

## **West Sussex County Council Annual Governance Statement 2022/23**

### **Executive Summary**

The Annual Governance Statement (AGS) explains the processes and systems of the County Council's discharge of its responsibilities so as to give assurance for their effectiveness. It covers the period 1 April 2022 to 31 March 2023.

Work has continued to provide greater clarity in areas of council governance identified through the good governance project initiated in early 2020. Recent external inspections have confirmed that significant progress has been achieved in improving governance arrangements and the positive impact of this on the delivery of services.

A summary of assurance is given for each of the seven principles on which the Statement is based. At the end of the narrative for each principle are the actions to address issues to further strengthen the Council's governance.

### **The Purpose of the Governance Assurance Framework**

1. The County Council must ensure it functions in accordance with the law and proper standards and that public money is safeguarded, correctly accounted for and used economically and efficiently. It must show how it can offer assurance as to the proper governance of its affairs (including as pensions administrator), the effective exercise of its responsibilities and the sound management of risk.
2. The Council has a Code of Governance aligned with the principles of the Chartered Institute of Public Financing & Accounting (CIPFA) Framework: Delivering Good Governance in Local Government. It also meets the requirements of the Accounts and Audit Regulations 2015. A new Code of Governance was agreed by the Governance Committee in February 2022.
3. The governance framework comprises the rules, procedures, systems and processes by which the Council is managed and controlled. The quality of the framework and how well it is used underpin trust in public services. This Annual Statement shows how the Council gives assurance to members, partners, stakeholders and residents that its governance arrangements are robust.

### **Financial Management Code**

4. The County Council is required to comply with the Financial Management (FM) Code which CIPFA published in 2019. The Code provides guidance for good and sustainable financial management in local authorities and provides assurance that authorities are managing resources effectively. The FM Code is based on a series of principles. It does not prescribe the financial management process local authorities should adopt but it requires an authority to demonstrate that it satisfies the principles of good financial management relevant to its size, responsibilities, and circumstances. A self-assessment took place in 2022 and the Council complies with all the principles of the Code as set out in Appendix A. However, in all areas there is potential for further improvements and to further embed good financial management and which will be the focus on 2023.

## The Governance Assurance Framework Principles

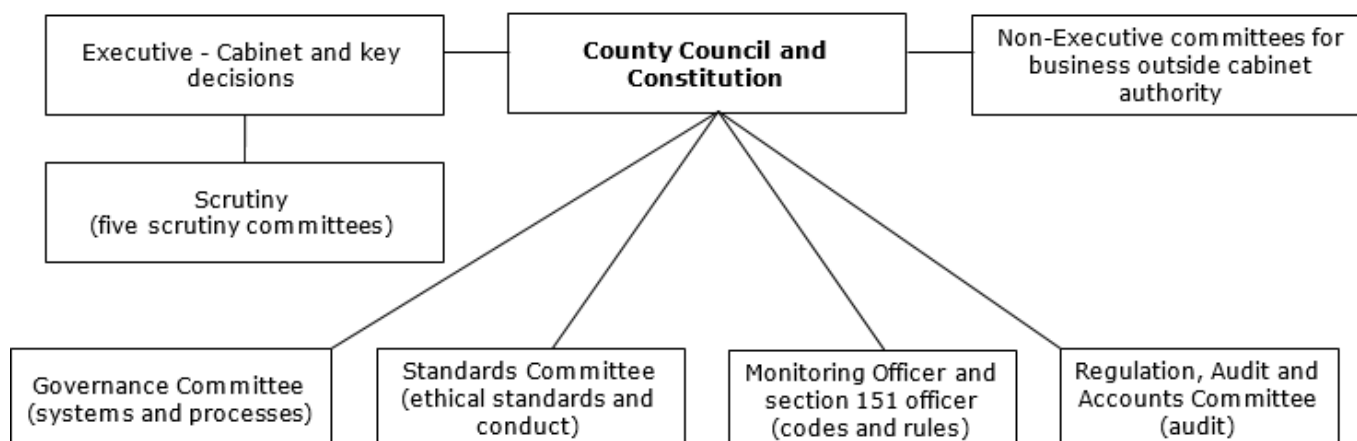
5. The seven principles of Corporate Governance adopted by the Council are set out below. Assurance for how they are met is provided in the text below each principle. Further work to be done is highlighted and set out in the appendix (to follow).

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

## The County Council's Governance Framework

6. The 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:

**The Governance Framework at West Sussex County Council**



## Notable Challenges in 2022/23

7. The County Council has continued to deliver its services as the nation continued to recover from the pandemic and during a period of rising inflation and global events which have had a significant impact on supplies and service costs as well as fuel cost increases and other factors driving inflation and supply chain disruption. The Council has had to manage a range of service pressures and community support demands arising from the impact of the cost of living for residents. The Council has been proactive in responding to the need for

assistance for refugees and drawing on County resources as well as government funding in a complex and ever changing set of expectations.

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

**Assured**

The County Council has high standards for sound governance as set out in law, government guidance and the courts. 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 provide assurance that they continue to be implemented fully and correctly.

In this and in other sections of the Statement the governance issues raised by the 2019 Children's Commissioner's report are addressed as are actions taken through the Council's 'Good Governance' project.

8. The **Governance Committee** oversees the democratic arrangements of the County Council and reviews and advises the County Council on the Constitution. The 'Responsibility for Functions' section (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 law and regulation. These give authority and certainty to the allocation of responsibilities in the Constitution and define the constraints on the exercise of authority.
9. Part 5 of the Constitution contains the Code of Conduct for members. A parallel code for officers sits in the suite of Human Resources policies. The Council has also adopted policies relating to responsibilities for ethical behaviour including equality and sustainability. Decision-making is supported by advice from specialist officers and internal guidance, financial regulations standing orders that should ensure compliance with these policies.
10. The statutory roles of the Chief Financial Officer (s.151 officer) and Monitoring Officer are set out in the Constitution and in the scheme of delegation. These officers provide oversight of propriety, lawfulness, ethical conduct and financial prudence. They have a direct reporting line to the Chief Executive and are involved in all major decision-making as part of the Executive Leadership Team and as well as being signatories to all key and other significant decisions.
11. The **codes of conduct** define the standards of behaviour for members and officers. All members undertake training from the Monitoring Officer on the code of conduct and this was carried out successfully following the county council election in May 2021. A revised Code of Conduct was approved by the County Council on 16 December 2022, on the recommendation of the Standards Committee, which brought the Council's Code into line with a model code produced by the Local Governance Association.
12. 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 interest

declarations. It is a standing item on all formal meeting agendas for both officers and members. The register is published and regularly updated.

13. The Council has a **whistleblowing policy** as 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 Standards Committee. Following its refresh in 2020 action has been taken to improve its accessibility and visibility for staff and to provide advice and guidance to officers responsible for dealing with referrals under the policy. This has included independent assurance and benchmarking for the Council's arrangements. This has relevance for the Council's commitment to a fair, open and responsive internal culture.
14. Officer interests, including gifts and hospitality, are recorded and should be published on the County Council's website annually. Mechanisms for recording officer interests, gifts and hospitality are in place. It requires regular action by Directors to update the records to enable publication and this is not consistent across the organisation. Action is taken each year as part of the AGS work to reinforce the importance of this process. Action will be taken to make the recording and publishing of interests simpler and the County Council expects to see an improvement in reporting and publication during 2023/24.
15. The Council's Standing Orders on Contracts and Procurement and the Financial Regulations and Procedures provide rules for lawful and sound processes for contract and spending decisions. These are managed by the Monitoring Officer and Chief Financial Officer in consultation with the Regulation Audit and Accounts Committee and supported by a group of officer subject matter experts sitting as the Procurement Board on behalf of the Executive Leadership Team (ELT). This provides a single process for procurement planning, compliance with due process and consistency of best practice. Some elements of these are being addressed as part of the 'streamlined decision-making' workstream from the good governance review – the aim being to make aspects of procurement activity simpler and more accessible to officers engaged in commissioning.
16. 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 Governance Committee and any adjustments to current delegations being within the authority of these two senior officers meaning that the scheme is fully up to date at all times and provides a reference for the schemes of onward delegation from Directors to their direct reports.
17. The Chief Executive commissioned an external review of governance in 2020. This 'good governance' work provided an opportunity to review areas of governance and to address inconsistencies or ineffectiveness in policy or practice and as part of the Council's culture, including its arrangements for ensuring compliance. The new Code of Governance was approved by the Governance Committee in February 2022 and is published. An officer guide to council governance and decision-making has also been developed as a single accessible source of guidance to officers on Council governance. It has been widely disseminated and also provides a source for officer training on governance.

#### **Note on Teachers' Pensions Enrolment Breach**

18. In June 2021 the Council notified the Pensions Regulator of a breach of the Teachers’ Pension Regulations. This related to a failure over a number of years to auto-enrol some part time and casual teaching staff onto the teachers’ pension scheme as required following a change to the regulations in 2007. The Council appointed an external adviser to investigate the extent of the breach. During 2021/22, the Council continued to make progress to identify those individuals in scope, although it was not possible to accurately quantify the obligation to the Council for inclusion in the 2021/22 accounts. The individuals identified as potentially in scope were advised in writing of progress in both March 2021 and February 2022. As at 31 March 2023 the exercise is still ongoing and it is unlikely that the Council will be in a position to quantify the obligation in the 2022/23 accounts published by 31 May 2023. Work will continue with the expectation of the issue being fully resolved by March 2024.

