

West Suffolk Annual Governance Statement 2018/19

1. Scope of Responsibility

- 1.1 Until 31 March 2019, St Edmundsbury Borough Council and Forest Heath District Council (referred to hereafter as the councils) have been responsible for ensuring that their activities are conducted in accordance with the law and proper standards, that public money was safeguarded and properly accounted for, and used economically, efficiently and effectively. The councils have also had a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 On 1 April 2019, both councils will be replaced by West Suffolk Council, which will assume the district tier functions and responsibilities from the councils. This is the final Annual Governance Statement for the councils.
- 1.3 In discharging their responsibilities, the councils have been responsible for putting in place proper arrangements for the governance of their affairs and facilitating the effective exercise of their functions which includes arrangements for the management of risk.
- 1.4 The councils have approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the [Local Code](#) is available on the councils' website. This statement explains how the councils have complied with the Local Code and also met the requirements of the Accounts and Audit (England) Regulations 2015, regulation 6(1)(b), which requires all relevant authorities to prepare an Annual Governance Statement.

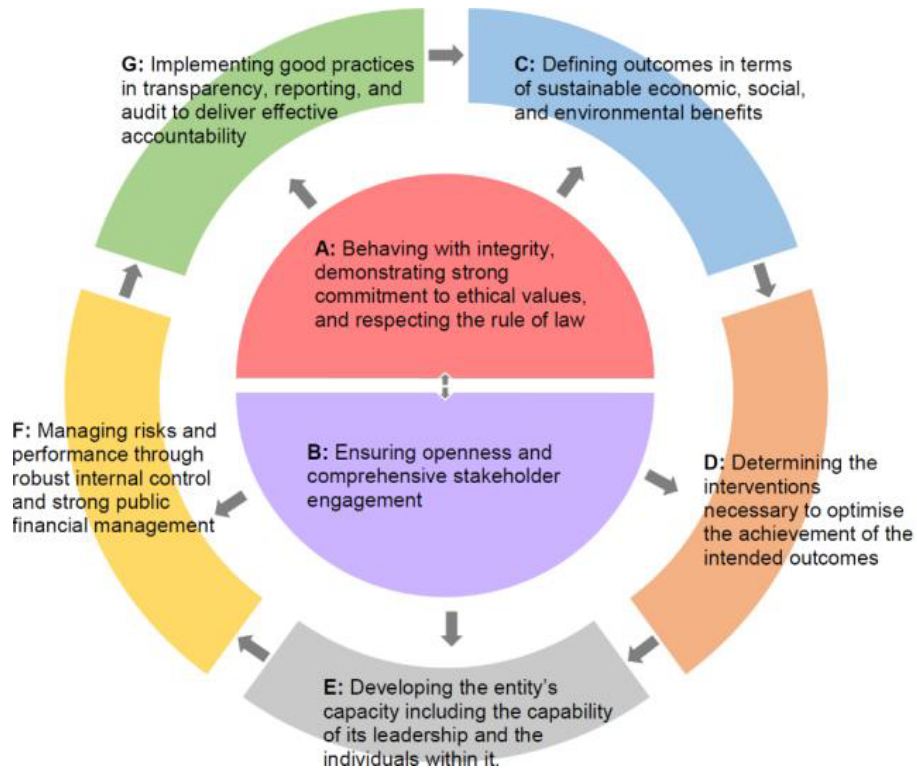
2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems, processes, culture and values by which the councils are directed and controlled and the activities through which they account to, engage with and lead the community. It enables the councils to monitor the achievement of their strategic objectives and to consider whether those objectives had led to the delivery of appropriate, cost effective services.
- 2.2 The system of internal control is a significant part of that framework and designed to manage risk to an acceptable level. It could not eliminate all risk of failure to achieve the councils' aims and objectives, but it has sought to provide reasonable rather than absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify, prioritise and manage the risks to the achievement of the councils' aims and objectives.
- 2.3 The governance framework remains in place at the councils to the year ended 31 March 2019, and at that stage transfers to West Suffolk Council.

