is likely to constitute a conflict of interest</p>	<p>Councillor Bennett is a director of the company on the Sea Change Sussex Board of Directors and attends the quarterly Board meetings.</p> <p>If reports relating to Sea Change Sussex were to be considered by Full Council, Cabinet or any Committees that Councillor Bennett attends, he would declare an interest as a Director of Sea Change Sussex.</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 Council has appointed Councillor Bennett as a director to the Sea Change Sussex Board of Directors. Councillor Bennett attends Board Meetings at which progress reports on projects are considered.</p> <p>Councillor Keith Glazier sits on both the SELEP Strategic Board and SELEP Accountability Board and regularly attends meetings. The Accountability Board receives updates on project progress, which include projects delivered by Sea Change Sussex and therefore provides a level of assurance or a forum for raising concerns.</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>
Designated Officer contact	Richard Dawson, Communities, Economy and Transport



**South East LEP Limited (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.

*Note: following an announcement by the Chancellor at the Spring 2023 Budget that he was ‘minded to’ discontinue funding for LEPs from April 2024 onwards, SELEP took the decision to wind-up its operations by the end of the 2023/24 financial year, and integrate all of its functions into its constituent Upper Tier Local Authorities. Government confirmed its position in August 2023, announcing that it would not continue to fund the national network of LEPs from 2024/25. SELEP continued to operate throughout all of 2023/24 while the LEP Transition process was implemented. SELEP will cease operations and be formally drawn to a close, with the Company Directors of SELEP Ltd (including the Leader of the County Council) ceasing their Directorships, during Q1 of 2024/25.*

<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 and has one seat on the Board. The Leader of the Council (Councillor Glazier) is the East Sussex County Council appointed Company Director of SELEP Limited occupying this seat. As SELEP Limited is a company limited by guarantee without share capital there are no shares/shareholders in the company. The Council has one seat on the Board of Directors of SELEP Ltd, occupied by the Leader of the 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"> <li>• 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.</li> <li>• 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.</li> <li>• Senior Officer Group - an advisory group made up of a senior officer from each of SELEP’s six county/unitary authorities. East Sussex County Council’s Head of Economic Development, Skills, Culture and Infrastructure is our representative on the SELEP Senior Officer Group.</li> </ul> <p>For projects within our local federated area, the 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 between the Council and Essex CC as the accountable body to SELEP Ltd, and the Council’s S151 Officer is required to sign-off on all grant and loan agreements between the Council and project promoters.</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. Senior officers of the Council, 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).
What the relationship is between the body and individual councillors and whether councillors' involvement is likely to constitute a conflict of interest	The Leader of the 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 attends as substitute and 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 East Sussex County Council Leader on SELEP Ltd is <u>not</u> likely to constitute a conflict of interest.
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 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.
Designated Officer contact	Richard Dawson, Communities, Economy and Transport

**Hastings and Bexhill Renaissance Ltd (HBRL)** - This is a company limited by guarantee without share capital offering business support services for economic development and to improve local education

<p>What the relationship is between the body and the local authority</p>	<p>Alongside Rother District Council, Hastings Borough Council, East Sussex County Council is a Member of Hastings and Bexhill Renaissance Ltd (HBRL) which trades as 'Seaspace'. HBRL was established as part of the transition arrangements agreed between Government and the South East England Development Agency (SEEDA) and associated organisations. The responsibility for the management of the land and assets SEEDA had acquired was entrusted to HBRL. HBRL no longer holds any land or assets of significance. Hastings Borough Council and Rother District Council currently do not have Directors appointed to the HBRL Board and so East Sussex County Council is currently the only active A Member.</p> <p>The Articles of Association for HBRL identifies that the Members are divided into three classes of membership:</p> <ul style="list-style-type: none"> <li>A. Each of the Councils</li> <li>B. Hastings, Bexhill and East Sussex Business Association Limited</li> <li>C. Up to seven other Members</li> </ul> <p>Councillor Bennett sits as a Director on the Board of Directors alongside the above representatives.</p> <p>The company Members do not hold shares but have a percentage voting right in the decision-making by the members of the company. The local authorities between them have a maximum aggregated voting right of 19.9%.</p>
<p>What is the structure and form of the body (e.g., private limited company etc.)</p>	<p>Private company limited by guarantee without share capital.</p>
<p>How the Council oversee its activities and provided assurance on its governance including financial governance</p>	<p>Annual General Meetings (AGM) attended by the Directors (Councillor Bennett is the Council appointed Director on HBRL) are held where the following agenda items are considered:</p> <ul style="list-style-type: none"> <li>- the Annual Accounts</li> <li>- Key Issues Memorandum</li> <li>- Letter of Representation</li> </ul> <p>The Council appointed Director's attendance at the AGM is supported by a senior officer.</p>
<p>What the relationship is between the body and individual councillors and whether councillors' involvement is likely to constitute a conflict of interest</p>	<p>Councillor Bennett, as a Director of the company, attends the AGM as the Council appointed Director to HBRL.</p> <p>If reports relating to HBRL were to be considered by Full Council, Cabinet or any Committees that Councillor Bennett attends, he would declare an interest as Director of HBRL.</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 Council's role in HBRL falls under the remit of the Place Scrutiny Committee.</p>
<p>Designated Officer contact</p>	<p>Richard Dawson, Communities, Economy and Transport</p>