**Principle A (integrity and compliance)**

<b>Action</b>	<b>Owner</b>
i. To ensure full implementation of arrangements for the registering and publication of officer interests	Director of Law and Assurance (L&A)
ii. To ensure full implementation of the plan to address the Teachers Pension Breach	Director of Finance and Support Services (F&SS)

<b>B: Ensuring openness and comprehensive stakeholder engagement</b>
<p><b>Assured</b></p> <p>The County Council has clear decision-making processes and rules and procedures to enforce them which emphasise openness and transparency. This has been tested and shown to be resilient during the pandemic and its impact on ways of working and change to service pressures.</p> <p>Compliant standard consultation and engagement mechanisms are in place and are used effectively.</p> <p>The County Council exists to serve its residents and is dependent on a wide range of stakeholders for working effectively in partnership. Work is underway in a number of areas to improve the Council’s partnership arrangements.</p> <p>The approach to partnership working in specified areas, most significantly joint commissioning with the NHS, continues to be reviewed and reappraised as part of a strategic review of Adults Services and its focus on commissioning arrangements, following the launch of the NHS Integrated Care System.</p>

**Decision-making and Scrutiny**

19. The **County Council** is the senior decision-making body and the principal forum for political debate. All County Council meetings take place in public and are webcast. The County Council sets the strategic aims that form the Policy Framework. It also determines the Council’s budget following a well-developed process of member engagement and internal scrutiny, reviewed annually.

20. The **Executive** (leader and cabinet) takes decisions on most matters of Council policy and service delivery. Most cabinet level decisions are taken collectively and, when this happens it takes place at a meeting in public. The non-Executive responsibilities of the council are discharged through its **non-Executive committees** as described in the Scheme of Delegation. The County Council appoints members to **scrutiny committees**, by which the Executive is held to account by the non-executive member. Scrutiny committees are politically proportionate. Chairmen and vice-chairmen are appointed by the relevant committee. They also meet in public and are webcast.
21. As well as the Cabinet, the Scrutiny committees undertake quarterly performance monitoring of the Council's corporate priorities, provide input into policy development and ensure significant decisions or proposals are scrutinised in public ahead of consideration by Cabinet. Proposals may also be called in for scrutiny after a decision has been proposed in final form. An annual report of scrutiny activity is presented to the County Council each summer, setting out best practice and highlighting key aspects of the scrutiny committees' work.
22. An Executive-Scrutiny Protocol was agreed by the Council's Governance Committee in September 2022, in line with the national guidance on overview and scrutiny in local authorities. This describes the working arrangements between the Cabinet and Scrutiny at the Council, complementing the code of Governance and the rules and procedures in the Constitution. It provides a framework for how they will work together most effectively and will be monitored by scrutiny committee chairmen and the Cabinet, with a full review by the Governance Committee after one year.
23. All scrutiny committee meetings take place in public and are webcast live. Other meetings of significant public interest are webcast, including the County Council, Cabinet, Planning and Rights of Way Committee and the Health and Wellbeing Board. Webcasts are available to view for up to six years.
24. **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 gives the public, press and elected members notice of forthcoming key decisions and is used by scrutiny committees to help plan their business. As decisions become more significant in terms of service changes and policy proposals there is a greater need to ensure early awareness by and engagement for all members and scrutiny committees use their business planning groups (a smaller group of committee members) to help ensure the right focus of business.
25. **Decision-making** operates with a presumption of openness. Cabinet and Committees are held in public and individual executive decisions by cabinet members or senior officers in accordance with the scheme of delegation are published on a daily basis on the Council's website. The Council uses an electronic notification system to automatically notify subscribers to meetings or actions by the Council in which they have expressed an interest. Agendas and reports for Cabinet and committee meetings are published at least five clear working days in advance. Any exceptions are explained in public documents. The use of powers to exempt information from publication or allow a committee to meet in private is minimised to when necessary and after senior officer advice.

26. Decisions and agendas are held on the website for six years. 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) and the form and content of decision reports when urgent action is used. This system is not conducive to openness and transparency and its use is kept to a minimum and any key decisions taken in this way are reported for noting to the next County Council meeting. A full review of urgent and short notice decisions was undertaken in August 2022 to simplify and clarify the relevant rules and procedures. As a result of this, a new set of Standing Orders on urgent and short notice decisions was incorporated into the Constitution after approval by the Council in October 2022.

### **Working Virtually**

27. **Virtual Working** Since June 2021 all formal council and committee business has been fully compliant with the statutory framework requiring physical meetings in public. Some non-decision making meetings have continued to be held virtually in 2022-23 but decision-making arrangements were largely unaffected. The County Council prioritises transparency and democratic accountability and member committees had a full programme of meetings. Virtual briefings for councillors and digital engagement activities have taken place with stakeholders and witnesses advising committees, with learning from these arrangements to be built into future ways of working. The Governance Committee has reviewed meeting arrangements with a focus on ensuring openness and transparency and the best use of resources.

28. **Communication to the public** is via the Council's website, in public meetings and through social media. The Council's website was last revised in April 2015 and an ambition to extend digital access to more customer transactions (i.e. online services for residents) is being pursued as part of plans for service improvement and re-design to support residents' needs and preferred ways of doing business. Progress will be monitored. A new website planned for late 2023. A new digital contact management system for customer contact and transactions was implemented smoothly in autumn 2022 and will be further developed to ensure the full benefits are realised during 2023. Public consultation on policy and service proposals is addressed below.

### **Stakeholders and Partnership**

29. The County Council works with a range of stakeholders. This includes other 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 and local economic and place-based development. There are both formal and informal forums in place for regular liaison with elected members and senior officers in the district and borough councils, including regular meetings of all of the leaders of the councils (West Sussex Leaders' Board), to discuss issues of common interest and regular meetings of all chief executives (West Sussex Chief Executives Board). The governance of and scrutiny route for the council partnership to manage and deliver the retained business rate pool, refreshed each year are well established.

30. Regular meetings with other partners, most notably the NHS Integrated Care System (ICS), are held at various levels and between Members and officers on operational, commissioning and service planning. For a number of 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. These will be the subject of a comprehensive review during 2023/24 to ensure they meet the respective needs and obligations of the partners.
31. The terms of reference and membership of the **Health and Wellbeing Board**, the principal forum for health and social care liaison and partnership, were last revised in 2022 to take account of the changes linked to the establishment of the ICS. The Board plays a critical role in the development and confirmation of the strategic planning of the ICS. In addition, a Joint Health and Wellbeing Strategy was developed to set out the Board's vision and this is being promoted and disseminated within the Council and through various corporate and partnership initiatives.
32. Improvements have continued in the partnership arrangements for **Children's Services**, with a more effective focus on partnership and joint working. The Council has continued to manage its services following external verification of the significant improvement in corporate governance of the service. Ofsted carried out a full service inspection in March 2023 and the result, published on 11 May 2023 found that the Council had improved its services to an overall 'Requires Improvement' rating, but with 'Good' elements, including in leadership and management. This should provide greater reassurance for and grounds for confidence in the partnership working which is critical to service effectiveness.
33. **County Local Forums** as a mechanism for elected member engagement with local communities were abolished in autumn 2022 following a one year trial. Councillors concluded that they are best placed to engage with residents and relevant groups in their local areas as a personal level.
34. The County Council is committed to working in partnership with residents, businesses, communities, the voluntary and community sector and local authority partners. There are agreed partnership principles with the voluntary sector for the commitment to more effective ways of working together, building stronger alliances and empowering joint action. Significant partnership work was undertaken in response to the pandemic, helping to strengthen and build on these relationships.
35. The key internal services of Internal Audit and Pensions Administration are provided in partnership with Hampshire County Council. Governance arrangements for the Hampshire Partnerships are subject to partnership agreements which set out how each partner in the respective arrangements will proportionately share costs, benefits and liabilities of the joint services. All partners, including the Council, are engaged in taking forward the strategic governance and oversight of the partnerships and details are set out in the respective partnership agreements.

### **Consultation and engagement in West Sussex**

36. The County Council is committed to working with residents, businesses, communities, service users and partners to help prioritise what it does, to have a



say over the approach and to get involved in delivery and change. This requires sound arrangements for engagement and consultation.