3. The Governance Framework

- 3.1 The councils had adopted a Local Code of Corporate Governance in accordance with the core principles of good governance outlined within the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016.

3.2 There are seven core principles of good governance identified in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016 as follows:



3.3 The Local Code of Corporate Governance set out the principles of good governance and described in full the arrangements the councils have put in place to meet each of these.

3.4 During 2018/19, the councils have undertaken a number of actions to continuously improve their corporate governance arrangements. A summary of

2018/19 Corporate Governance Activity Highlights

During 2018/19, the councils have:

- made preparations for the new single West Suffolk Council (created on 1 April 2019) and its new governance arrangements;
- created new project and programme management arrangements; and
- developed processes and controls to comply with new legislation, in particular compliance with the General Data Protection Regulation.

the highlights are shown in the box below:

3.5 A detailed description of the councils’ recent activities and activities to support the establishment of West Suffolk Council are set out in the table below, against a summary of each of the principles in their Local Code of Corporate Governance.

Principle A	Key Elements of West Suffolk Governance Framework
<p>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>	<ul style="list-style-type: none"> • Constitution • Employees Code of Conduct • Members Code of Conduct • Contract Procedure Rules • Anti-Fraud and Anti-Corruption Policy • Whistle Blowing Policy • Anti-Money Laundering Policy • Registers of Interest • ICT Security Policy • Monitoring Officer
<p>Activity within Principle A in 2018/19</p>	
<ul style="list-style-type: none"> • A significant proportion of activity in this area has inevitably focused on establishing governance arrangements for the new West Suffolk Council. • To support efficient working practices ahead of the formation of West Suffolk Council, a combined Cabinet structure was agreed in May 2018. • On 24 May 2018, the Government issued the order to create the Shadow West Suffolk Authority. The Shadow Authority met for the first time shortly thereafter and agreed its own constitution. • Work has progressed to develop the new constitution for West Suffolk, culminating in approval of the constitution in February 2019, including refreshed codes and protocols outlining member behaviour. • The procurement policy was reviewed. • Anti-fraud related messages were published on the West Suffolk intranet at regular intervals to increase staff awareness. • Issue of Information Framework document to describe our direction of travel regarding data and information. 	

- Guidance covering the Regulation of Investigatory Powers Act (RIPA) was reviewed and renewed.

Principle B	Key Elements of West Suffolk Governance Framework
Ensuring openness and comprehensive stakeholder engagement	<ul style="list-style-type: none"> • Annual Report • Reports and Minutes available on councils’ website • Consultation Statement • Equality Statements • Uses complaints and feedback to aid learning for future service development.

Activity within Principle B in 2018/19

- During 2018/19, the councils have carried out a range of consultation and engagement exercises, on a wide range of topics. Several of these relate to the new arrangements needed for West Suffolk Council, for example, harmonising licensing regimes, and the arrangements for civic leadership of the new council. A range of consultation methods were used, including online surveys, focus groups, interviews and stakeholder engagement events. Opportunities to take part were widely promoted through the local press, community networks and social media. The councils made particular efforts to engage with hard to reach groups, for example through liaison with local disability groups and targeted programmes of engagement with schools.
- We used Facebook Live for the first time to engage with people around Civic Leadership and answer questions put by the public in a live film that was also published elsewhere. This live film and other engagements were shared into around 60 local Facebook Groups in which officers and councillors answered questions about proposals and initiatives as well as signposting people to where they could have their say. The film was viewed more than 10,000 times.

- We have also implemented a forum for our taxi drivers to discuss issues with our licensing officers and councillors.
- A revised Complaints Policy is being drafted to include a section on the process for managing Persistent and Vexatious Complainants. The Policy was reviewed by both Overview and Scrutiny Committees in January, ahead of seeking formal approvals for the adoption of the Policy at Joint Executive (Cabinet) in February. Once adopted, the Policy will come into effect on the 1 April 2019, to coincide with the commencement of West Suffolk Council, and be published on the council's website.