### Combe Valley Countryside Park (CVCP) Community Interest Company (CIC)

<p>What the relationship is between the body and the local authority</p>	<p>East Sussex County Council is a member of the company. East Sussex County Council has one vote on the Board (equal to all other board members). Cllr Beaver has been appointed by the Council to sit on the Board of Directors.</p>
<p>What is the structure and form of the body (e.g., private limited company etc.)</p>	<p>The Company is a private company limited by guarantee and a Community Interest Company. The company is a not-for-profit organisation.</p> <p><b>The other Members of the company are:</b></p> <ul style="list-style-type: none"> <li>- Hastings Borough Council;</li> <li>- Rother District Council;</li> <li>- Crowhurst Parish Council;</li> <li>- Friends of Combe Valley;</li> <li>- Bourne Leisure Limited;</li> <li>- Kitchenham and Worsham Farms.</li> </ul> <p>In February 2022 the Board approved a new company structure with 12 Directors as follows:</p> <ul style="list-style-type: none"> <li>• 8 Co-opted Directors: 6 from Company Members and 2 independents appointed by the Board;</li> <li>• 4 nominated by Local Authority company Members.</li> </ul> <p>This proposal is due to be put to Members for approval in June 2022. Currently there are 15 Directors. 8 Co-opted (as above) and 7 nominated by Local Authority Members.</p> <p>The Boards role is to provide leadership and oversight of all the CIC activities and is primarily concerned with strategy, planning, fundraising &amp; development and governance. The CIC has appointed Groundwork South as their managing agent (via an agreed SLA) who report progress back to the Board.</p>
<p>How the Council oversee its activities and provided assurance on its governance including financial governance</p>	<p>The Council appointed two Members of the Council to sit as Directors on the Board of Directors. On 14 March 2022, the Lead Member for Transport and Environment considered a report regarding the Council's representation on the CIC and agreed to support a proposal to reduce the number of Council appointed Directors from two to one. The Council still has one vote on the Board.</p> <p>The East Sussex Councillor Representative attends CIC board meetings.</p> <p>The Board meets 4 times per year, standing papers and minutes are circulated to all Directors. Annual accounts are approved at the February Board meeting and are submitted to Companies House, so are publicly available.</p> <p>Local Authority officers attend the Board meetings which enables them to contribute to discussions of the Board as appropriate. Officers are not Directors so as such do not have voting rights. The CIC has established a Local Authority</p>

	<p>Officers Group which includes the representatives to the Board meeting and other officers. This group meets 2/3 times per year to take forward project ideas and support the process of project approval and delivery.</p> <p>The directors have equal votes at CVCP CIC meetings, except for decisions related to the appointment or removal of a majority of Directors, where Local Authority voting rights are restricted to 49%.</p>
What the relationship is between the body and individual councillors and whether councillors' involvement is likely to constitute a conflict of interest	The East Sussex Councillor Representative attends CIC board meetings and has voting rights. There could be potential conflict of interest if the CIC Board need to make decisions with regard to matters being promoted by the County Council. This is kept under review.
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	By being present at the CIC meetings and making comments/voting on proposals being put forward by the CIC. Progress reports and management accounts are provided to the Board quarterly and annual accounts are presented to the Board for approval annually.
Designated Officer contact	Virginia Pullan, Communities, Economy and Transport

## Annex C - Code of Corporate Governance

Sets out the County Council's commitment to achieving good governance

Key points:

- Good governance is 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
- The Council is committed to the principles of good governance, and has adopted the seven core principles of the CIPFA/SOLACE framework
- The Council expects Members and staff to uphold the highest standards of conduct and behaviour and to act with openness, integrity and accountability when carrying out their duties
- The Assistant Chief Executive will report annually on compliance with this Code and the effectiveness of the Council's governance arrangements and this will be the basis for the production of the Annual Governance Statement

### 1. Introduction

1.1 This Code sets out for Members and officers the main principles of good governance for East Sussex County Council. It is based on existing good practice within the Council and is consistent with the CIPFA / SOLACE framework for "Delivering Good Governance in Local Government".