37. The Council uses a variety of ways to engage residents and other stakeholders - publications (printed and digital), press releases or social media to keep people informed of plans or decisions. The Council uses various methods to seek people's views: questionnaires, public events, workshops, focus groups, satisfaction surveys, and feedback forms. Whilst these arrangements and the tools used to support them are in place, there may be a need to ensure that they are used consistently and that its clear when such consultation is needed.
38. **Consultation and Engagement Quality Assurance** is a set of processes to ensure services are supported to plan and implement projects which are robust and produce reliable valid data upon which decisions can be made. It includes methodological and ethical requirements and, before projects go live, services must seek advice to ensure they have assurance for consultation and engagement. There will be a need however to test whether all projects that would or should benefit from this approach are doing so and this will include the development of the annual budget and the Council Plan priorities.
39. Formal consultation will generally only be undertaken where there is a statutory duty or legitimate expectation, or where there is a service or policy need to do so. Consultations are carried out in accordance with current national [Consultation Principles guidance](#), and the Council's [Statement of Community Involvement](#), related to land-use planning. Individual services are required to maintain open channels of communications with relevant stakeholder groups and representative bodies where relevant to service planning.
40. All formal public consultations and engagement projects are made accessible online using the ['Your Voice' engagement hub software](#). They are also published on the County Council's news and press release webpages and are highlighted in the residents' e-newsletter. The Council ensures compliance with the public sector equality duty when processing and securing formal key decisions although consistency and appropriateness of use requires further attention to ensure consistent compliance. Internal guidance on the Consultation, Engagement and Research portal has been refreshed in 2022.
41. The information gathered is analysed and considered as part of decision-making. The protocol can be found in the [Constitution](#). Analysis reports and decisions are made available on the ['Your Voice' engagement hub webpages](#) as a means of closing the 'feedback loop' and increasing trust in decision-making processes.
42. Action was taken to increase the effectiveness of public engagement and communication, including raising awareness of the need to ensure that all projects comply with new online accessibility legislation. Work on improving understanding of, and compliance with the public sector equality duty has been completed and will be reinforced using guidance, best practice and focused training in areas in which risks have been identified. The 'About You' socio-demographic template used by the Council has been updated to align with the Office of National Statistics 2021 Census data.
43. The County Council's **Petitions Scheme** describes 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 address a meeting of the County Council if prescribed thresholds for numbers of signatures are reached. A response is made to each petition, explaining what the Council will or will not do.

### **Governance Review and issues for Assurance**

44. Significant improvements have been achieved in Children’s Services and the Fire and Rescue Service, which have received external inspection outcomes confirming that both services are moving in a positive direction. While workstreams will continue in both services, the significant governance actions monitored through the AGS in the last few years are now concluded. Note in particular the position of children’s services summarised in paragraph 32 above.

### **Principle B (openness and engagement)**

<b>Action</b>	<b>Owner</b>
i. To ensure the consistent use and application of the corporate consultation and engagement tool	Director of L&A
ii. To review the use of resident consultation and engagement for budget and Council plan development.	Director of L&A

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

#### **Assured**

The County Council has settled arrangements to define priority outcomes and monitor performance against agreed targets. These are set within the context of its strategic aims for supporting the economy, complement the social value policy of the Council and are settled against an ambition to address sustainability to support the Council’s climate change commitments.

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

The Council Plan was originally adopted by the Council at its meeting in February 2021 following extensive member engagement in identifying service priorities and how best to monitor their achievement. It covers the period 2021-25 and is refreshed each year. Performance has been monitored in a structured, timely and transparent way by the leadership team and by members in public in the Cabinet and through scrutiny.

These corporate outcomes and the measures for their delivery are, as a matter of course, considered in the preparation of Directorate and service plans and in all significant decisions, the latter being recorded at the point of publication.

45. The Council Plan 2021-2025 outlines the priorities for the County Council and how they are to be assessed in terms of delivery and measures to monitor performance. It was approved by the County Council in February 2021 and is subject to programmed quarterly performance monitoring. The Plan was

developed by the Cabinet and the Executive Leadership Team with the extensive engagement of elected members, scrutiny committees, partners and staff at all levels. Member oversight of the plan takes place in public and the plan is subject to annual review at the Council meeting which considers and approves the Council's budget and capital programme. The second review took place at the County Council meeting in February 2023.

46. The Council Plan is implemented through the Directorate Business Planning process. In July 2023 the Council will publish its Medium Term Financial Strategy which will set out the financial framework for delivering the Council Plan. Comprehensive performance reports by the Cabinet and scrutiny committees is undertaken through the **Performance and Resources Report** which includes financial monitoring information covering both revenue and capital and other corporate performance data on staffing and corporate risk management.
47. Detail of its use and the data monitoring and analysis undertaken by the Council are covered in section D. Active monitoring of performance is undertaken through regular reviews of business plans by Directorate Management Teams and with all staff through individual performance conversations which also cover staff development. This is also covered in Section D (59-60 below).
48. There will be a continuous review of how well the Council's performance is monitored by officers and by members, both executive and scrutiny during the year ahead. This is to ensure member have the tools, skills and support to undertake effective performance monitoring and the verification of performance reports and other sources of assurance in the context of agreed priorities.

### **The Council and the local economy**

49. The County Council is committed to championing the economy of the area. One of its priorities is to ensure West Sussex is a prosperous place and for the county to continue to thrive through supporting local businesses and place based and community initiatives. The **Economy Plan**, adopted in November 2020, sets out the County Council's priorities in supporting the resilience and prosperity of the county. The published Plan covers the period 2020 to 2024 and has nine priority themes setting out where the Council will focus its efforts and resources. It is subject to annual or more frequent review and refresh.
50. Partners and stakeholders contributed to the development of the Plan, including district and borough councils, the Coast to Capital Local Enterprise Partnership, the South Downs National Park Authority, further and higher education institutions, and business organisations. Working with these partners is crucial in the Council's aim to support the business community and ensure recovery and sustainable growth for the West Sussex economy.
51. The County Council has adopted an ambitious 10 year [\*\*Climate Change Strategy\*\*](#) with two key aims for the Council to be both carbon neutral and climate resilient by 2030 an ambition adopted at a meeting of the Council in April 2019. The Strategy aims to set out the Council's plans to meet the ambition of the climate change commitment underpinning the Council Plan and was approved by members in July 2020 after member engagement and scrutiny.

52. The officer Climate Change Board oversees delivery on climate change ambitions on behalf of the Executive Leadership Team. The governance of the Board was audited for effectiveness in spring 2021 and was rated as 'reasonable.' A second internal audit was completed through spring 2022, looking at how climate change ambition is reflected in governance, and the rating was 'reasonable.' The final audit report for 2021/22 stated 'there is a generally sound system of governance, risk management and control in place.'
53. In December 2021 the Cabinet and the Executive Leadership Team agreed to accelerate progress on climate change ambition, acknowledging that climate change objectives need to be built into existing business planning and budgeting. Actions include strengthening the remit of the officer Climate Change Board, ensuring all decision-making forums and processes across the Council reflect climate change ambition in their activity and engaging directorate leadership teams. The Sustainability Team, with responsibility for oversight of the Strategy and its realization has been expanded along with a wide range of activities to deliver the goals of the strategy, including the development of a programme of works to decarbonize the corporate estate and the education estate, the agreement of a Climate Action Plan for Highways, Transport and Planning and the introduction of climate change considerations into major new procurements.
54. [The Council Plan](#) (2021–2025), approved in 2021, is underpinned by the ambitions of the Council in responding to the challenges of climate change. A long-term plan for the delivery of the Climate Change Policy, to be known as the Climate Action and Adaptation Plan (CAAP), is under development involving all directorates and will be integrated into the business planning process for the year commencing April 2024. The CAAP will cover the period to 2030. Quarterly reporting to Cabinet and monthly management reporting (internal) will highlight progress on key climate change indicators.
55. The West Sussex Transport Plan (WSTP) is the County Council's principal policy on transport planning and supports delivery of [the Council Plan](#) priorities. It was approved on 1 April 2022 by the Cabinet Member for Highways and Transport and sets out how the County Council intends to address sustainability by improving, maintaining and managing the transport network in the period up to 2036. Responding to climate change is a key priority of the plan, balanced with the need to protect and enhance the environment and prosperity of West Sussex. The Plan was also submitted to the Transport for the South East Board to promote integration in the region to support that Board's own planning.
56. The Council has a **Social Value Framework** which identifies and explains the benefits of ensuring that policies, business plans and service procurements consider and address their impact upon local communities, the local economy, the lives of residents and the places of the County. The framework was first developed in 2015 and was reviewed in 2020. The 2023 review is currently underway and will be published in autumn 2023. Social Value has been incorporated into procurement practice and processes, any impact being recorded in published decision reports. The Social Value Framework is being embedded to ensure it is coherent with the Council Plan priorities, the refreshed Economy Plan and the Climate Change Strategy as well as changes to the environmental, social and economic context of the Council's activities.

## Principle C (defining outcomes and benefits)

Action	Owner
i. Annual refresh of Council Plan	ELT
ii. Review of Social Value Framework	Director of F&SS
iii. Review of performance monitoring and reporting	Director of F&SS and Director of L&A

### SECTION D: Determining the interventions necessary to optimise the achievement of the intended outcomes

#### Assured

Sections D and E should be read together with particular reference to the governance challenges raised by the various reviews and external inspection reports on which much progress has continued to be made during 2022/23.

Interventions for improvement in relation to Children's Services and the Fire and Rescue Service continued to be a particular focus aligned with the challenge to address capacity and capability in these and in other critical areas of the County Council. Significant progress has been made and follow-up inspections have been positive in confirming that the County Council is improving, while still needing to improve further.

