

## East Sussex County Council Annual Governance Statement 2024/25

### 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 2024 to 31 March 2025.

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 2025 and up to the date of the approval of the statement of accounts.
6. The '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.

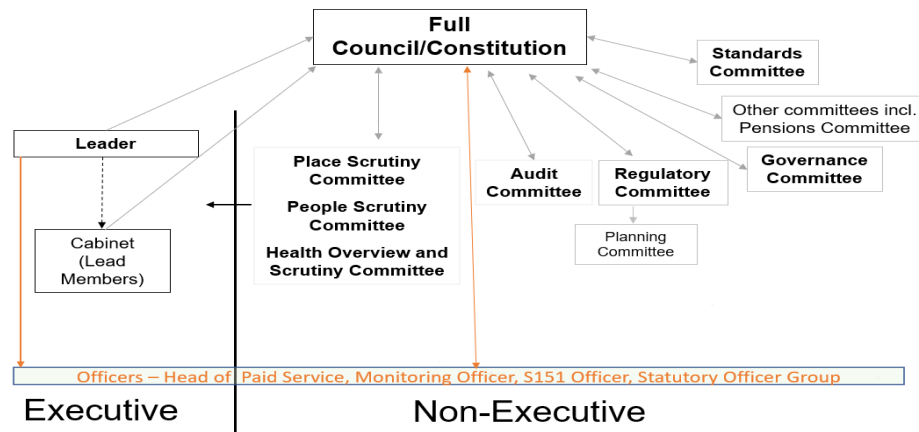
### **The Governance Assurance Framework Principles**

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.

<b>Principle</b>	<b>Description of Principle</b>
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 Finance 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. In light of proposals for devolution and local government reorganisation announced by the Government, in March 2025 the Monitoring Officer granted (pursuant to power set out in the Council's Scheme of Delegations and the Code of Conduct for Members) dispensations to enable County Councillors to participate fully, speak and vote on any business of the Council relating to these matters, notwithstanding the existence of a relevant Disclosable Pecuniary Interest and/or other prejudicial interest.
17. 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.
18. A system for recording officer interests, including gifts and hospitality, is in place and kept under review. All employees are required to complete a declaration of interests (DOI) on an annual basis, or more frequently where their circumstances change, whether there is a potential conflict present or not. A project was undertaken to redevelop the DOI system on a new SharePoint platform to allow for current functionality to remain, whilst providing a new look and feel to aid usability. Independent audit advice was provided through working groups in respect of the new system and limited testing to assess the extent to which the system operated effectively was conducted. The Internal Audit team found that the new system worked as expected and that there were no significant control issues. The system was subsequently implemented in October 2024.
19. The Council's Procurement and Contract Standing Orders (PCSOs) 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 Finance Officer in consultation with the Governance Committee. These Standing Orders help ensure transparency and a Governance framework in relation to how decisions are made.
20. From 24 February 2025 the Procurement Act 2023 replaced the Public Contracts Regulations 2015, with a transition period for the management, extension or modification of any contracts that were awarded under the previous legislation.
21. Key changes within the Procurement Act 2023 include greater focus on small and medium enterprises and the voluntary, community and social enterprise sector; increased importance placed on contract management; embedding transparency throughout the contract lifecycle; changes in procurement procedures; a requirement to publish a procurement pipeline of opportunities over £2M with a minimum of 18 months forward look; and a requirement for public bodies to have regard for the National Procurement Policy Statement. To ensure that the Council's PCSOs remain up to date and fit for purpose Full Council agreed revised PCSOs on 20 March 2025.
22. 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).

## Section B: Ensuring openness and comprehensive stakeholder engagement

### Assured

The Council exists to serve its residents and is dependent on a wide range of stakeholders for working effectively in partnership.

Consultation and engagement mechanisms are in place and are used effectively.

The Council has clear decision-making processes and rules and procedures to enforce them which emphasise openness and transparency.

### Decision-making and Scrutiny

23. 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.
24. 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.
25. 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.
26. 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.
27. 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.
28. 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.

29. 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.
30. In October 2024, the Ministry of Housing Communities and Local Government launched a consultation on introducing powers for local authority members to apply for a dispensation to attend formal meetings remotely. The consultation also sought views on potential implementation of proxy voting provisions; this would allow councillors to designate another member of the Council to vote on their behalf when they are unable to attend a meeting either in person or remotely.
31. On 13 November 2024, the Governance Committee agreed to submit a response to the Government's consultation on remote meetings and proxy voting. The Committee supported the proposed introduction of remote meetings but did not support proxy voting. The consultation ended on 19 December and government are in the process of analysing feedback.
32. 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.