### 2. What is good governance?

2.1 Good governance is 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.

2.2 It comprises the systems, processes, cultures and values by which the Council is directed and controlled. Through effective governance the Council is accountable to, engages with and, where applicable, leads the community.

### 3. Purpose of the Code

3.1 This Code is the framework within which the Council is accountable to its users, stakeholders, and the wider community. It sets out and describes the way in which the Council carries out its functions through its Members and officers, and the procedures and processes through which it undertakes its work, and through which it aims to establish and maintain public confidence.

### 4. The Council's fundamental principles of good governance

4.1 The Council is committed to the principles of good governance, and has adopted the seven core principles of the CIPFA/SOLACE framework as follows:

- 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 individuals within it
- Managing the risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

4.2 The key policies that underpin the Council's compliance with these principles are set out in Annex A.

4.3 The Council recognises that establishing, maintaining and reporting a culture of good governance is as important as putting in place a framework of policies and procedures.

4.4 The Council expects Members and staff to uphold the highest standards of conduct and behaviour and to act with openness, integrity and accountability when carrying out their duties:

- Openness is required so that people can have confidence in our staff and our decision-making and management processes. We need to be as open as possible about the decisions we make and the reasons we have made them. Consulting openly and providing access to full, accurate and clear information helps us stand up to public scrutiny.
- Integrity means straightforward dealing that is based upon honesty, selflessness and objectivity. The public expects us to manage public funds and the Council's affairs properly and appropriately, maintaining the highest standards in all our activities. We must act in the public interest not for personal gain. We will serve the whole community and remain committed to the promotion of equalities and diversity.
- Accountability is the process of taking responsibility for our decisions and actions (including stewardship of public funds and all aspects of performance) and answering to external scrutiny.
- Positive leadership overarches all the principles outlined here because these can only exist where effective leadership is exercised. We all have a personal responsibility to promote and support these principles through our own actions and behaviour and those of any staff we may manage. The key aspects of positive leadership behaviour at the Council are effectively managing:
  - People;
  - customer service;
  - performance;
  - money and other resources, and;

- personal development.

## 5. Roles and responsibilities

5.1 All Members and officers are expected to commit to the Council's principles of good governance; however, there are specific responsibilities for the following individuals and groups:

5.2 The following Member bodies have specific responsibilities for good governance and these are set out in the Council's Constitution:

- Cabinet;
- Standards Committee;
- Governance Committee;
- Audit Committee;
- Scrutiny Committees.

5.3 The Corporate Management Team has a collective responsibility for good governance, but this is underpinned by the role of the three statutory officers of the Council:

Head of Paid Service	-	Chief Executive
Monitoring Officer	-	Assistant Chief Executive
Section 151 Officer	-	Chief Finance Officer

5.4 Chief Officers are responsible for the policies and procedures which form part of this Code and that fall within their functional responsibilities. Each Chief Officer is supported by senior managers who are responsible for ensuring that the relevant policies and procedures are up to date, are being complied with and are effective in achieving good governance.

5.5 The Assistant Chief Executive has responsibility for the direction and review of corporate governance within the Council and is supported by the Statutory Officers Group of senior managers.