Following significant changes related to health service and social care integration, the future of external regulated inspection regimes and the arrangements needed to meet the identified service outcomes a strategic review of Adults Services has begun.

The County 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 have had particular focus. Proposed interventions are recorded through Directorate Business Plans for timely outcome delivery, overseen by the relevant Management Team.

57. All Directorates are expected to prepare and monitor Business Plans which set out the actions required to meet the outcomes set in the Council Plan and the targets and measures used to monitor their delivery. These are in place and will be reviewed regularly and will be updated and refreshed as needed as part of the annual refresh of the Council Plan by the County Council.
58. The public facing **Performance Dashboard** provides details on progress on the key indicators of the Council Plan. This is underpinned by the business assurance framework which, together with the corporate performance dashboard provide assurance that the Council's priorities are implemented. The Cabinet reviews the performance dashboard as part of the Performance and Resources Report and it is scrutinised by each of the Scrutiny Committees, the full dashboard being referred to Performance and Finance Scrutiny Committee.
59. The Performance Team is developing a reporting tool to provide data on the corporate health of the organisation that will be reported to the Executive

Leadership Team on a quarterly basis complementary to the performance dashboard and supplemented by focused data on critical service areas.

60. The **Performance and Resources Report** provides an overview of performance against the priorities within the Council Plan and tracks financial performance to ensure intended outcomes are kept in focus and expenditure controlled. The Performance and Resources Report focuses on the delivery of:
- Council Plan and Performance Measures
  - Medium Financial Term Strategy and in-year budget
  - Culture and Workforce
  - Service and Corporate Improvement
  - Corporate Risk Management
61. Executive (member or officer) **decision reports** provide the 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 but not pursued, advice received, consultation undertaken and how risks are managed.
62. The Executive is supported by a number of officer boards chaired by senior officers to ensure oversight of strategic areas of Council business on behalf of the Executive Leadership 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 comprise a board to oversee capital programme planning, one for the climate change strategy and one for strategic procurement. Each board is chaired by a member of ELT.
63. The boards were reviewed during 2022 to provide greater understanding of their purpose and output for both officers and members and to ensure their effectiveness in delivering corporate aims in a timely and transparent way. They are also described in officer guide to governance to assist in making their work and purpose better understood. They will be further reviewed during 2023/24 to ensure their alignment with their combined aims and to ensure a full understanding of their function, purpose and value within the governance of the Council.

### **Service Improvement activity**

64. Ofsted has continued to carry out regular inspections of the Council's Children's Services following the critical findings in its report in early 2019. The output from these inspections monitors and informs the continued improvement interventions for the service. The Council's governance arrangements were improved through the work on good governance as monitored through the Annual Governance Statement's Action Plans. Service improvement continues to be driven by the Director of Children, Young People and Learning, held to account by the Cabinet and is scrutinised through the Children and Young People's Scrutiny Committee. Ofsted carried out a full inspection in March 2023 and the result published on 11 May 2023 confirms that the Council has improved its services to an overall 'Requires Improvement' rating, with 'Good' elements, including in leadership and management.
65. The implementation of the improvement plan adopted following the inspection of the Council's Fire and Rescue Service by Her Majesty's Inspector of Constabulary

and Fire and Rescue Services (report published on 20th June 2019) has been externally recognised as showing sustained success. The dedicated Fire and Rescue Service Scrutiny Committee has been confirmed as a permanent arrangement, in line with national directives. There are regular member updates to Cabinet and scrutiny on improvement activity. Service improvement will continue to be monitored through these channels.

66. In February 2022 the Cabinet approved a new strategy for Adults Services, developed with extensive partner, service user and member engagement. This work will take place in parallel with the implementation nationally of integrated care services with the NHS across Sussex. These developments will mean significant areas of change for service delivery, performance, systems to support practice and commissioning – including that undertaken jointly with the NHS. Implementation will be the subject of oversight by the Health and Adults’ Social Care Scrutiny Committee. There will also be additional external inspection of the service, expected during the next 12 months.

**Principle D (interventions for outcomes)**

<b>Action</b>	<b>Owner</b>
i. Review of capital governance arrangements	Director of L&A & Director of F&SS
ii. Review of terms of reference of Procurement Board	Director of F&SS
iii. Review of internal ELT level officer boards	Director of L&A
iv. Monitoring and reporting Adults Services Improvement Programme	Director of Adults and Health

**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. This has been reinforced by the work on the West Sussex Plan and the business planning activity underpinning its delivery. The programme of member development has also focussed on this.

The Executive Leadership Team manages the Council’s workforce, skills and resource planning in line with its People Framework. All officers are expected to have their performance monitored and their development needs identified and met. Specific attention is paid to 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.

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 supported to fulfil the expectations and demands of their roles as local member and those to which they may be appointed. Members are also expected to meet the expectations for development, knowledge and awareness as set by the Council’s Member Development Group.

67. Arrangements for the County 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 and members appointed as cabinet advisers, for which role profiles must be settled with the Director of Law and Assurance. The Council, at its public meetings, makes appointments to all committees and changes can be made at each Council meeting. All terms of reference of member committees and boards are published and there is a system for reviewing and refreshing them. Governance Committee carries out such reviews as and when required.
68. **Member roles** – Executive and non-executive roles are defined and published within the Constitution on the Council's website and as part of the internal Members' Information Network (the Mine). The member induction and training programmes cover all aspects of member roles. All member development sessions have attendance and feedback recorded.
69. The knowledge and development needs of members are identified and addressed through a cross-party **Member Development Group** (MDG). This group reports to the Governance Committee and oversees the delivery of a planned programme of member training and development which is underpinned by the Member Development Strategy, to ensure members' training and development reflects both their personal needs and organisational requirements. All members are contacted annually to review their training needs. Feedback from this process helps to shape the member training and development offer. MDG reviews the impact of member development and identifies areas for improvement. The Member Development Programme achieved Charter status in November 2020, which will be reviewed by MDG after three years.
70. Specialist training is given to members according to the roles they carry out. This includes leadership training for Cabinet Members and other members in senior positions, such as political group leaders as well as training tailored for scrutiny committee members, members of the Regulation, Audit and Accounts Committee, Planning and Rights of Way Committee, the Pensions Committee and the Appeals Panel. Some training for members is identified as mandatory (code of conduct, safeguarding, corporate parenting, equalities and data protection/cyber security). Different options for completion of this training are provided, including through online training modules. Completion of this mandatory training is monitored by the MDG and by political group leaders.
71. Disclosure and Barring Checks (DBS) remain part of the induction of new members. Enhanced DBS checks are carried out for members in adults and children's services related roles and all other members are expected to have a standard DBS check. By January 2022, all planned DBS checks had been completed and further enhanced checks have been undertaken as needed.

## **Officers**

72. Statutory roles include the designation of the Chief Executive as Head of Paid Service, the Director of Law and Assurance as the Monitoring Officer, and the Director of Finance and Support Services as Chief Financial Officer. Other critical statutory and leadership roles and their responsibilities are described in the Council's scheme of delegation.



73. All Directors are required formally 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. The leadership team has agreed the approach to enable them to provide appropriate assurances – referred to as **Directorate Statements of Assurance**, to be completed to accompany the final sign off of this Assurance Statement.
74. New guidance for officers on Council governance arrangements was produced during 2022/23, providing information in one place on all aspects of the processes that officers may need to know about and work with. This includes details of structures, how decisions are taken and the roles and responsibilities of councillors. It provides detailed advice to help officers navigate processes and get things done in a compliant way. Training for officers on decision-making and report-writing is also provided internally, focussed on officers most likely to have a need to be familiar with decision-making processes.
75. The Monitoring Officer and Chief Financial Officer have a place on the Executive Leadership Team, which comprises the three service Directors in addition to the Chief Executive, Director of HR and Organisational Development and the Chief Fire Officer. The Director of Public Health who reports to the Director for Adults' and Health regularly attends ELT to ensure public health is embedded across the County Council and its partnerships.
76. All Directors and some Assistant Directors undertake the role of 'duty director' on a rota basis alongside the Chief Executive, to provide a source of authority and direction during critical incidents outside office hours. Training and guidance on the discharge of this role is provided. The officers are also required to complete police and national vetting procedures in order to participate in Gold command activities during incidents.
77. All levels of management within the Council have a designated role profile and these profiles are accessible via the Council's intranet (the Point). Officers are given copies of their role profiles 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.
78. 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 and mandatory annual refresher online training is heavily promoted to all staff. Leadership skills and development for senior officers has been addressed as part of the development of the workforce strategy through the People Framework.
79. Issues of capacity and service resilience to ensure service effectiveness are covered through workforce planning as part of directorate business planning. This was thoroughly refreshed as part of the development in 2020/21 of the West Sussex Plan. Areas of particular risk are identified. Specific attention has been required over recent years to manage challenges in adults' and children's social care where both recruitment and retention have been problematic with expected adverse impact on service quality and consistency. Action to address these issues remains an area of particular focus. A broader workforce strategy (People Framework) has now been put in place. Recruitment and Retention

remains a high risk on the Corporate Risk Register and updates are regularly reported to the Performance and Finance Scrutiny Committee.