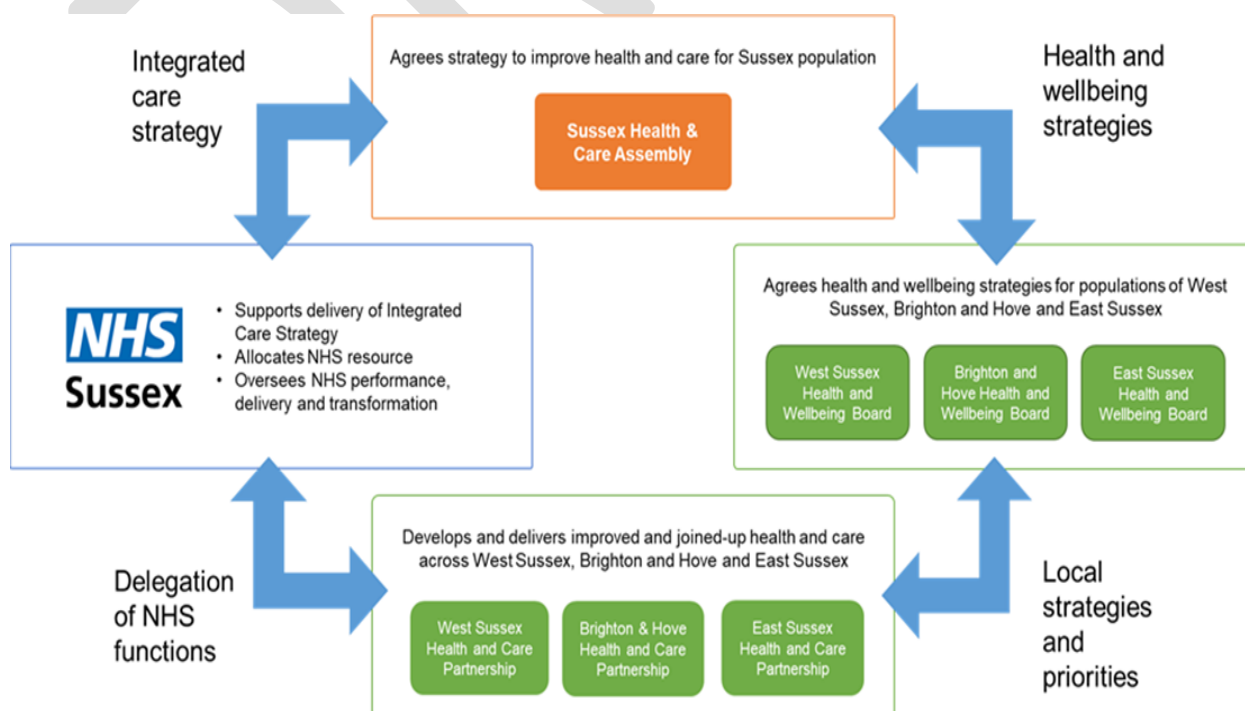
### **Stakeholders and Partnership**

33. 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. Following the Council's successful application onto the Devolution Priority Programme, the Council is working closely with Brighton and Hove City Council, West Sussex County Council and the local District and Borough Councils on the Government's proposals relating to Local Government Reorganisation and Devolution.

34. There are also 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.
35. 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.

### Partnership working with health

36. 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 (HWB), the principal forum for health and social care liaison and partnership in East Sussex. In September 2024, a new Independent Assembly Chair was formally appointed and is hosted by ESCC. The Chair has worked closely with the NHS Sussex ICB Chair and all three Local Authority members to plan meetings and agendas in advance of meetings. NHS Sussex has continued 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 WSCC Director of Children's Services and the BHCC Director of Public Health. Each Officer provides a collective view from their professional peers drawn from across all three councils, and this alternates on a timely basis.





37. The 5-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 5-year 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. The SDP was refreshed for year 2 (24/25) and this was endorsed by the East Sussex HWB in July 2024.
38. 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 the HWB priorities for our population covering children and young people, mental health, community (and integrated community teams) and improving health outcomes, housing health and care and improving hospital discharge. A core principle for this joint work is that the three ‘Places’ (East Sussex, West Sussex and Brighton and Hove) are primary building blocks in Sussex ICS and are key to strategic leadership, commissioning, and delivery in order to achieve the best outcomes for our population. This is supported by the East Sussex Health and Care Partnership which brings together local NHS partners with the County Council, and representation from 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. It also has a key role in overseeing system pressures, specific transformation programmes and the Better Care Fund (BCF) plans on behalf of the HWB.
39. To support this, the Council’s HWB have agreed a programme of informal development sessions aimed at strengthening the HWB’s role leading and stewarding our system working at Place through exploring a theme from our East Sussex Joint Strategic Needs Assessment. Running until February 2026, each session is designed to improve the consistency of shared knowledge and understanding about our population; generate innovation and ideas; and inform our in-year plans and co-creation of the future HWB Strategy refresh. The outputs from each session are reported and agreed at the subsequent formal HWB meeting held in public.

#### **Community working with the VCSE sector**

40. 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.

#### **Economic development**

41. Local Enterprise Partnerships (LEPs) were introduced across England in 2011 as partnerships between councils, businesses and other stakeholders, focussed on driving productivity and job creation. East Sussex formed part of the South East Local Enterprise Partnership (SELEP), which also included Essex, Kent, Medway, Southend and Thurrock.
42. Following the Government’s decision to discontinue funding LEPs from April 2024, SELEP took the decision to close operations, with LEP functions and responsibilities transitioning to Upper Tier Local Authorities (UTLAs).

43. Cabinet agreed the SELEP Transition Plan in March 2024 and approved that the Council enter into a Transition Agreement with Essex County Council (as the accountable body for SELEP) and the other SELEP upper tier local authorities to formally transfer arrangements. This Agreement was completed in May 2025.
44. To manage these new responsibilities, the County Council has developed a new East Sussex Local Growth Assurance Framework (ESLGAF) to provide local scrutiny, checks, balances and accountability to the public and to the UK Government. The ESGAF is aligned to the Government's guidance on LEP integration published in August 2023, the further complementary guidance published in December 2023 and the Local Economic Development Funding: Assurance Framework, which was issued in October 2024. It outlines new governance, processes and assurance arrangements the County Council will put in place to manage both the SELEP legacy programmes and any appropriate future local growth funding programmes. The ESGAF was formally approved by the Lead Member for Strategic Management and Economic Development on 26 February 2025.

### **Devolution and Local Government Reorganisation**

45. The Government's English Devolution White Paper was published on 16 December 2024 and represents a wide ranging and ambitious reform and reorganisation of local government structure in all two tier areas and public services more widely. It also strengthens the previous Government's direction of travel to Mayoral Combined Authority based local devolution. In February 2025, following a combined submission from the Council, West Sussex County Council and Brighton and Hove City Council on 9 January 2025, the Government announced that Sussex would be one of six areas included in the Devolution Priority Programme (DPP), working towards establishing a Mayoral County Combined Authority on an accelerated timescale ahead of a mayoral election in May 2026. It was also confirmed that the Council's elections due to take place in May 2025 would be postponed for one year.
46. During 2025/26 the County Council will establish arrangements with Brighton and Hove City Council and West Sussex County Council to oversee and make decisions in relation to the establishment of the County Combined Authority ahead of the mayoral election.
47. In February the Minister of State for Local Government invited all two tier local authority areas to prepare plans to establish a single tier of local government in East Sussex, with an interim plan setting out progress to be submitted in March 2025 and final proposals in September 2025. The Government's invitation set out guidance to which the Council must have regard. The Council is working with its District and Borough Council partners to develop a proposal for a single unitary authority of the footprint of the current County Council.
48. This work will include communications and public engagement, finance and governance, and identifying service transformation opportunities. Following submission to Government in September the Government will consult on the proposals with a final decision expected in early 2026. Following the Government's decision, a programme of work will be established to manage the transition to any new structure, with shadow unitary elections expected in May 2027 and any new unitary authority being vested in April 2028.
49. Active Member engagement, insight and oversight, including through robust scrutiny arrangements, is critical to both the above programmes of work. In March 2025, Full Council agreed to extend the terms of reference of Place Scrutiny Committee to incorporate devolution and Local Government Reorganisation, given the weighting of potential implications towards services within the remit of Place. Place Scrutiny Committee, as the lead Scrutiny Committee, has established a joint Member Reference Group including members of both Place and People Scrutiny Committees, recognising the potential impacts on services across the Council and the need to draw on expertise from both committees. This Reference Group will meet regularly to provide oversight and scrutiny of ongoing work.