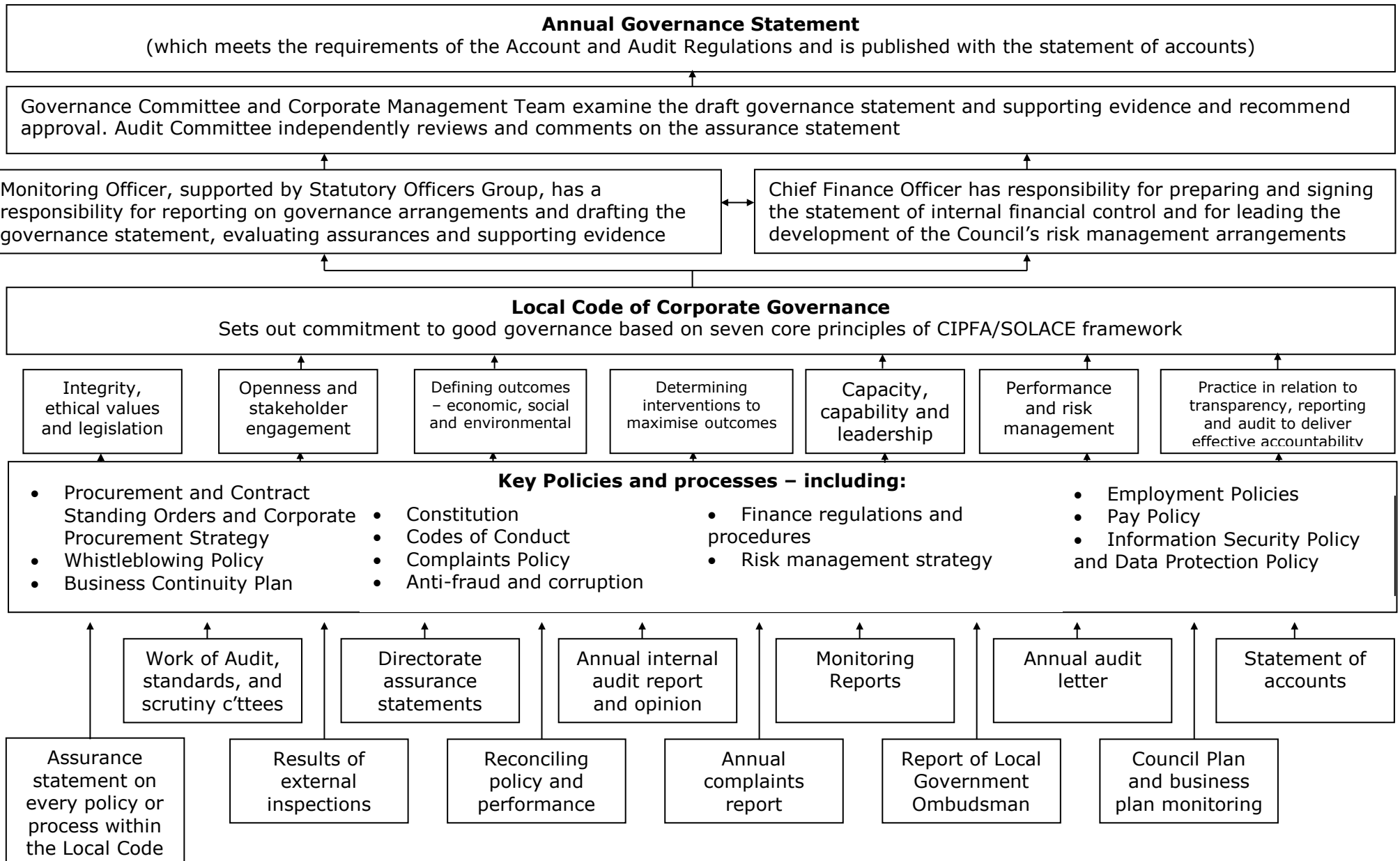
## 6. Monitoring and review

6.1 The Assistant Chief Executive, as Monitoring Officer, will report annually on compliance with this Code and the effectiveness of the Council's governance arrangements. The report will also be the basis for the production of the Annual Governance Statement which will be published in the Council's Annual Statement of Accounts. The Annual Governance Statement will be approved by the Leader of the Council and the Chief Executive.

Last reviewed: July 2023  
Document Owner: Assistant Chief Executive



## Annex D - East Sussex County Council Framework for the Annual Governance Statement



All of these sources and others provide assurance on the adequacy and effectiveness of our controls over key risks

## Annex E - Action for 2024/25

The following actions will be taken to strengthen governance, risk management and the internal control environment during the current year. The actions are shown for each department and will be monitored through departmental business plans.

### Business Services (BSD)

- Trial the use of the Cyber Assessment Framework (CAF), developed by the National Cyber Security Centre, to further strengthen the council's cyber resilience and to assess technical, process and behavioural controls that manage the risk of disruption from cyber-attack. This is dependent on ESCC being selected to be part of the 2024-25 roll out of this trial framework. In the meantime we will continue to seek annual accreditation under the Public Service Network code of connection and Cyber Essentials Plus. **March 2025**
- Revise Property policies for supporting communities including common asset transfer and joint use leisure assets. Asset rationalisation including finalising the two offices to one office hub in Eastbourne, reviewing further office needs in Hastings and considering options for County Hall. **March 2025**
- Assurance review of financial regulations against the CIPFA Financial Management Code. This is an annual requirement to report to Audit Committee. **March 2025**
- Following on from the Audit Committee Self-Assessment (reported in March 2024), action to recruit up to two independent members for the Audit Committee, together with the development of the training programme to address issues arising from the self-assessment. **March 2025**
- Ensure compliance with the Department of Health and Social Care's Health Care Services (Provider Selection Regime [PSR]) Regulations 2023 and readiness for the regulation changes coming out the Procurement Act, due to come into effect in October 2024. **September 2024**