**Principle E (capacity and leadership)**

Action	Owner
i. Completion of Directorate Statements of Assurance	Director of L&A

**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. Regular reporting to ELT and Cabinet is in place with risk management and internal audit progress reported together.

Service and corporate performance management has been addressed earlier in the report in the context of the comprehensive review of performance during 2020/21 and the development of the Council Plan and monitoring is now well established. Corporate risk management is reviewed regularly as part of the Performance and Resources Report. Directorate level risks are routinely monitored by Directorate Management Teams. Directorate level risks are routinely monitored by Directorate Management Teams.

The County Council has robust internal financial controls in place, displays strong public financial management and operates systems to manage risks and performance which are subject to both internal and external review as well as member oversight through committees meeting in public.

Health and Safety oversight and management is covered through established procedures and governance.

- 80. The Constitution sets out the rules, its Financial Regulations, 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.
- 81. 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 Council’s accounts in 2021/22 concluded that arrangements remained robust but did identify areas where the Council’s existing controls could be further strengthened. The audit for 2022/23 will take place over summer 2023 and final audited accounts are expected to be published by November 2023. The Council’s financial management arrangements conform to the governance requirements of the CIPFA ‘Statement on the Role of the Chief Financial Officer in Local Government 2010’ and the Financial Management Code. A continuous review is maintained. A full review of Financial Regulations and Procedures was

undertaken and a new version of Financial Regulations was approved in 2018. A further review is planned to be undertaken during 2023.

82. Each Director is required to conduct a full review of internal governance systems for their area of responsibility, through an assurance mapping process. The statements made, based on the assurance mapping, are checked to identify broader governance issues. Evidence of assurance given is supplemented in the annual assurance statement for each directorate. These include actions for improvement. From both sources, significant governance implications are included in this document. This covered in Section E above (paragraph 73).

### **Scheme of Delegation for officers**

83. The officer scheme of delegation is critical for the effectiveness of controls of spending and lawfulness as well as internal authority for operational actions. It is kept under review by the Director of Law and Assurance. Directors are required to ensure and confirm the effectiveness of the scheme of officer onward delegation within directorates and have worked with the Director of Law and Assurance to ensure that there is shared understanding by the relevant officers of the operation of delegations and the need to continually review them.
84. The streamlined decision-making exercise arising from the good governance review focused on the need to provide clarity of understanding for officers in the discharge of their roles and to provide a basis for trusting officers, especially those in management roles and to provide a basis for trusting officers, especially those in management roles, to do their jobs in accordance with their professional competence and good judgment. The scheme of delegation for each Directorate is critical to this aim. It is supported by the development of the new officer guide to governance which is used for a programme of officer training to reinforce a culture of clarity and trust.
85. The County Council annually reviews the effectiveness of its governance framework including the system of internal control. The review is informed by the Head of Internal Audit's annual report 2022/23, by the external auditor and other agencies and inspectorates. These findings are brought together within this document and are reported annually to the Regulation, Audit and Accounts Committee. The Director of Law and Assurance is responsible for ensuring the effectiveness of the internal assurance arrangements and the implementation of actions identified by those arrangements. The Regulation, Audit and Accounts Committee undertakes the functions of an audit committee. This includes the work and findings of Internal Audit. The audit arrangements which support and reinforce financial controls and assurance are fully addressed in section G below.
86. The **Risk Management Strategy** is set out in the Constitution (Part 4 section 2) and is reviewed annually. The Strategy describes the responsibilities of officers and elected members and ensures that corporate risks are regularly reviewed by the Executive Leadership Team in order to advise and update Cabinet as necessary. In addition, it illustrates the framework the Council has for identifying, assessing and managing corporate risk. The operation of the framework and concerns identified are reported quarterly to the Regulation, Audit and Accounts Committee, which has responsibility for providing assurance on the effectiveness of risk management arrangements.

87. Corporate risks are included in the Performance and Resources Report reviewed by Cabinet and the Executive Leadership Team and considered by the scrutiny committees. Material risks and associated actions relating to proposals, policies and spending decisions are identified, recorded and published in decision reports and for scrutiny committees to consider (see paragraph 61 above). Decision report guidance also clarifies the responsibility for scrutiny committees to obtain assurance that the management of risk is effective.
88. Individual Services maintain risk registers which are reviewed regularly at management teams and, where appropriate, are escalated to ELT and/or the Corporate Risk Register.
89. Management of risk is an iterative process delivered through the application of robust controls, including the business planning process, and is supported by the Corporate Risk Manager who reports to the Director of Finance and Support Services. Operational officer responsibility is carried by that Director as s.151 Officer, with the Chief Executive accountable for the Council's overall risk profile and effectiveness of the risk management strategy.
90. The area of Health and Safety management is overseen by the Director of Human Resources and organisational Development and the corporate assurance arrangements for good Health and Safety policy and practice is the subject of continual review and reporting to ELT. Health and Safety and the response to incidents is a standing item on all Directorate Management Teams.

**Principle F (risk and performance)**

<b>Action</b>	<b>Owner</b>
i. Review of Financial Regulations.	Director of F&SS
ii. Implement the control recommendations arising from the 2021/22 external audit.	Director of F&SS and Director of Human Resources and Organisational Development

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

**Assured**

The County Council has transparent processes in place through publication of the Forward Plan of key decisions and of 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 audit recommendations through the Regulation, Audit and Accounts Committee which meets in public.

The County 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.

91. All meetings of the 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 and retained for public access. Cabinet, Cabinet Member and Committee decisions 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 to ensure there is member and public awareness of the Council's plans and proposals before they are considered for approval. A limited number of reports are considered in private session only when the subject meets the prescribed criteria for confidentiality. A summary of these is published and the rationale for non-disclosure made available.

92. The County Council has several separate bodies of which it is a part, which in 2022/23 included the LEP Joint Committee, the Local Government Pension Scheme ACCESS Joint Committee and the Sussex Police and Crime Panel. Each of these bodies abide by the Nolan principles and publish their agendas and minutes in an accessible place, which are linked from the County Council's website.

### **Review and Audit**

93. The Regulation, Audit and Accounts 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 audit recommendations.
94. Internal Audit provides an annual assurance opinion based on the delivery of a risk based internal audit plan. This includes adherence to established policies, procedures, laws and regulations. These are reported to the Regulation, Audit and Accounts Committee. The overall opinion for 2022/23 is to be confirmed in due course (as of May 2023).
95. The Head of Internal Audit reports to the Director of Finance and Support Services. He also has direct access to the Chief Executive and directors and has well-established reporting lines to members through the Regulation, Audit and Accounts Committee and quarterly to the Executive Leadership Team. Internal Audit is provided through an arrangement with Hampshire County Council, giving greater independence, resilience and capacity for this function. The partnership arrangements are underpinned by a partnership agreement.
96. Specific issues of performance or effectiveness in particular areas of critical service delivery or council governance have been raised during the year's internal audit work and summarised in the annual audit report. This includes areas where limited or no assurance has been given. To the extent that the findings and recommendations are relevant to matters not otherwise covered in this Statement they are set out here and captured as part of the action plan to ensure alignment with the actions addressing issues of governance and internal process.
97. The Internal Audit annual report highlights areas where a limited assurance review has been issued. During 2022-23 internal audit undertook (number to be confirmed) reviews of which number to be confirmed) were of limited assurance. Directors are accountable for addressing the recommendations through management actions and progress is monitored until any changes have been fully implemented.

98. Information Governance (GDPR) was an area which concluded with a limited assurance opinion. The review of information governance (GDPR) focused on compliance with the operational controls and processes to provide assurance effective information governance was in place. The key observations focused on refresher training for staff, the maintenance of the Information Asset Register and the absence of data protection KPIs to help provide assurance on information governance activities/processes. These matters have been addressed.

**Principle G (transparency audit and accountability)**

<b>Action</b>	<b>Owner</b>
i. Information governance	Director of L&A

**Main Governance Issues for action or to note**

99. In formulating this year’s AGS a number of forms of evidence have been reviewed. Several of these are reported and monitored through the Regulation, Audit and Accounts Committee. The main governance issues requiring attention are summarised at the end of each section as set out above.
100. An action plan is attached at part of the appendix (to follow), which sets out how the Council will address governance issues in the year ahead. We are satisfied that these actions will deliver the improvements necessary and we will continue to monitor, evaluate and report on progress as part of our next annual review.

**Paul Marshall Leader of the Council, November 2023**

**Becky Shaw Chief Executive, November 2023**

## Annexe - Sources of Assurance and Actions

### Key:

CIPFA = The Chartered Institute of Public Financing & Accounting

FSS = Finance and Support Services

HR&OD = Human Resources & Organisational Development

L&A = Law and Assurance

MDG = Member Development Group

RAAC = Regulation, Audit and Accounts Committee

SOLACE = Society of Local Authority Chief Executives

### Table of assurance for Principle A: Integrity and Compliance

Source of assurance	Where found	Who is responsible	Role	last review/ action planned*
Constitution	Web and Intranet	Governance Committee and Director L&A	A single source for rules and procedure for lawful sound business and meeting management.	A review was undertaken in 2021 arising from the Good Governance project and was approved by the County Council in July 2021. Minor changes have been approved during the year 2022/23.
Codes of Conduct	Constitution	Standards Committee & Director L&A	Defines standards of behaviour and how to enforce	A new Code of Conduct was approved the County Council in December 2022.
Whistleblowing Policy	Constitution	Standards Committee & Director L&A	Defines process to report breaches of rules or standards confidentially	Fully revised for approval by Governance Committee June 2020.
Anti-fraud and corruption strategy	Intranet	RAAC & Director F&SS	Statutory obligations recorded and enforced	November 2015. Reviewed every 3 to 5 years. Review underway and will be reported to RAAC in July 2023.
Anti-bribery policy	Intranet	Director L&A	Statutory obligations recorded and enforced	November 2015. Reviewed every 3 to 5 years. Review planned for 2023/24.
Register of Member Interests	Website	Director L&A	Statutory list of interests.	Entries updated on an on-going basis. Regular reminders to members to review. A revised form in line with best practice and accessibility is in use following the May 2021 election.
Register of Officer Interests	Website	Director L&A	Record of financial and conflicting business interests	New system from March 2017 further refreshed and reinforced in 2021. Publication to be addressed in 2023*
Corporate Complaints Policy	Website	Chief Executive & Standards Committee	Describes mechanism for handling all complaints.	Complete system review completed 2017/18. A new annual report on complaints was provided for Standards Committee in 2021.

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last review/ action planned*</b>
Staff Discipline policy	Intranet	Director HR&OD	Defines rules of conduct and procedures to manage	New HR policies to achieve single framework established in 2019.
Data Protection Policy	Intranet	Director L&A	Defines rules and procedures to protect data.	Revised 2018. Review of practice and training to mitigate risk completed and revised guidance and training in place.
Freedom of Information policy	Intranet	Director L&A Director of Communities	Defines rules and procedures	January 2018.
Data Security & Accepted Use Policy	Intranet	Director F&SS	Defines rules and procedures/measure compliance	Ongoing. Annual External IT Health Check November 2022, Acceptable Usage Policy May 2023. Data Maturity Assessment in second half of 2023. Ongoing mandatory annual refresher training.
Standing Orders on Procurement and Contracts	Constitution	Director L&A and RAAC	To prescribe the rules for all contracts and procurement activity	Revision took place in 2021. More recent minor revisions have been undertaken in 2022/23.
Procurement Board (officers)	Intranet	Director F&SS	To manage and plan strategic procurement	Procurement Pipeline and systems for monitoring in place. Action to clarify internal governance between officer boards within Good Governance underway*.

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

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/ action planned*</b>
Scheme of Delegation	Constitution	Governance Committee & Director L&A	To fully define who takes what decisions and how and how recorded.	March 2022, with minor revisions since then.
Forward Plan	Web site	Director L&A	Describes planned key decisions for next 4 months	Revised format 2021 implemented.
Protocol on decision making	Constitution	Director L&A	Describes arrangements for sound decisions.	Reviewed with Constitution July 2018. Refreshed in 2021 as part of streamlined decision making workstream.
Scrutiny Committee business planning	Scrutiny Committee reports	Performance and Finance Scrutiny Committee, Scrutiny Manager	Records planned scrutiny work.	Continuous with annual work programme published. Executive/Scrutiny protocol established in 2022.
Openness and access to meetings/ decisions.	Constitution and Website	Director L&A	Describes rules and process for ensuring transparency of business.	Constitution revised 2018. Webcasting of major meetings as determined by the Governance Committee.



<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/ action planned*</b>
Consultations & community liaison forums	Intranet, Website & Press releases	Head of Communications & Engagement, Head of Customer Experience	Accessible communication to the public and staff	New community liaison channels are being explored with learning from pandemic response
Research Governance and Consultation QA process	Intranet	Chief Executive	Provide system and guidance for service consultation	Review in 2015. Review of Statement of Community Involvement in 2018. Full review of the Research Governance and Consultation QA process is planned for 2023/24*
Partnership meetings, briefings and liaison	Held by relevant directorate	Relevant Director	Communication to partners	Continuous review and proposal to track external engagement plans better. Partner engagement review within Good Governance underway*.
Equality Policy	Website And decision making protocol	Chief Executive. Relevant Director (for decisions) Director of HR (for staff)	Source of guidance for ensuring compliance with public sector equality duty	Policy reviewed 2018. Respect and Dignity at Work policy rolled out first half of 2021.
Health and Wellbeing Board arrangements	Constitution	Director of PH	Forum for strategic joint business and service oversight	Complete review of Board 2018 – 19 & new H&W strategy from April 2019. Terms of reference revised in 2022 to reflect changes in NHS, with the establishment of the Sussex health and Care Assembly as part of the new Integrated Care System.
West Sussex Compact and Partnership Principles	Website	Director of Communities	Communication to partners	Partnership principles refreshed in 2018. Established partnership working with district and borough councils. Being reviewed as part of good governance in partnerships project*.

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

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/ action planned*</b>
Our Council Plan	Website	Cabinet & Chief Executive	Describes the measure and targets for key corporate & service aims	The County Council agreed current Plan in February 2021. Quarterly reports to members and annual Reports to Council. Refresh completed in 2023.
Social Value Framework	Website	Director of F&SS	Sets aims for social economic and	Full review in procurement activity completed 2019/20.

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/ action planned*</b>
			community benefits of council business	Review of SV framework underway and published autumn 2023.
Climate Change Strategy	Website	Assistant Director of E&PP	Sets Council's commitment to becoming carbon neutral and climate resilient by 2030	The Strategy approved in 2020.
Economy Plan	Website	Director of Place Services	Sets aims for economic benefits of council business	The Plan approved in 2020.

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

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/ action planned*</b>
Performance and Resources Report	Website	Chief Executive & Cabinet and Director F&SS	Reviews financial and operational performance	Reviewed 2020. Newly introduced in 2021. Regular review for continuous improvement.
Executive Decisions process	Website	Director of L&A	To record rationale, legality and financial compliance of decisions.	Format revised 2018. New publication system by Modern.gov 2018.
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.
Executive Officer Boards	Intranet	Executive Leadership Team	Manage strategic business delegated to officers	Action underway as good governance workstream to clarify scope of officer delegations and ensure more transparency*
Capital Programme Governance	Constitution	Executive Director Place and Director F&SS	Provide sound systems for capital programme	Revision February 2019. Further review on governance planned in 2023, set as part of good governance*.
Service Improvement plans governance and assurance	Records of decisions and Improvement Board agendas.	Executive Director CS & CFO	Provide plan and assurance for delivery of improvements from external inspection.	Arrangements for monitoring and scrutinising effectiveness of plans ongoing

## Sources of Assurance for Principle E: Leadership Capability

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned
Scheme of delegation	Constitution	Governance Committee Chief Executive Director L&A	Formal allocation of key roles and functions, including Statutory and senior officers	April 2019 with minor revisions, most recently in December 2022.
Budget, including medium term financial strategy	Council agenda	County Council Director F&SS	To agree a sound budget and financial strategy.	February 2022 and ongoing review of arrangements and timetable for preparation. MTFS planned for publication in July 2023.
Member Development Programme	Held by Director L&A Member Information Database	Governance Committee & Director L&A & MDG	Plan and record all member training.	Continually by MDG (sub-group of Governance Committee). Reports regularly and gathers member feedback.
Human Resources policies	Intranet	Director HR&OD	Describe all officer duties, rules and requirements.	Review planned within Good Governance as culture and leadership areas People Framework and respect and dignity at work policy in place.
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. People Framework completed 2021.
Staff role profiles	Intranet	Heads of Service	Describe all officer roles	Updated as roles change.
Member Induction Programme	Intranet	Member Development Group Director L&A	To determine the content of the programme	Comprehensive induction programme agreed and delivered post May 2021.
Specialist Member training	Committee business programme	Director L&A	Non-executive committees and appeals panel	Completed after 2021 election including individual member training needs analysis for all members.
Officer Performance management	Intranet	Director HR&OD & all Directors for delivery	To manage performance and development	Review undertaken 2021 in line with the Good Governance review.
Performance Management Policy	Intranet	Director HR&OD	clear system for addressing poor performance	As above.

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

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned
Governance Statement	RAAC agenda	RAAC Director L&A	Captures all sources of governance assurance	Annual (this document)

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/action planned</b>
Assurance mapping	N/A	Director L&A Director F&SS	Internal checklist for service governance	New checklist was refreshed in 2020.
Local Code of Corporate Governance	Governance agenda	Governance Committee Director L&A	To confirm the corporate governance principles in place	New Code of Governance agreed in February 2022.
Risk Management Strategy	Constitution	Chief Executive	Strategic aims and objectives for corporate risk management	Approved by RAAC 2018. Strategy reviewed annually by RAAC. Better clarification on risk roles for members added to Constitution in July 2021.
Risk Management systems	RAAC agenda	Director F&SS	Operational systems for meeting RM strategy aims	Last review 2018. Ongoing work to ensure operational risks are regularly reviewed by Directorate Leadership Teams.
Health and Safety Policy	Intranet	Director of HR & OD	Provides rules, procedures and systems for assurance in relation to health and safety at work and in relation to property risk.	Internal review 2018 has led to revised governance.
Audit Function	Constitution	RAAC Director F&SS	To manage and ensure the effectiveness of Audit.	Annual internal quality review. External review is required every five years. Partnership arrangements in place with Hampshire County Council since 2020. Subject to annual review.
Performance and Resources Report	Website	Chief Executive & Director F&SS	Reviews financial and operational performance	New from 2021. Annual review of structure and content.
Treasury Management Strategy	Council agenda	Director F&SS	For sound strategy to limit risks to borrowings and investments.	Reviewed and updated annually. Approved by Council February 2023.
Financial Regulations and Procedures	Constitution	Director of F&SS RAAC	To prescribe the rules for all financial transactions	New version agreed by RAAC July 2018. Review in 2023 underway.
Resilience and Emergency arrangements	Intranet	Chief Fire Officer	To provide safe systems and procedures to manage local and civil emergencies	Action plan implemented.

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

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/action planned*</b>
Audit Function	Constitution	RAAC Director F&SS	To manage and ensure the effectiveness of Audit.	Annual internal quality review. External review is required every five years. Partnership arrangements

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/action planned*</b>
				with Hampshire County Council in place since 2020. Subject to annual review.
External Audit of Accounts	Audit Report	RAAC and Director of F&SS	To give external assurance to the quality of the Council's accounts and accounting practice	Assurance given to 21/22 accounts. The 2022/23 audit is underway and is expected to conclude by November 2023.

**Financial Management Code**

**Financial Management Standards**

Standard		Evidence as at March 2023
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	<ul style="list-style-type: none"> <li>• External Auditor – positive VFM conclusion for the 2021/22 accounts (with narrative included in Auditor’s Annual Report)</li> <li>• Council Plan for 2023/24 focuses on key priorities including VFM</li> <li>• KPIs are monitored in Performance and Resources Report (PRR)</li> <li>• VFM assessment included in all key decision reports</li> <li>• Procurement Board reviews all procurements in excess of £0.5m to ensure proposed procurement meets the outcomes required, follows a compliant procurement route and delivers value for money</li> </ul>
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2016)	<ul style="list-style-type: none"> <li>• The Chief Finance Officer (CFO) is a qualified accountant and is a key member of the Executive Leadership Team (ELT) and other strategic meetings such as Cabinet meetings including informal briefings of Cabinet. The CFO is also a member of the officer boards overseeing major procurements and the capital programme. All material decisions impacting the council follow these governance routes prior to a decision being made</li> <li>• Good financial management is led by the CFO and supported by the senior finance team</li> <li>• The deputy CFO represents the council’s interest on the Property Joint Venture Board and is a Director and Company Secretary of Edes Estates</li> <li>• A member of Finance SMT sits on the Commercial Panel</li> <li>• The Strategic Finance Business Partners, who report to the CFO, sit on the departmental leadership team meetings providing financial insight and advice</li> <li>• Effective reporting and management through review of the quarterly PRR with monthly monitoring undertaken and reviewed at ELT</li> <li>• Finance team is sufficiently resourced and represented at Board and leadership team meetings to provide financial input and challenges, although there have been ongoing recruitment issues for staff at principal finance officer level, which are not unique to</li> </ul>

Standard		Evidence as at March 2023
		<p>West Sussex. In addition, the competing demands of council projects, including the replacement of key financial systems is putting strain on resources and requires the need to prioritise according to levels of risk</p> <ul style="list-style-type: none"> <li>• The senior finance team encourages and provide the development support to become qualified accountants and build career paths to enable progression</li> </ul>
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control	<ul style="list-style-type: none"> <li>• Financial Regulations in the Constitution set 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 to ensure compliance with the rules.</li> <li>• Internal Audit is provided by the Southern Internal Audit Partnership. They meet with Directors to plan the audit programme that is focussed on areas of concern raised in the risk register. The quarterly audit report is discussed at ELT and Regulation, Audit and Accounts Committee (RAAC) and the Cabinet is briefed on the report.</li> <li>• Control is maintained through regular management information, supervision, and a structure of delegation and accountability. External audit of the Council’s accounts in 2021/22 concluded that arrangements remained robust</li> <li>• The Council’s financial management arrangements conform to the governance requirements of the CIPFA ‘Statement on the Role of the Chief Financial Officer in Local Government 2010.’ A continuous review is maintained</li> <li>• A full review of Financial Regulations and Procedures was undertaken and a new version of Financial Regulations was approved in 2018. A further review is underway in 2023.</li> <li>• Each Director is required to review the use of internal governance systems for their area of responsibility, through an assurance mapping process. The statements made, based on the assurance mapping, are used to identify broader governance issues. Evidence of assurance given is noted in the annual assurance statement for each directorate. These include identified actions. From both sources, relevant governance assurance implications are included in this document</li> </ul>

Standard		Evidence as at March 2023
D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	<ul style="list-style-type: none"> <li>• The Council's Annual Governance Statement is jointly signed by both the Leader and the Chief Executive. It is reviewed by ELT and approved by RAAC at the same time as the approval of the audited financial statements. Updates on the agreed action plan are discussed at ELT and reviewed at RAAC</li> <li>• The Council maintains and publishes a Code of Governance and an 'Officer Guide to Governance' provides details of governance framework in an easy access format for officers</li> </ul>
E	The financial management style of the authority supports financial sustainability	<ul style="list-style-type: none"> <li>• The Financial Regulations and Contracts for Standing Orders set out the framework for financial accountability</li> <li>• Efficiency and value for money is a consideration of all key decision reports as part of the financial implications section of the report</li> <li>• The Medium-Term Financial Strategy (MTFS) forms part of the annual budget process and the capital strategy and five-year capital programme also drives the Council's strategic capital investment ambition to support the sustainable long-term delivery of services. The budget planning and MTFS process is led by ELT and reflects the current business plans. Directors are responsible for delivering their business plans with the budget set by the Council in February</li> <li>• The Section 151 officer meets monthly with each Director to keep abreast of financial challenges affecting services and a joint approach to managing such challenges is adopted</li> <li>• The efficiency, equity and effectiveness of each service is considered as part of this process</li> <li>• Children's Services and Fire and Rescue are on a continuing improvement journey to ensure the services are effective and efficient. A two-year improvement programme for Adult Services has commenced</li> <li>• Budget managers attend budget training courses to understand their responsibilities with to comply with the financial management regulations, contract standing orders and procurement procedures</li> </ul>



Standard		Evidence as at March 2023
		<ul style="list-style-type: none"> <li>• Strategic Business Partners (reporting to the CFO) sit with their respective services and leadership teams to support operational and strategic plans. CIPFA was invited to review the financial style of the council in the autumns of 2019. The recommendations of that review were accepted and implemented</li> </ul>
F	The authority has carried out a credible and transparent financial resilience assessment	<ul style="list-style-type: none"> <li>• The budget process considers the potential pressures impacting upon the Council finances for increased demand, increased costs, change to national policies (eg Adult Social Care Reform, Education White Paper, Statutory Override for DSG deficits) as well as local context such as Climate Change. It also reviews the undelivered savings from previous years and builds the savings back into the budget if there is no prospect of them being realised</li> <li>• The budget principles followed as part of the budget setting process states that we will not use reserves to balance the budget and any necessary use of reserves in previous years need to be repaid</li> <li>• The MTFS includes full details of the Council’s financial risks and their likelihood of impact is reviewed regularly and managed through the Council’s budget process and Reserves Strategy</li> <li>• The CIPFA financial resilience index is reviewed each year to identify funding and flag any risks. The index applies 15 measures, including areas such as reserves, flexibility with budget and reliance on different funding sources, including fees and charges. It compares the outcome for each authority to peer groups. The latest published index was February 2022 and showed the County Council had good resilience in terms of a reasonable level of overall reserves (earmarked and general reserves). The section 25 statement included in the Budget Report examines the level of reserves available and determines its adequacy to meet pressures arising from unforeseen events</li> </ul>
G	The authority understands its prospects for financial sustainability in the longer	<ul style="list-style-type: none"> <li>• Demonstrated through the MTFS being included in the annual budget. Cabinet updates and Member Day events which focus on MTFS including the importance of reserves are also provided throughout the year. Financial sustainability is also covered in the</li> </ul>