Principle C	Key Elements of West Suffolk Governance Framework
<p>Defining outcomes in terms of sustainable economic, social and environmental benefits</p>	<ul style="list-style-type: none"> • Strategic Framework • Growth Investment Strategy • Business Plans • Medium Term Financial Strategy • Local Plans • Risk Management Policy and Toolkit • Investment Framework

Activity within Principle C in 2018/19

- The Councils' Strategic Framework, published in December 2017, was adopted by the Shadow Authority for West Suffolk Council. The document provided the overarching direction for a number of other strategies, plans and communications produced in 2018/19, including a new homelessness reduction strategy (in response to the Homelessness Reduction Act 2017) which sets out our priorities for preventing and reducing homelessness, tackling the main causes of homelessness and supporting those in need, a new housing strategy which sets out how we will respond to the housing challenges we are facing in order to respond to and plan for the growing need for additional housing in West Suffolk, and a new strategy for investing in growth.

- Other policies, strategies or plans have been refreshed where appropriate, or aligned where separate Forest Heath and St Edmundsbury documents remained. Where joint policies had already been produced, these were amended under delegated authority from the Shadow Executive to become West Suffolk Council documents.
- The Investing in Growth Strategy was approved by both councils in January 2018 with the objective of investment in West Suffolk to achieve strategic priorities and provide revenue returns to help pay for delivery of services. Investments to date have included the purchase and development of the former Post Office on Cornhill in Bury St Edmunds which will play a fundamental role in place shaping the town centre and delivering on the Masterplan, and purchase of a property in Newmarket providing temporary residential accommodation and commercial investment from retail units.
- A review of the existing Local Plans commenced in November 2018 with evidence gathering and a formal consultation in 2019. The document is programmed for completion in 2023 to meet our council ambitions and to safeguard communities from speculative unsustainable growth – development in the wrong locations and without the necessary strategic infrastructure. The Local Plan will provide a positive, flexible and deliverable planning policy framework for West Suffolk.
- The councils have partnered with other Suffolk councils to form Suffolk Design, a new joint initiative to support how planning helps good growth.

Principle D	Key Elements of West Suffolk Governance Framework
<p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<ul style="list-style-type: none"> • Consultation Strategy • Families and Communities Strategy • Balance Scorecards • Procurement Policy • Medium Term Financial Strategy • Business Partners Model

Activity within Principle D in 2018/19

- Guidance has been prepared for officers who are working on commercial ventures that addresses issues including assessing opportunities, when and how to trade, setting up and running a company. This has been prepared having regard to the provisions of the Companies Act 2006 as well as relevant local government legislation and CIPFA guidance. The commercial programme board ensures this guidance is followed when dealing with commercial opportunities.
- The council has developed a standard business case template for use in major projects and investment opportunities. The template follows HM Treasury's Green Book guidance and uses the five case model. This analyses a project under the following aspects:
 - ✓ Strategic Case
 - ✓ Economic Case
 - ✓ Commercial Case
 - ✓ Financial Case
 - ✓ Management Case

The business case template and guidance has been endorsed by the councils' Commercial Programme and Leadership Team and has been incorporated in the councils' programme management approach.

- West Suffolk councils inform decision making around policies and interventions with research and evidence of good practice from other councils and think tanks. Through the weekly policy alerts prepared by the Corporate Policy Team and disseminated to staff and councillors, evidence gathered from evaluation and horizon scanning is shared with decision makers.
- Use of revised key performance indicators within balance scorecards aligned behind the strategic priorities, reviewed monthly by Leadership Team and quarterly at Performance and Audit Scrutiny Committee.
- The establishment of the Suffolk Office of Data and Analytics (SODA) in June 2018, put the cross-system data and analysis work previously funded by the Transformation Challenge Award on a permanent footing. SODA is funded by equal contributions from all Suffolk local authorities, Suffolk Constabulary and the two CCG groups in Suffolk, and the Data and Insight

Manager and SODA lead is hosted by West Suffolk. The establishment of SODA and the projects undertaken (for example, the development of a business rates analysis tool) meant a wider range of data and evidence could be used in the development of policy and strategy by the West Suffolk councils.