### Children's Services

- Implement the Children's Services Essential Systems Development programme which is funded by the Capital Programme. In 2024/25, year one of this four-year programme we will focus on three projects to support our early help, social care and SEND systems. These include data accuracy, supporting families and a provider portal for fostering. Year two onwards will focus on integration of the Education systems and Education Portals. **March 2025**
- Implement the actions in the ILACS post inspection action plan. **March 2025**
- Roll out the Valuing Care approach to enhance our ability to secure the right care for the right child for the right length of time across all the children we care for. **March 2025.**

- Make every effort through effective prevention of high cost need and focused delivery of our care sufficiency strategy to achieve a balanced budget in 2024/25. **March 2025**
- In 2024 we will embed the Children's Social Care National framework, working with partners to reflect on our approach and identify priorities for change in our practice with children, young people and families. **March 2025**
- We will review and develop our offer for Alternative Provision across the county, in line with the government's model for 3 tier provision. This includes the voluntary transfer of our Pupil Referral Unit provision to a new academy trust. We will establish an Alternative Provision Subgroup to oversee this work and that will report to the Joint Board and the SEND Strategy Governance Board. **March 2025**
- We will embed the actions to reduce instances of unauthorised access to records including communications to staff including the introduction of a disclaimer on Liquid Logic that staff are required to read and agree to at each log-in. **March 2025**

### **Communities, Economy and Transport**

- An audit of the Council's Registration Service will be conducted in **2024/25**.
- An audit of the Council's Emergency Planning function will be carried out in **2024/25**.
- In response to the Local Government and Social Care Ombudsman develop a Complaints Handling Code, and update the ESCC Corporate Complaints Policy.
- A board established, comprising senior council officers and senior managers from
- local bus companies, will continue to provide governance and oversight of the rollout of the Council's Bus Service Improvement Plan. (ongoing)
- The internal audit of the highway maintenance contract is ongoing and will report in **August 2024**

### **Adult Social Care (ASC) and Health**

- We will continue to prepare for the Care Quality Commission assurance process and assessment of Adult Social Care & Health (ASCH), including responding to the learning from the Local Government Association Peer Review of ASCH in 2024, by **March 2025**.
- We will initiate a project to improve how long people are waiting for assessments from ASCH, by **June 2024**, to optimise our client's and carer's experience of those assessments.

- We will review the procedures for debt management and recovery across Adult Social Care, **by October 2024**, to ensure they are robust, effective and efficient, whilst helping people understand how care and support payments work.
- We will ensure alignment of both national and local policy developments for ASCH. This will include developing a local adult social care policy framework and supporting ASCH to mitigate risks through lessons learned from other local authority approaches to adult social care policy, **by March 2025**.
- We will develop and establish an approach to evaluating the impact of our adult social care strategy: What Matters To You and ensure governance and dissemination arrangements are in place that enable key stakeholders to oversee and scrutinise the delivery and monitoring of the strategy, **by March 2025**.
- Work will be undertaken with Audit to provide assurance that management and financial controls are in place and operating effectively within the Mental Health Service, assessing compliance with key Council policies and procedures, and also their own local procedures, **by January 2025** (action carried forward from 2023/24)

### Governance Services

- Prepare arrangements for the County Council elections in **May 2025**, including plans for comprehensive Member induction and training programme.
- Liaise with the Local Government Association in relation to any progress review of the Corporate Peer Challenge (CPC) they may wish to conduct, outlining progress made against each of the recommendations in the CPC report - **by March 2025**.
- Given the change in arrangements within the Coroner Service described above, a further review of the service will be undertaken in 2024/25 - ongoing with a target completion date of **December 2024**.
- Lead on the introduction of mechanisms for monitoring and disseminating information relating to Oflog to be in place by the end of **March 2025** in line with the timeline set out in Oflog's draft business plan for 2024/25.
- To lead on the introduction and the publication of the Local Authority productivity plans which will set out how we improve our efficiency in four main areas: the transformation of services, opportunities in data and technology, ways to reduce wasteful spend, and barriers to productivity that the Government can alter. Productivity plans to be published **July 2024**.
- Lead on the adoption and introduction of the corporate Data and Insight Plan **December 2024**.