Standard		Evidence as at March 2023
	term and has reported this clearly to members	<p>quarterly PRR presented to Cabinet and Scrutiny. This report reviews progress against the Council Plan, including KPIs alongside the projected financial outturn</p> <ul style="list-style-type: none"> <li>• Various scenarios are considered and there remains significant uncertainty in the longer term as a result of the current inflationary pressures, demand pressures, adult social care reforms and future years funding</li> </ul>
H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	<ul style="list-style-type: none"> <li>• A Capital Strategy is an integral part of the County Council's MTFS and is in place and refreshed on an annual basis as part of the budget setting process. The Strategy enables the delivery of the Council's priorities and is underpinned by a five year capital programme and asset management plan.</li> <li>• The Asset Management strategy is currently being updated and provides an overview of land and property estate together with our main priorities for managing and developing that estate over the next twenty years.</li> <li>• The Prudential Indicators are set and reported through the Treasury Management and Capital Strategies. Compliance with the Prudential Indicators is reported in the Treasury Management mid-year and the annual reports which are scrutinised by the Performance and Finance Scrutiny Committee</li> <li>• CIPFA published revised codes in December 2021 with formal adoption required for the 2023/24 Treasury Management and Capital Strategies</li> </ul>
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	<ul style="list-style-type: none"> <li>• MTFS covering four years is included in the annual budget along with a five-year capital programme. The MTFS runs alongside the business planning process ensuring the changes to the national and local context is reflected in the MTFS. The underlying assumptions and assessment of relevant cost and demand drivers are regularly reviewed throughout the year and updated as appropriate</li> <li>• The uncertainty in estimates in demand and price is recognised as part of the budget build. A revenue contingency budget is included in the annual budget to deal with these uncertainties</li> </ul>

Standard		Evidence as at March 2023
		<ul style="list-style-type: none"> <li>Asset Management plans are being reviewed to be in place and which correspond to strategic aims</li> </ul>
J	The authority complies with its statutory obligations in respect of the budget setting process	<ul style="list-style-type: none"> <li>Obligations in respect of the budget setting process are set out in the budget principles in the annual budget report each February and will be part of the MTFS published in July 2023. These are reviewed annually to ensure they cover all of the requirements of the budget process.</li> <li>Balanced budget for 2023/24 was approved at full council in February 2023</li> <li>The circumstances needed to issue s.114 notice are understood and communicated to members at Member Days when the budget is discussed</li> </ul>
K	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves	<ul style="list-style-type: none"> <li>The budget report includes a statement on 'Robustness of Estimates, Adequacy of Reserves and the Management of Risk (Section 9 within the 2023/24 budget report)</li> <li>The statutory override to manage the deficit balance on the Dedicated Schools Grant has been extended to March 2026</li> <li>The MTFS and assessment of reserves is set on the basis we will receive adequate funding from government for the proposed Adult Social Care Reforms</li> </ul>
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	<ul style="list-style-type: none"> <li>The long-term financial strategy follows the corporate plan and the integrated business and financial planning process brings together our business planning, financial planning and risk management processes and involves ongoing engagement with key stakeholders across our partners including districts and boroughs, economic partnership and health partners.</li> <li>The annual budget process includes consultation with all key partners and stakeholders through a dedication stakeholder day focussing on the draft budget for feedback before the final budget is recommended to Council.</li> </ul>
M	The authority uses an appropriate documented option appraisal methodology	<ul style="list-style-type: none"> <li>Outline and Full Business cases are required for all major decisions and option appraisal methods applied</li> <li>Decision reports include a section on demonstrating value for money and options appraisals</li> </ul>

Standard		Evidence as at March 2023
	to demonstrate the value for money of its decisions	<ul style="list-style-type: none"> <li>Support is provided by Finance where options appraisals need to be carried out</li> </ul>
N	The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	<ul style="list-style-type: none"> <li>The quarterly PRR captures emerging risks to the budget for both capital and revenue and on a monthly basis key risks are captured and reported to ELT. In addition there are regular reports to ELT as required</li> <li>Strategic and Critical suppliers require the most attention with an emphasis on supplier relationships that can deliver value that goes beyond the contract including, amongst others, cost avoidance, reduced risk and greater supplier innovation. For these suppliers/contracts, we then apply, manage and monitor in accordance with our Contract Management Framework such as the "Balanced Scorecard" and "Supplier Relationship Management plans" which enable monitoring health and effectiveness of our contracts, including performance and allows early identification of risks</li> </ul>
O	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability	<ul style="list-style-type: none"> <li>The level and use of the Council's reserves are reported in the quarterly PRR, which is reviewed by ELT. Debtor balances are reviewed annually and appropriate bad debt provisions are made to reflect likely collectability</li> <li>Contingent liabilities are considered as part of the preparation of accounts to ensure all known potential liabilities are provided for in the balance sheet</li> <li>A review of outstanding purchase orders is considered as part of the year end process to ensure there is no over provision of creditors</li> <li>Reserves are reviewed in detail to ensure sufficient funds have been set aside to meet future PFI obligations</li> <li>The valuations of investment properties are reported as part of the Treasury Management mid year and annual reports</li> </ul>
P	The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local	<ul style="list-style-type: none"> <li>S151 officer reviews the financial statements before signing. The production of accounts follows a detailed timetable with qualified and experienced staff who are encouraged to update their knowledge for any changes in accounting practices</li> </ul>

<b>Standard</b>		<b>Evidence as at March 2023</b>
	authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom	<ul style="list-style-type: none"> <li>• The personal responsibilities of the Chief Finance Officer are set out in the Scheme of Delegation in the constitution</li> </ul>
Q	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions	<ul style="list-style-type: none"> <li>• ELT reviews the final outturn figures, variation from budget and confirms their agreement. They discuss the drivers of any variations from budget, the ongoing impact and mitigations</li> <li>• Monthly finance briefings are held with the Leader, Deputy Leader and Cabinet Member for Finance and Property</li> <li>• Scrutiny Committees review and discuss the outturn position for their respective areas</li> <li>• Cabinet reviews and agrees the outturn position</li> </ul>

## Financial Management Code – 2023/24 Action Plan

Areas for improvement	Standard	Key actions	Who	When
Carry out a review of qualified finance staff, progression and learning opportunities to address current recruitment issues within Finance	B	<ol style="list-style-type: none"> <li>1. Workforce Planning Strategy developed and implemented for finance - including consideration of:               <ol style="list-style-type: none"> <li>a. Review current business partnering way of working</li> <li>b. Ensure a joined up approach across all of Finance with other support services</li> <li>c. Review roles and responsibilities of finance and services and embedding good financial management</li> <li>d. Ensure team have right balance of resources and grades reflecting level of work within team</li> <li>e. Career grades for trainees</li> <li>f. Introduction of more structured career path within teams to ensure there are sufficient opportunities for progression/retention</li> </ol> </li> <li>2. Review training opportunities for staff in Finance, including apprenticeships</li> <li>3. Develop training and development plan for all staff in Finance</li> </ol>	Finance SMT	March 2024
The Medium-Term Financial Strategy (MTFS) identifies a funding gap in future years. Savings plans should be developed for the whole period of the plan.	E, F, G, I, K, L	<ol style="list-style-type: none"> <li>1. MTFS to be updated and published in July 2023 with a five-year outlook for revenue</li> <li>2. Move to longer term planning with a focus on identifying savings in two phases 2024/25 and 2025/26 and then across the whole period of the MTFS</li> <li>3. Closer working of the revenue and capital planning process both in the development of the MTFS and annual budget</li> <li>4. Capital planning and monitoring to form part of Directors business planning process</li> </ol>	ELT / Finance SMT	February 2024



Areas for improvement	Standard	Key actions	Who	When
Conduct a financial resilience assessment to test financial sustainability in particular relating to the Dedicated Schools Grant (DSG) pressure, using key drivers, costs, and service demands. The financial strategy should include a visioning of the shape of services in the future to achieve financial sustainability.	E	1. A review of the Council’s financial stability and of reserves took place as part of the budget setting process towards the end of 2022. A further review is planned for early 2023/24 that will be included within the MTFS published in the summer and will set out the Council’s Reserves Strategy and a five-year forecast on all reserves. This review will also consider the Council’s approach for dealing with long term significant risks, such as social care reforms, the DSG deficit after 2026 and any impact of changes to Government funding to manage any severe short-term reductions. Development of the MTFS in the summer will require a review of all underpinning assumptions and use of scenario planning to consider financial sustainability under a best and worst case scenario.	Finance SMT	February 2024
Balance sheet management review to be undertaken to support better management of assets and liabilities to improve service delivery.	O	1. Review GL balances on balance sheet as part of data cleanse for the data migration to Oracle 2. Review provisions as part of final accounts 2023/24	Finance SMT	March 2024
Strengthen the alignment of finance and operational service plans	A	1. During 2023/24, the Council will continue to strengthen its business planning process. The MTFS published in the summer will align, at an organisational level, the Council’s financial resources with the priorities in ‘Our Council Plan’ and will be used as a basis to align Directorate and departmental finance and operational plans. This will be driven forward through a cross Council Business Planning	ELT/ Finance SMT	March 2024



Areas for improvement	Standard	Key actions	Who	When
		Group and also through ELT and Directorate Management Teams		
Refresh the Financial Regulations	B	1. To be reviewed in 2023 and presented to the Regulation, Audit and Accounts Committee.	Finance SMT	September 2023
Ensure all Budget Managers understand their responsibilities in line with the Financial Management Code	E, L	1. Define/develop roles and responsibilities for both Finance staff and Budget Managers  2. As part of the implementation of Oracle develop and deliver financial management training to Budget Managers to include the self-serve role Budget Managers will have for monitoring and forecasting their budgets	ELT/ Finance SMT  Smartcore project team/ Finance SMT	September 2023  April 2024