- In the February 2018 budget, additional resources were agreed to be allocated to support delivery of key programmes within the councils that would lead to additional income for the councils in the long term as well as supporting growth within our communities. During the year, these posts have been appointed to and are commencing work to support services as identified within the budget.
- As part of the Growth Restructure, three "Place Programme Delivery Lead" posts were created. Working flexibly but with a focus on specific localities, the objective of the roles is to help co-ordinate, facilitate and drive forward built-environment projects, taking into account the requirements of place and interactions with other projects and initiatives within that location.
- Progress was made in implementing a Development Management Improvement Plan during the year to further enable right first time, high quality, policy compliant developments through early engagement.
- A number of learning events have been held with partner organisations regarding the Duty to Refer procedures that commenced in October 2018.
- The councils' Waste and Street Scene Service has been remodelled into four business units to move away from silo working to introduce matrix working.
- New Public Space Protection Orders have been introduced which enable the councils to take action against specific antisocial behaviour activities.

Principle E	Key Elements of West Suffolk Governance Framework
<p>Developing the entity’s capacity, including the capability of its leadership and the individuals within it</p>	<ul style="list-style-type: none"> • Workforce Plan • Learning and Development Policy • Member Development Group • Constitution • Employees Performance Review Framework • Disciplinary Procedure • Job Descriptions
<p>Activity within Principle E in 2018/19</p>	
<ul style="list-style-type: none"> • Review, and endorsement by the councils’ workforce, of a new pay model to be implemented in April 2019. • Adoption and commencement of the work involved in the Workforce Strategy which links the councils’ priorities for development in terms of skills and behaviours; recruitment and retention; pay, reward and recognition, and reviewing the PDR scheme in terms of values and behaviours and the framework; health and wellbeing; and workforce planning and data. • Ongoing training within service areas, for example, in respect of the Homelessness Reduction Act 2017, mental health first aiders, county lines, and investigatory training for enforcement officers. • Development of the Induction Plan for Members elected in May 2019 to the new council. 	
Principle F	Key Elements of West Suffolk Governance Framework
<p>Managing risks and performance through robust internal control and strong public financial management</p>	<ul style="list-style-type: none"> • Financial Procedure Rules • Contract Procedure Rules • Treasury Management Strategy and Growth Investment Strategy • Budget Monitoring • Performance and Audit Scrutiny Committee

	<ul style="list-style-type: none"> • Strategic Risk Register • Investment framework • Risk Management Toolkit • Balance Scorecards • Internal Audit • Business Continuity Plan • Complaints
Activity within Principle F in 2018/19	
<ul style="list-style-type: none"> • Revised Treasury Management Strategy and Code of Practice. • Created new Capital Strategy 2018/19. • Budget monitoring reporting has been enhanced and improved with focus on income and expenditure. • Strategic Risk Register reviewed and updated. • Business Continuity Plan has been updated. 	
Principle G	Key Elements of West Suffolk Governance Framework
<p>Implementing good practices in transparency, reporting and audit to deliver effective accountability</p>	<ul style="list-style-type: none"> • Councils' Website • Statement of Accounts • Annual Governance Statement • Annual Report • Medium Term Financial Strategy • Anti-Fraud and Anti-Corruption Policy • Whistle Blowing Policy • Data Protection Policy • Officer Information Governance Group • Balance Scorecards • Annual Internal Audit Report and Opinion