The Audit Committee will have ongoing oversight, particularly in relation to risks arising from the reforms.

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

50. 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.
51. The Council uses a variety of ways to inform and 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. The Council has developed a communications strategy to 2026 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.
52. 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**

53. 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.
54. All formal public consultations and engagement projects are made accessible online using the '[Citizen Space](#)' consultation hub software. This year a range of work has been completed to improve the accessibility and ease of use of the Hub. 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, including through the Council's RPPR process. The Council has taken steps to improve robustness, consistency and appropriateness of use of Equality Impact Assessments (EqlAs), and the template documentation for key decisions now includes a prompt for officers to consider and report on Equality implications, including referring to EqlAs where these are needed. Further attention is required to ensure consistent compliance across all types of decisions.
55. The information gathered is analysed and considered as part of the decision-making process. Analysis reports and decisions are made available on the 'Committee' section of the Council's website, and the 'Citizen Space' engagement hub webpages include links to this as a means of ensuring clarity and increasing public trust in decision-making processes.
56. 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. The recording of this session is available on the Council's intranet page for Members to view at any point. There is an expectation that Councillors should not be treated different to employees in respect of equalities.

57. The Council's Corporate Equality Board continues to champion and support the integration of equality, diversity and inclusion (EDI) 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.
58. 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 2025-26 was agreed in May. Key successes from the 2024-25 Plan include:
- The council's Equality Impact Assessment process has been reviewed and updated. It also now aligns with the findings of the ASC Scrutiny Review into the experiences of people who are 'seldom heard' and includes people with care experience as an additional category to consider.
  - The EDI learning offer, e-learning titles and training courses have been reviewed and refreshed. The offer continues to be updated in response to need and legislation changes. New approaches to measuring longer term impact are being assessed and trialled.
  - Improvements have been made to the Council's Consultation Hub, providing templates and guidance for staff and users of the Hub; improving accessibility of content, format and technology; improving survey clarity; and highlighting the need for plain English and accessibility options.
  - There is ongoing work to implement and evaluate changes to the Council's workplace adjustments process. Coaching workshops are being delivered to support managers. Project evaluations so far indicate high engagement and improvements in the IT adjustments process.
59. The Council continues to implement its equality objectives as part of our public sector equality duty compliance.
60. 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.

#### **SECTION C: Defining outcomes in terms of sustainable economic, social, and environmental benefits**

##### **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 2025. The Plan covers the period 2025-28 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.

61. The Council Plan 2025-2026 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 2025 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.
62. 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.
63. The new growth strategy for East Sussex - known as 'Prosperity East Sussex' - was adopted by the County Council and Team East Sussex in 2024. Work has now commenced on the development of an accompanying Investment Plan, which will set out what projects and programmes will be delivered during the lifetime of the Strategy. The Investment Plan will be developed with key partners, with a particular emphasis on those that have the remit and resource to deliver against the Strategy's objectives. Whilst the County Council is currently unable to allocate any significant funding towards the Investment Plan, we will continue to identify appropriate external sources with the express aim of securing funding to deliver Prosperity East Sussex.
64. 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 Emergency Action Plan for 2025/26 has been adopted, following Member scrutiny, and is embedded in the Council Plan and relevant portfolio plans.
65. An internal cross-departmental Officer Climate Emergency Board is in place to lead and oversee the delivery of our Climate Emergency Action Plan. Progress is reported regularly, as part of reporting on progress in delivering the Council and portfolio plans.
66. 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.
67. Climate change is embedded in the Council Plan for 2024/25, in the Council's twenty-year corporate capital strategy 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.
68. The Council's Social Value Policy (adopted in September 2022) seeks to embed 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.
69. 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 our procurement and supply chain activities and has been embedded in a number of contracts since it was adopted. The policy has been kept up to date since its adoption to improve the use of the waste hierarchy, promoting avoidance and reduction, inclusion of Carbon Reduction Plans and aligning it with the National Procurement Policy Statement. This is now further reinforced via our updated Supplier Code of Conduct.

70. In response to changes in the legislative landscape and new National Procurement Policy Statement, Procurement will be working to ensure the obligations on the Council in respect of social value are adhered to. The updated PCSOs adopted by the County Council in March 2025 include specific references to social value.

<b>SECTION D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>
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<b>Assured</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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71. The demand for children's social care and complexity of cases has continued to increase nationally and locally and 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. The number of instances has reduced in 2024/25. 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.
72. In June 2024, the HM Inspectorate of Probation (HMIP) undertook an inspection of our youth justice services (YJS). The overall rating for East Sussex YJS is 'Good'. The quality of resettlement policy and provision is rated separately and was rated as 'Requires improvement'. Five of the thirteen areas are 'Outstanding' and four are 'Good'. During the inspection week the inspectors reviewed 37 cases. They met with staff, partners, children and young people and parents and carers. The report included three areas that require improvement and one that is inadequate. The report made four recommendations, three for the YJS and one for Sussex Police. An improvement plan to address the recommendations was shared with HMIP in October 2024, with progress against the plan being reviewed regularly via the Chief Officers Group. In November 2024 Cabinet welcomed the findings of the inspection and approved the action plan.
73. Ofsted and the Care Quality Commission (CQC) undertook an Area SEND (ASEND) inspection of the East Sussex Local Partnership (ESCC and NHS Sussex Integrated Care Board) in November 2024. There are three possible outcomes for an ASEND inspection, for which East Sussex has been given the middle outcome: *'The local area partnership's arrangements lead to inconsistent experiences and outcomes for children and young people with special educational needs and/or disabilities (SEND). The local area partnership must work jointly to make improvements.'* The next full inspection will be within approximately 3 years.
74. The report noted that children and young people with SEND in East Sussex have variable experiences and recognised our own self-assessment and the journey to improve the outcomes for children and young people with SEND in a more consistent way. The East

Sussex SEND Strategy seeks to address the areas for improvement, building on the improvement work to date and in line with the Ofsted and CQC requirements. The Strategy will also be extended for an additional year, to the end of the 2025/26 academic year. This will provide additional time to deliver improvement and to understand the policy direction of the new government on SEND. Work across the local area partnership will begin in 2026 on our next SEND strategy. In April 2025, Cabinet welcomed the findings of the inspection, and the East Sussex SEND Strategy.

### **Transformation Programme**

75. Children's Services has established a transformation programme to respond to the Government's strategy 'Keeping Children Safe, Helping Families Thrive', published in November 2024, and the Children's Wellbeing and Schools Bill. This will reshape the delivery of early help and social care services by integrating targeted early help with social work teams (Family Help teams) to drive improvements in outcomes and ensure that families receive the right help at the right time. It will also deliver on the Government's guidance regarding the establishment of Multi-Agency Child Protection Teams.
76. Governance for the transformation programme has been established with the Transformation Board chaired by the Director of Children's Services. The transformation programme has two main areas of focus, aligned with the Government's children's social care reforms and with the aim to drive improvements and reduce costs. A number of workstreams have been established, along with a high-level road map. The initial aims, objectives and expected outcomes for the workstreams have been developed. We are also working with pathfinder authorities to support learning and best practice.

### **CQC Inspection**

77. In February 2025 the Council's Adult Social Care and Health (ASCH) Department was assessed by the Care Quality Commission (CQC). This was the first such review for 15 years. The CQC framework assesses how well local authorities are performing against their duties under Part 1 of the Care Act 2014. The assessment framework uses nine quality statements that sit under four themes: working with people; providing support; safety within the system and Leadership.
78. To prepare for the CQC inspection, a self-assessment document was completed to establish areas of strength and areas for improvement. In February 2024 ASCH took part in a peer review process to identify if the self-assessment was accurate. Five departmental priorities were established: safeguarding, prevention, waiting times, quality and value for money and monitored as part of the programme of improvement and preparations work under the Improvement and Assurance Board.
79. The CQC completed their assessment on 14 February 2025. A timescale for when the CQC will make the report available has not been provided but it is anticipated the final report will be made available between May and July 2025. Once the report has been finalised the work that sits under the Improvement and Assurance Programme will be updated to reflect any newly identified priorities forthcoming from the report.
80. The future of Artificial Intelligence (AI) in local government in the UK is a topic of increasing importance and interest given the potential to capture and summarise information and automate complex processes. 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.

81. The Council's Corporate Digital Board oversees the governance of AI. The Council's Data Protection and Information Security Policy, supported by practical guidance developed by IT&D, provides the overarching guardrails and clear standards of practice to govern the use of AI within the Council. Microsoft Copilot, a generative AI interface that generates new versions of text (e.g. emails, summaries, lists), audio, or visual imagery using large bodies of data in response to user prompts, is being trialled across the Council in a series of pilots that align with service needs.
82. The Corporate Digital Board will continue to facilitate the exploration of potential uses of AI, including copilot, and the sharing of learning and good practice from both within the Council and externally. Where robust business cases for AI exist elsewhere that are applicable and easily transferable to the Council, these will be replicated in a 'fast follower' approach.
83. 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.
84. 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.
85. 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.
86. All recommendations and findings made by the Ombudsman have been accepted and are recorded through the Quarterly Monitoring Reports.
87. 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.
88. 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 co-ordinate 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 Diversity and Inclusion 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 second cohort of the Ladder to Leadership Programme, developed to enhance the Council's leadership capability, was completed in July 2024. Building on this, the leadership offer will continue to include structured, context-relevant learning and developmental support for leaders and managers to help ensure they have the best possible impact.

All senior leaders are 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.

In celebration of International Women's Day 2025, the Council's Chief Executive hosted a mass mentoring event in March exploring themes of leadership, career development and building confidence which was open to all women at the Council. The mentors came from different organisations including Sussex Police, the voluntary sector and Balfour Beatty.

In June 2024, a new Learning Management System, The East Sussex Learning Portal, was implemented. The system provides all staff with easy access to the full range of eLearning, corporate training offer and departmental development programmes, to support skills development and increase engagement in learning.

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

89. 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.
90. 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.

91. 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.
92. Member Services have provided access to all Members to training and briefing sessions designed to help them focus on their strategic roles, including sessions relating to Climate Change, the Council's Property Assets, Economic Development, Public Health and Housing, Education East Sussex, Cost of Living and Financial Inclusion. As part of 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.
93. Members also received training on their duties around Member Interests and the Code of Conduct in September 2023. Internal guidance in relation to the use of social media is also available to Members. This was updated and agreed by Governance Committee in January 2024. The guidance provides advice to Members on the effective and appropriate use of social media and how it interacts with the Code of Conduct. The Local Government Association social media checklist for Councillors is appended to the guidance and includes a variety of useful links. There is also a standing offer of social media training open to all Members which is provided by the Communications team.
94. 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.
95. Enhanced Disclosure and Barring Service (DBS) checks are carried out for Members in Adult and Children's Services related roles, with an online training module also available. In October 2024, the Council agreed the roles required to have enhanced DBS checks would be expanded to include Members of the Discretionary Transport Appeal Panel and Members acting as nominated substitutes for the Corporate Parenting Panel. The Council also agreed that following an election, all Members would be requested to undertake a basic DBS check. The Council's DBS Policy Statement was subsequently updated to include reference to these changes. The changes were made in response to recommendations set out in an independent review on the effectiveness of the Disclosure and Barring Service regime which included consideration of the eligibility of local Councillors for criminal record checks.

## **Officers**

96. Statutory roles include the designation of the Chief Executive as Head of Paid Service, the Deputy 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.
97. SOLACE, CIPFA and Lawyers in Local Government published a Code of Practice for Good Governance for Local Authority Statutory Officers. The Code sets out that the Head of Paid Service (the Chief Executive) of the authority should make arrangements for the deputisation of their role. Following discussions with Group Leaders the Council's Chief Executive nominated the Assistant Chief Executive as Deputy and in October 2024, County

Council approved amendments to the Constitution, changing references to the 'Assistant Chief Executive' within the Constitution to 'Deputy Chief Executive'.

98. 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.
99. In November 2024, the Governance Committee agreed a protocol which sets out the arrangements for the effective operation of the role of Monitoring Officer and the process for where the Monitoring Officer considers it necessary to report a matter to Full Council or the Executive. The Protocol includes the principles and approach that will be taken by the Monitoring Officer in deciding whether to issue a report and the factors which will be given consideration. The protocol was reviewed by Kings Counsel who advised that it is lawful and proportionate.
100. 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.
101. 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 that have been put in place to 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;
  - delivery of inclusive recruitment training to operational managers;
  - development of a 'managers toolkit' to support strategic workforce planning within departments;
  - targeted actions such as the use of market supplements etc. for specifically identified job roles where a particular focus is needed; and
  - review of the corporate Equality, Diversity and Inclusion Action Plan which includes a number of workforce specific actions to support having a diverse workforce.
102. The Officer's Guide to Governance acts 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.

103. 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.
104. 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 and 2022/23 statement of accounts has now been concluded and Grant Thornton has provided their final report, which confirms an unqualified audit opinion. This was reported to Audit Committee on 28 March 2024 and Governance Committee on 25 June 2024. The accounts for 2023/24 have also been concluded and reported to Governance Committee on 10 December 2024. Grant Thornton have also provided their Annual "Value for Money" Report for 2023/24, which was reported to Cabinet on 28 January 2025. The Council's financial management arrangements conform to the governance requirements of the CIPFA 'Statement on the Role of the Chief Finance Officer in Local Government 2010'. A continuous review is maintained. The Financial Regulations and Procedures are kept under review by the Chief Finance Officer. ESCC and ESPF (East Sussex Pension Fund) are up to date with all external audit work and reporting.
105. 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.
106. 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 Deputy Chief Executive to ensure

that there is shared understanding of the operation of delegations and the need to continually review them.

107. 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 2024/25, 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.
108. 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.
109. As often a point of last resort in responding to need, in developing its Risk Management Framework the Council recognises that the services it provides can be inherently risky and is not able to, nor seeks to, eliminate all risk. Robust risk management practice helps to ensure that the Council takes appropriately informed decisions, having properly evaluated the potential risks and the associated opportunities.
110. The Council's risk management process sets out the identification, analysis and control of risk. The level of risk to which the Council is willing to be exposed to and/or tolerate is inherently considered as part of this process, with appropriate escalation when required.
111. The Council's risk profile is dynamic and continually changing due to the large and diverse range of services provided and objectives of the Council, and 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.
112. 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.
113. 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.
114. 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.
115. 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.

116. The Council's core Finance and Human Resources system (SAP) will no longer be supported after 2027 and is therefore being replaced by the Cloud-based Oracle Fusion system to ensure that critical business functions, such as running a payroll, can continue to be reliably delivered post-2027. Oracle also provides improved financial controls as well as improved data and information usage to support further developments to increase agile and digital working. An independent review of the system and programme confirmed that Oracle is a suitable product for the Council and a phased roll-out commenced during 2024/25. Most modules of Phase 1 (Enterprise Performance Management) and all of Phase 2 (Finance with dependent HR processes, Procurement, Recruitment and Helpdesk modules) have now been delivered. Phase 3 (Payroll and all remaining HR processes) will be rolled out during 2025 and 2026. Updates in relation to the progress of the implementation were regularly reported to the Audit Committee and CMT to ensure that progress was being made and risks were appropriately mitigated.

#### **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.

117. 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**

118. 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
119. As reported in the previous Annual Governance Statement, the Council was the subject of a Corporate Peer Review in 2023. It is usual practice for the LGA to undertake a progress review following a CPC and this was arranged for March 2025. However, in agreement with the LGA, the progress review was subsequently deferred in light of Government proposals for devolution and local government reorganisation.
120. 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 **substantial assurance** that the Council had in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2024 to 31 March 2025.

121. 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.
122. 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.
123. 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 2024/25 have been completed or provided an update and explanation regarding progress.
124. 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.
125. 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 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 for improvement were identified, including a standalone Audit Committee Annual Report being presented to Governance Committee and a review of the Audit Committee Terms of Reference. The first Audit Committee Annual report was considered by the Governance Committee in July 2024.
126. The Council took steps to recruit co-opted members to the Audit Committee in 2024/25; however, this was unsuccessful. Whilst this poses a potential risk, training and development for existing committee members will continue while recruitment for the co-opted members continues to be explored. It is anticipated that the two independent members of the Committee will now be recruited in 2025/26 based on the skills gaps identified through the member self-assessment.
127. 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.

128. 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.
129. 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 (Date)**

**Becky Shaw Chief Executive (Date)**

DRAFT



## Annex A - Sources of Assurance and Actions

### Key:

DCE = Deputy 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 DCE	A single source for rules and procedure for lawful sound business and meeting management	Constitution has been reviewed and updated several times during 2024/25. Will continue to be reviewed on a regular basis.
Code of Conduct for Members	Website, webshop for schools, intranet, Constitution	Standards Committee & DCE	Defines standards of behaviour and how to enforce them	Approved by the Full Council in May 2024. Reviewed by Standards Committee May 2024.
Code of Conduct for employees	Website, webshop for schools, intranet, Constitution	Governance Committee, Assistant Director HR&OD	Defines standards of behaviour and how to enforce them	The Code of Conduct was last reviewed and updated in January 2025, and the document is considered fit for purpose for 2024-25 and beyond.
Code on Officer / Member relations	Website and intranet	Governance Committee and DCE	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 2024/25.
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).
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.

Source of assurance	Where found	Who is responsible	Role	last review/ action planned*
Register of Member Interests	Website	DCE	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	<p>Reviewed annually. Quarterly reports raise awareness with heads of services and team managers of the number and nature of complaints being received.</p> <p>*Action to have an ongoing dialogue regarding sharing lessons learnt within the complaints team and colleagues handling complaints across the Council.</p>
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.
Data Protection and Information Security Policy (including Data in transit Policy)	Intranet	COO	Defines rules and procedures to protect data.	<p>Reviewed and updated August 2024. *Improvements are informed by feedback from the Information Governance Board (IGB) and the Information Security &amp; Governance Group (ISGG).</p> <p>Guidance documents have also been created to accompany policy. Training is deployed to ensure comprehensive awareness of information governance and security including tests of understanding.</p>
Freedom of Information policy	Website	Director of CET	Defines rules and procedures	Policy reviewed in 2023/24.
Procurement and Contracts Standing Orders	Website, Constitution	COO	To prescribe the rules for all contracts and procurement activity	<p>The last update to the PCSOs was in March 2025 with the changes (including any resultant changes in the Council's Constitution) approved by Governance Committee on 4th March 2025 (the report of which was subsequently approved by Full Council on 20th March 2025).</p> <p>This document is regularly reviewed and updated in line with any legislative updates that are required as well as Council Policy and best practice.</p> <p>As such, it is currently fit for purpose.</p>

**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 June 2024. Action to continue to monitor and update. Ensure that Internal Schemes of Authorisation are updated accordingly.  Directors Assurance Statements reviewed annually.
Forward Plan	Website	DCE	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	DCE	Describes rules and process for ensuring transparency of business	The Constitution has been updated several times during 2024/25 to reflect decisions of the County Council - including revisions to the whole constitution following a review to ensure all legislation is current.  Meetings held remotely/hybrid continue to be mostly webcast.  Review Government feedback on consultation regarding hybrid meetings.
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.  Annual action plan to be agreed in May 2024 by the Equality, Diversity and Inclusion Board and CMT.
Health and Wellbeing Board arrangements	Constitution	Director of ASC	Forum for strategic joint business and service oversight	Terms of reference were reviewed again and amended in September 2024.

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

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Our Council Plan	Website	Full Council, Cabinet & Chief Executive	Describes the measures and targets for key corporate & service aims	The County Council agreed plan for 2024-25 in February 2024 and the current Plan in February 2025.  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	A revised climate emergency action plan for 2025/26 has been adopted, following Member scrutiny, and is embedded in the Council Plan and relevant portfolio plans.

#### 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	Reviews policy and financial and operational performance	Regular reports to Full Council, Cabinet and Scrutiny Committees.
Executive Decisions process	Website	DCE	To record rationale, legality and financial compliance of decisions	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	FMC - annual compliance report to Audit Committee  A full review of the Financial Regulations in time for the implementation of the Oracle System. As the implementation of Phase 2 was put back to 2025/26, the review will now take place in 2025/26.

#### 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 2024/25. *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 2024. The MTFP is subject to review as part of the RPPR process.
Member Training and Development	Councillors' area of intranet	Governance Committee, MRG, DCE	Plan and record all Member training	The councillors' development programme is kept under continuous review to ensure it can respond to changing needs and current issues. Member Services participates in national and regional networks to share best practice.  An annual survey of all councillors is undertaken in order to identify any unmet needs, and this informs an annual review and update of the programme in addition to ongoing changes in response to new needs or opportunities.
Employment Policies	Intranet	Governance Committee, Assistant Director 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

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned
Member Induction Programme	Intranet	MRG, DCE	To determine the content of the programme	Plans were reviewed during 2024.
Officer Performance management	Intranet	Assistant Director 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, DCE	Captures all sources of governance assurance	Annual (this document).
Guidance to Members on Outside Bodies	Website, Constitution	DCE	To provide guidance to Members in relation to roles and responsibilities when appointed to outside bodies	Reviewed March 2025. Guidance is provided on an ongoing basis.
Local Code of Corporate Governance	Governance agenda	Governance Committee, DCE	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	An Internal Audit of Risk Management was undertaken in September 2023 and reasonable assurance was given with agreed management actions completed.  ESCC is committed to formalising the training for Audit committee members, in line with the CIPFA Position Statement 2022. This will cover risk management.
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.
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.
Treasury Management Strategy	Website	COO	For sound strategy to limit risks to borrowings and investments	Reviewed and updated by Council February 2024
Financial Regulations (FR) and compliance with Financial Management Code (FMC)	Website, Constitution	CFO	To prescribe the rules for all financial transactions in line with Financial Management Code.	A full review of the Financial Regulations had been proposed during 2024/25, in time for the implementation of the Oracle System. As the implementation of Phase 2 was put back to 2025/26, the review will now take place in 2025/26.

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned
				The Financial regulations will be reviewed and signed off at Full Council in February 2026.
Business Continuity (BC)	SharePoint	Director of CET	To provide safe systems and procedures to manage local and civil emergencies	<p>The policy was last reviewed in March 2025.</p> <p>The Action log held through BC management team meeting. The audit suggested all Business Impact Assessments be aligned which has now been implemented.</p> <p>An 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.</p>

**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 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 2023/24 audit is completed, and the report was published in May 2024

## 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 (the Assistant Manager, Transport Development Planning) 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 Enterprises 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 and appoints a Director to the Board of Directors. This is a company without shares but in terms of “influence” East Sussex County Council has 19% voting right.
What is the structure and form of the body (e.g., private limited company etc.)	The Company is limited by guarantee. As 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 has 19% voting rights.
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 Woodland Enterprises Limited 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 was a member of Sea Change Sussex up to its removal from the organisation by the Sea Change Sussex board on 21 January 2025. The decision of Sea Change Sussex to remove the County Council as a member of the company was reported to and considered by Governance Committee on 3 June 2025.</p> <p>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. Local authority members Rother District Council and Hastings Borough Council, historically alongside the County Council, have a combined maximum voting right of 19.9%.</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 historic 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 Accountable Body for overseeing the devolution of funds 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 -Hastings Borough Council and Rother District Council (and East Sussex until January 2025);  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 was the East Sussex County Council appointed Director of the Sea Change Sussex Board of Directors and attended the quarterly Board meetings. However, Councillor Bennett resigned from this position in October 2024.</p> <p>As a scheme promoter of LGF and GPF funded projects, Sea Change Sussex has entered into a number of legal agreements with the County Council. Through these agreements the Council monitors the delivery of the projects. Until the dissolution of South East Local Enterprise Partnership Ltd (SELEP) in April 2024, the Council reported on progress to SELEP. The authority to enter into these agreements is sought from the Lead Member for Strategic</p>

	<p>Management and Economic Development on a project by 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>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. This information is used to inform quarterly reports to Team East Sussex (TES), and within the County Council such as, 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 twice a year which sets out project progress and current/forecast spending on legacy SELEP projects (e.g. Local Growth Fund grants, Growing Places Fund loans, and more recently Getting Building Fund grants). These reports are compiled with finance colleagues with oversight from the S151 officer. The most recent SELEP financial statement was agreed at Lead Member for Strategic Management and Economic Development meeting on 26 February 2025.</p> <p>Schemes can be subject to review by Internal Audit.</p>
What the relationship is between the body and individual councillors and whether councillors' involvement is likely to constitute a conflict of interest	<p>No longer applicable as the decision made by SCS board has been to remove ESCC as a member.</p> <p>Until his resignation, Cllr Bennett's role as Director of Sea Change Sussex was recorded in his register of interests.</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	No longer applicable as the decision made by the SCS board has been to remove ESCC as a member.
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 ceased operations and was formally dissolved on 10 December 2024.*

**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

What the relationship is between the body and the local authority	<p>Alongside Rother District Council and 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.</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>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>
What is the structure and form of the body (e.g., private limited company etc.)	Private company limited by guarantee without share capital.
How the Council oversee its activities and provided assurance on its governance including financial governance	<p>Until October 2024, Cllr Bennett was appointed by the Council as a Director of the Company and would attend the Annual General Meeting (AGM) 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>Cllr Bennett resigned as a Director of the Company in October 2024. The Council continues to be a member of the company but currently has not appointed a Director to the Board.</p>
What the relationship is between the body and individual councillors and whether councillors' involvement is likely to constitute a conflict of interest	<p>Councillor Bennett, as a Director of the company, attended the AGM as the Council appointed Director to HBRL until October 2024.</p> <p>Until his resignation, Cllr Bennett's role as Director of HBRL was recorded in his register of interests.</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	The Council's role in HBRL falls under the remit of the Place Scrutiny Committee.
Designated Officer contact	Richard Dawson, Communities, Economy and Transport

**Combe Valley Countryside Park (CVCP) Community Interest Company (CIC)** The Community Interest Company was established in 2015 to take a lead in ensuring that the Landscape within the Park is developed and managed in a coherent way, with stakeholders from public and private sectors and the local community.

What the relationship is between the body and the local authority	<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), subject to a restriction that, if there are more Local Authority members entitled to vote than non-Local Authority members, the voting rights of Local Authority Members (East Sussex County Council together with Hastings Borough Council, Rother District Council and Crowhurst Parish Council) shall be restricted to 49%.</p> <p>The Council is entitled to appoint one Director, and Cllr Beaver has been appointed by the Council to sit on the Board of Directors.</p>
What is the structure and form of the body (e.g., private limited company etc.)	<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:        8 'Co-opted Directors': 6 from Company Members and 2 independents appointed by the Board;        4 nominated by Local Authority company 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>
How the Council oversee its activities and provided assurance on its governance including financial governance	<p>Cllr Beaver, as the East Sussex County Council appointed Director 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 do not have voting rights. The CIC has established a Local Authority Officers</p>

	<p>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	Andy Arnold, 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 Deputy 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	-	Deputy 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.

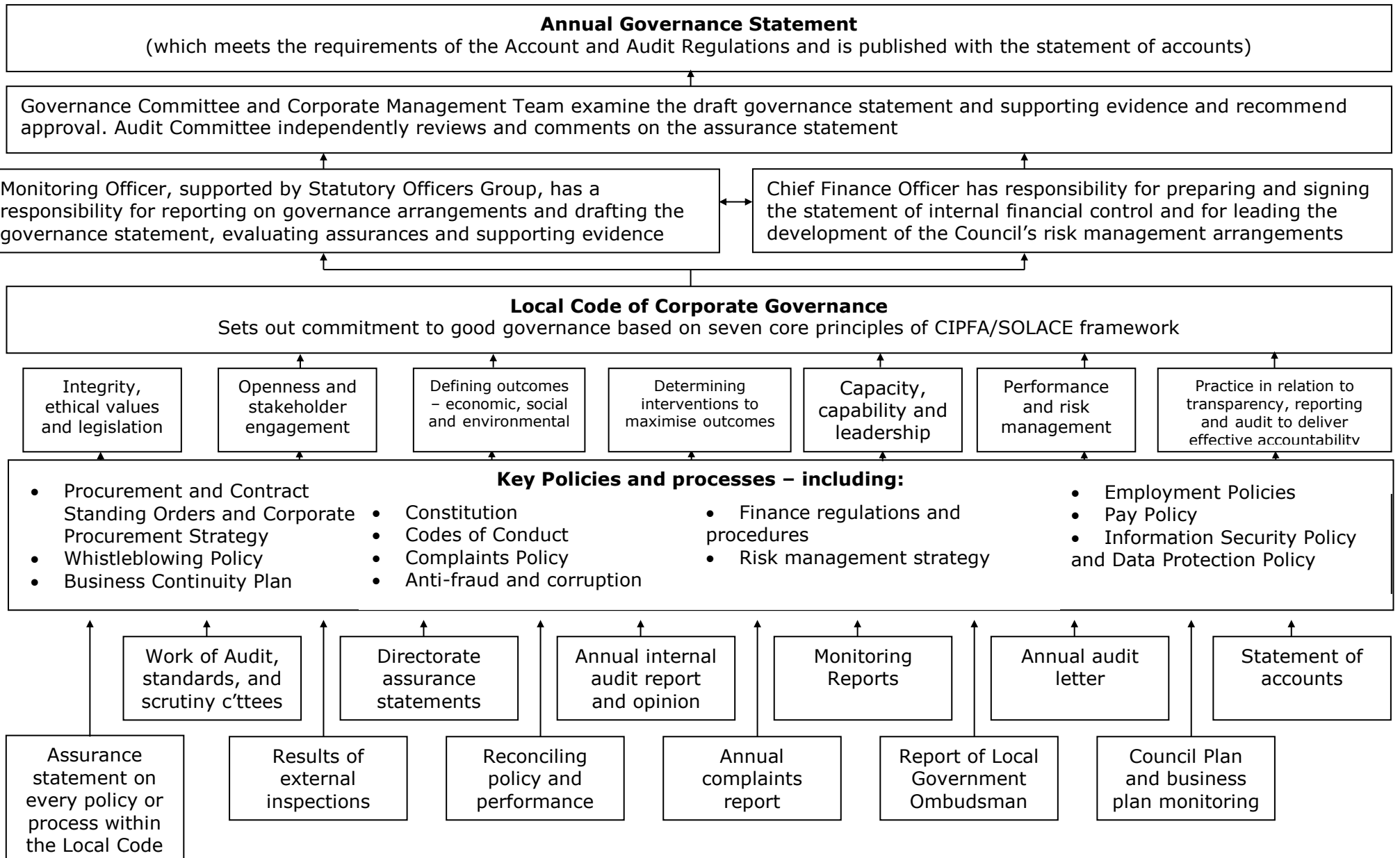
5.5 The Deputy Chief Executive has responsibility for the direction and review of corporate governance within the Council and is supported by the Statutory Officers Group of senior managers.

## 6. Monitoring and review

6.1 The Deputy 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 2024  
Document Owner: Deputy 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 2025/26

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)

- We will further enhance the council's cyber resilience including responding to the new Cyber Assessment Framework (CAF), which provides a holistic model of assessment that considers technical controls, business process and workforce skills and behaviours. The target outcome from adopting the CAF is to reduce the likelihood of cyber-attack and to put in place preparedness for a response in the event of a cyber incident. Continue to seek annual accreditation under the Public Service Network code of connection, Cyber Essentials Plus, and the NHS DSPT (Data Security and Protection Toolkit). **March 2026**
- We will continue to implement the final phase of Oracle as the Council's Enterprise Resource Management system, to ensure that critical activity (such as running a payroll and paying suppliers) can continue given that the existing system, SAP, will no longer be supported beyond 2027. The implementation will also further strengthen the council's internal controls and reduce risk. **March 2026**
- Monitor and review the initiatives that have been put in place to support the recruitment and retention of staff to ensure they remain effective. **March 2026**
- Review and update the Council's Strategic Asset Plan 2020-2025 and review the action plans that have been put in place to support efficient use of the Council's property assets. **December 2025**
- Ensure continuing compliance with the Department of Health and Social Care's Health Care Services (Provider Selection Regime [PSR]) Regulations 2023 and the new Procurement Act 2023 and associated regulations, which came into effect in February 2025. **March 2026**
- Assurance review of financial regulations against the CIPFA Financial Management Code. This is an annual requirement to report to Audit Committee. **September 2025**
- Further action to recruit up to two independent members for the Audit Committee. **June 2026**

## Children's Services

- We will establish robust governance and monitoring of the transformation programme required to respond to the Children's Wellbeing and Schools Bill. **April 2025**
- We will develop and launch our refreshed approach to earlier intervention including supporting partners to hold more lower-level risk with support from Team Around the Family Coordinators and a professional helpline. **September 2025**
- We will develop and pilot our approach to Family Help in East Sussex, bringing together early help keywork and social work teams in line with the Government's social care reforms and learning from pathfinder authorities. **March 2026**
- We will work with partner agencies to develop our approach to Multi-Agency Child Protection Teams in East Sussex, to include social work, education, police and health. **March 2026**
- We will consolidate our family group conference offer and develop plans to upskill the workforce and partners to facilitate family network meetings to support families to support children in their family network. **March 2026**
- As part of the Transformation, we will refresh our sufficiency strategy to continue to broaden the range of high-quality placement options for our looked after children particularly for children with complex needs. Including, playing a leading role in the South-East Regional Care Cooperative, working more closely with our neighbouring local authorities on foster carer recruitment through a hub model, and further developing an integrated commissioning approach to ensure the best use of our resources. **March 2026**
- We will progress our 'Inspection Implementation Plan' to address the areas for improvement identified in the ASEND inspection which is part of our SEND strategy which has been extended until September 2026. The SEND Strategy Governance Board will oversee the implementation of this plan. **March 2026.**
- We will continue, as part of the Alternative Provision subgroup, to oversee this and ensure a smooth transition. We also continue to develop and refine our offer for 3 tier provision across the county. **March 2026.**
- Continue to implement the Children's Services Essential Systems Development programme which is funded by the Capital Programme. In year two of this four-year programme, we will focus on integration of the Education systems and Education Portals. **March 2027**
- We will continue to address the areas for improvement in the June HMIP inspection of the Youth Justice Service. **September 2025**
- We will implement changes to the complaints process in line with the LGSGO Code of practice **March 2026**

## **Communities, Economy and Transport**

- In response to the Local Government and Social Care Ombudsman, we will develop a Complaints Handling Code and update the ESCC Corporate Complaints Policy. **October 2025**
- We will establish a board, comprising of senior council officers and senior managers from local bus companies who will continue to provide governance and oversight of the rollout of the Council's Bus Service Improvement Plan. **Ongoing**
- We will carry out an audit of Transport for the South East governance arrangements. **May 2025**
- We will carry out an audit of emergency planning. **June 2025**

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

- We will review our Care Quality Commission (CQC) Assurance report and use its findings to develop and initiate an action plan, to build on our good practice and respond to any improvements that support delivery of our Care Act duties, by **March 2026**.
- We will test, implement and evaluate new approaches to triaging safeguarding referrals through Health and Social Care Connect, to enable best use of resources and build on our good practice in safeguarding management and oversight, by **March 2026**.
- We will continue to improve the quality of our practice across Adult Social Care, including enhanced ways of auditing aligned to our Quality Practice and Assurance Framework. This will include how we report on and learn from practice strengths and areas for development to improve the outcomes and experiences of adults and their carers, by **March 2026**.
- We will enhance our approach to equality, diversity and inclusion through improving our use of data to identify areas of focus and to monitor impact and outcomes for local people by **March 2026**.
- We will continue to develop the Impact Assessment Tool and review the data and intelligence held within the tool. This will ensure we maximise opportunities to inform market oversight discussions and decision making through our Market Oversight Panel and contract management arrangements as appropriate, by **March 2026**.

## **Governance Services**

- We will review the Council's scrutiny call-in process and guidance for Members. **September 2025**
- Prepare arrangements for elections including plans for a comprehensive Member induction and training programme. **Ongoing**
- We will work with partners to ensure that the Mayoral Combined County Authority is established, with preparations made for a mayoral election being held in May 2026. **March 2026**
- We will work with partners to develop a plan for a single tier of local government in East Sussex in response to the Government's statutory invitation, ensuring appropriate member oversight and input in relation to the preparation of the plan. **September 2026**
- We will evaluate AI solutions specifically designed for the legal industry to assess their effectiveness and whether they save time and increase the capacity of Legal Services to meet the challenges of increasingly complex and expanding workloads. **March 2026**