Activity within Principle G in 2018/19

- During 2018/19, the councils have implemented their programme to ensure compliance with GDPR. This was a comprehensive programme of work across all services to review data protection practices. Data incidents and subject access requests are being monitored in line with good practice, and we have continued to keep a watching brief on all emerging guidance.
- Following this exercise, and an internal audit review, it was identified that there are opportunities to better use data within the councils, and the need for further information governance work to support major programmes / projects that utilise data – such as the relocation of the Mildenhall Office, West Suffolk Operational Hub, and the emerging Digital Strategy. With this in mind, in October 2018, the councils appointed an Information Governance Officer. Priorities include the development of an information governance framework and action plan, and support the councils' compliance with the Government's transparency standards including ease of access to the data.
- Good progress has been made against implementing the recommendations (all relatively minor) raised as part of the external independent assessment of Internal Audit in March 2018. Actions taken have included revising the internal audit scoping document template to make it clearer that audit work is risk-based, make the links to strategic objectives clearer, and review of the form of the annual audit opinion to make it more informative.

4. Review of effectiveness

4.1 The annual review of the governance framework and system of internal control involves:

- a self-assessment exercise;
- consideration of the relative significance of audit issues raised and audit opinions issued during the period;
- the external auditor's comments, and other review agencies and inspectorates' reports; and
- where appropriate, production of an action plan where progress is assessed and recorded.

- 4.2 The Leadership Team reviews the draft Annual Governance Statement prior to submission to each Performance and Audit Scrutiny Committee, which approves this Statement.
- 4.3 The Internal Audit Team is responsible for giving assurance to members, the Head of Paid Service, s151 Officer, Leadership Team and the Performance and Audit Scrutiny Committees on the design and operating effectiveness of the councils' risk and internal control arrangements.
- 4.4 Based upon the audit work undertaken during the financial year 2018/19, as well as assurances made available to the councils by other assurance providers, the Service Manager (Internal Audit) has confirmed that reasonable assurance can be provided that the systems of internal control within these areas of the councils, as well as the risk management systems, are operating adequately and effectively. Similar to previous years, Internal Audit work has however identified a number of areas where existing arrangements could usefully be improved, and agreed actions will be followed up by Internal Audit in the usual way.
- 4.5 The councils are subject to an annual programme of independent external audits and inspections. The external auditor summarises the findings from his audit of the financial statements and the councils' systems which support them and his assessment of arrangements to achieve value for money.
- 4.6 The review of the effectiveness of the governance framework concluded that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

5. Significant governance issues

5.1 In determining the significant issues to disclose, the councils have considered whether issues have:

- seriously prejudiced or prevented achievement of the councils' objectives;
- resulted in a need to seek additional funding to allow it to be resolved or had resulted in a significant diversion of resources from another aspect of the councils' services;
- led to material impact on the accounts;
- received adverse commentary in external inspection reports;
- been treated by the Service Manager (Internal Audit) as being significant in internal audit reports issued during the year;
- attracted significant public interest or seriously damaged the councils' reputation;
- resulted in formal action being taken by the s151 Officer and / or the Monitoring Officer; or
- members had advised that it should be considered significant for this purpose.

5.2 There are no significant governance issues to disclose for 2018/19.

6. Assessment of Brexit Risk

6.1 In anticipation of the UK's planned exit from the EU in 2019 the councils have kept a watching brief regarding developments around the withdrawal agreement and the future relationship with Europe. This has included engagement with LGA activities and briefings and participation in a cross Suffolk Officer Group working on the implications of the UK's withdrawal for the local area. The councils' risk assessment has considered risks and opportunities which may or may not arise from Brexit.

7. Assurance by Chief Executive and Leaders of the Councils

We approve this statement and confirm that it forms the basis of the councils' governance arrangements. From 1 April 2019 the new West Suffolk Council will be responsible for monitoring and strengthening its own governance arrangements.

Signed:

Signed:

James Waters
Leader of the Council

John Griffiths
Leader of the Council

Date:

Date:

Signed:

Ian Gallin
Chief Executive

Date: