

## West Sussex County Council Annual Governance Statement 2021/22

### 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 2021 to 31 March 2022.

Work has continued to provide greater clarity in areas of Council governance identified through the good governance project initiated in early 2020.

The year was dominated by the continuing national public health emergency and the impact of this on the Council's governance is also addressed.

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.

### The Governance Assurance Framework Principles

4. 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.

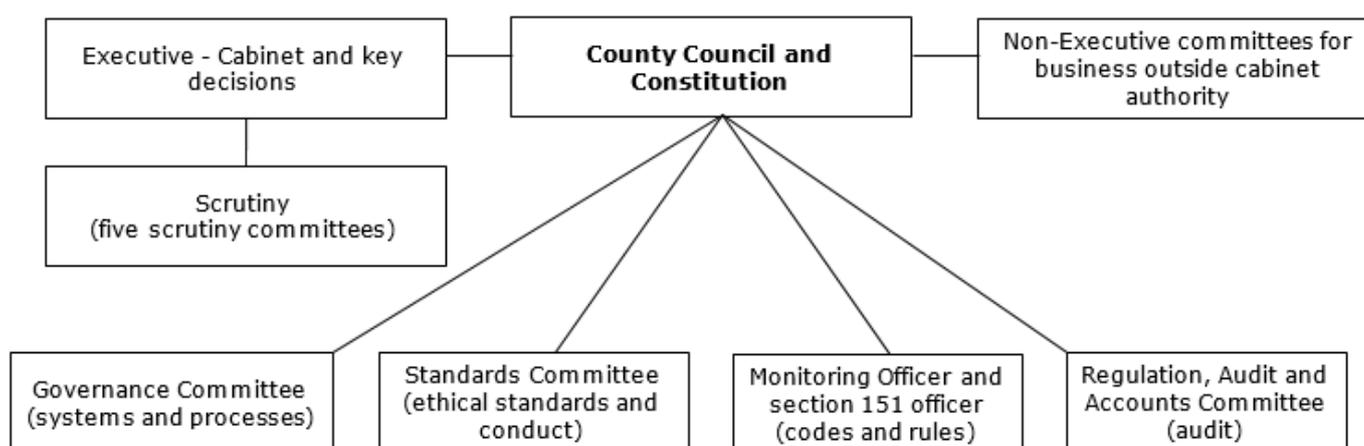
Principle	Description of Principle
A	Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
B	Ensuring openness and comprehensive stakeholder engagement
C	Defining outcomes in terms of sustainable economic, social and environmental benefits
D	Determining the interventions necessary to optimize the achievement of the intended outcomes

Principle	Description of Principle
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

5. 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**



### Public Health Emergency

6. In March 2020, a national public health emergency was declared by the Government in response to the global coronavirus pandemic. This situation continued to affect the Council throughout the period covered by this report. Some services were refocused to prioritise essential services and to provide additional services in response to national priorities. This response was led through a command chain with the Executive Leadership Team working with external partners and providing strategic oversight, directors managing tactical planning, service continuity and delivery. The County Council continues to work on recovery and plans for adapting to future ways of working. The disruption to normal corporate business and the service, resource, staffing and financial consequences will continue to be assessed as part of corporate planning and will inform the commitments made in this Statement.

7. A number of additional governance arrangements have been adopted to manage decision-making and resource allocation in response to the public health situation and to manage funding streams and grant allocations from central government. There have been supplementary procurement measures requiring governance for assurance that payments and financial commitments made in response to the impact on suppliers and service providers were managed prudently, correctly and in a timely way. These are covered in the report where relevant to the area of assurance being addressed.

8. Most activity has continued to be transacted by staff working remotely through the County Council's secure IT network and the use of virtual meetings through an end-to-end encrypted network. Guidance has been issued to managers on working with remote teams and revised as national and local conditions change. The employee support programme has been advertised regularly to staff via a variety of channels to help to promote good staff welfare during the period of remote working.

### **County Council election 2021 – Governance of Councils nationally**

9. May 2021 saw the election of a new administration of county councillors. In the period following the election the Council undertook the induction of new councillors and their familiarisation with the Council's governance. May 2021 saw the ending of interim arrangements permitting councils to transact business through virtual formal meetings and the Council has, throughout this time, continued to review its arrangements for formal member meetings as a standing item of business on the Governance Committee, reporting as need be to the full Council where approval of constitutional revisions was required.

### **Other notable Challenges in 2021/22**

10. The County Council has been proactive in offering support and assistance to Afghan and to Ukrainian refugees arriving in the County drawing on County resources. The war in Ukraine has also begun to have an impact on supplies and service costs as well as fuel cost increases alongside other global factors driving inflation and supply chain disruption.

### **Financial Management Code**

11. 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 assessment against it 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. The principles and standards of the code are set out in Appendix C.

12. Officers in Finance undertook a self-assessment during 2022 and presented this to the Executive Leadership Team. This concluded that the Council does comply with the code. Areas where improvements can be made and a progress update are set out in Appendix C.

**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. Where relevant, actions identified in the Council's 'Good Governance' project are also set out.

13. 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.
14. 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.
15. 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.
16. The **codes of conduct** define the standards of behaviour for members and officers. All members undertake training from the Monitoring Officer on the member code of conduct and this was carried out successfully following the county council election in May 2021. 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 and it is a standing item on all formal meeting agendas for both officers and members. These actions were fully implemented following the May 2021 election.
17. 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.
18. Officer interests, including gifts and hospitality, should be published on the County Council's website annually. This has not happened for some time. Mechanisms for recording officer interests, gifts and hospitality are in place. It

requires regular action by Directors to facilitate publication as currently 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. At Executive Leadership level the need to secure and maintain a consistent approach is reinforced and as stability in senior leadership has improved the Council should be in a position to publish this information on a more consistent basis. Action will be taken to make the recording and publishing of interests simpler.

19. 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.
20. 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. Changes to the composition of and titles used by the Executive Leadership Team and their direct reports in March 2022 required adjustments to the Scheme of Delegation.
21. The Chief Executive commissioned an external review of governance in 2020. This 'good governance' work provided an opportunity to review areas of strategic governance and action 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 has now been 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 will be widely disseminated and will provide a source for officer training on governance.

### **Note on Teachers' Pensions failure**

22. In June 2021 the Council notified the Pensions Regulator of a breach of the Teachers' Pension Regulations. This relates 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 has 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 due to the complexity of the data and the assurance required on the consistency of the data points, it has not been possible to accurately quantify the obligation to the Council for inclusion in the 2021/22 accounts. The individuals identified as potentially in scope were sent letters in both March 2021 and February 2022 to keep them updated of the progress being made. The data analysis to identify those in scope was completed in late August 2022 and has identified approximately 570 records affecting around 450 individuals in the potentially impacted population.

23. The key milestones to resolve the issue are set out below:

- End of August 2022: The Council has identified the group of employees who were eligible to enrol into the Teachers’ Pension Scheme. Completed.
- End of September 2022: The Council will work with the Teachers’ Pension Scheme (TPS) to agree the data requirements and address any issues which arise from this data format. Completed.
- End of October 2022: The Council will provide a full data capture to the Teachers’ Pension Scheme to facilitate an Options Exercise with impacted employees. Completed.
- End of March 2023: Teachers’ Pension Scheme to complete the Options Exercise. Those individuals in scope will receive an options letter detailing benefits accrued (and employee contributions payable) and individuals will then decide whether they wish to exercise their option to join the scheme.
- End of June 2023: Conclusion of exercise subject to the TPS finishing the Options Exercise in March 2023.

**Principle A (integrity and compliance)**

Action	Owner
i. To ensure full implementation of arrangements for the registering and publication of officer interests	Director L&A
ii. To adopt a simpler system for the recording of officer interests	Director L&A
iii. To disseminate the new officer guide to governance	Director L&A
iv. To ensure full implementation of the plan to address the Teachers Pension Breach	Director F&SS

**B: Ensuring openness and comprehensive stakeholder engagement**

**Assured**

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 as the Council adapted to changes in legal requirements for formal member meetings.

Compliant standard consultation and engagement mechanisms are in place and are used effectively.

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.

The scope and approach to partnership working in specified areas, most significantly joint commissioning with the NHS, will be reviewed and reappraised as part of a strategic review of Adults Services and its focus on commissioning arrangements.

**Decision-making and Scrutiny**

24. 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 scrutiny.

25. The **Executive** (leader and cabinet) takes decisions on most matters of Council policy and service delivery. Most cabinet level decisions are taken collectively. 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 through member overview and scrutiny. Scrutiny committees are politically proportionate. Chairmen and vice-chairmen are appointed by the relevant committee.
26. Scrutiny committees also undertake performance monitoring of Council priorities, using the measures in the Council Plan, 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. All Scrutiny meetings take place in public and are webcast. Other meetings of significant public interest are webcast, including the County Council, Cabinet and Planning and Rights of Way Committee. Any formal meetings held virtually will also be webcast to ensure openness and accountability. Webcasts are available to view for up to six years.
27. **The Forward Plan of Key Decisions** describes all significant (key) decisions planned to be taken in the following four months and is published and updated at least monthly. The Forward Plan is used by scrutiny committees to help plan 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.
28. **Decision-making** operates with a presumption of openness. Cabinet and committees are held in public and individual executive decisions by individual 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.
29. 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 to the next County Council meeting.

## **Pandemic impact**

30. 2021/22 was dominated by the COVID-19 public health situation with Council business and democratic processes continuing to take place, including whole council elections in May 2021. Under the Government's emergency regulations for the period up to June 2021 councils were able to transact formal council business by elected members meeting virtually. The Council adopted revised Standing Orders to accommodate these legal provisions. Meetings of Council, Cabinet and non-executive committees took place with decisions being taken and business transacted openly and publicly over the Microsoft Teams platform in accordance with revised Standing Orders. The legal provisions enabling virtual member meetings to take decisions ended in June 2021 and, since that time, all formal member decisions by cabinet or committees have been fully compliant with the statutory framework in place prior to the emergency regulations.
31. Some non-decision-making meetings have continued to be held virtually and the meeting and decision-making arrangements were largely uninterrupted. The County Council prioritises transparency and democratic accountability and so Council 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 to be built into future ways of working. The Governance Committee has reviewed meeting arrangements at each of its meetings during the year, with a focus on ensuring openness and transparency, managing capacity and learning from best practice. In December 2021 the Council approved a further set of revised Standing Orders to cover the continued use of hybrid member meetings where permitted.
32. **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 a drive for 'digital by design' (i.e. online services for residents) is being pursued as part of plans for service transformation and re-design to support residents' needs. Public consultation on proposals is addressed below. The extent of progress in the digitization of customer and resident engagement with the Council will need to be monitored. The procurement of a new solution for customer contact and transactions is planned for implementation Autumn 2022.

## **Stakeholders and Partnership**

33. 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, have been settled.
34. Regular meetings with other partners, most notably the NHS Clinical Commissioning Group, 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. Due to legislated changes in NHS governance and commissioning plans and a review of Council priorities it is expected that the systems and arrangements for joint commissioning will be reviewed during 2022/23 following the implementation of new integrated care systems in mid-2022.

35. 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 2021 to enhance its role. 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.
36. In the area of **Children's Services** the partnership arrangements were noted in 2019 as inadequate. As part of the action arising from the Ofsted Report and subsequent Children's Commissioner Report, reviews of children's services are receiving a more effective focus on partnership and joint working. Significant work has been identified and plans for improvement are brought to an Improvement Board chaired by the Children's Commissioner. A separate Improvement Partnership provides a broader forum of engagement with external agencies and partners linked to the responsibilities of Children's Services and oversight of the improvement activity. A comprehensive improvement plan is in place for delivery and its governance will remain in place until the focused regulatory oversight by Ofsted linked to the designated level of service quality has been lifted.
37. The Secretary of State's Direction for the County Council to establish an independent Children's Trust to run the Children's Services on behalf of the County Council was formally paused in early 2021 with the approval of the Secretary of State. The Commissioner, in February 2022, submitted a report to the Secretary of State recommending that, due to the speed and extent of successful progress with corporate governance and the improvement plan, the Direction be abandoned and the Council left to manage these services.
38. The formal County Local Committee meetings were abolished in October 2021 and have been replaced with **County Local Forums**, which are being trialled for one year as a mechanism for county councillors to engage with communities, providing a forum for answering questions from the public in both in-person and virtual settings. Their effectiveness will be reviewed in 2022 and a decision taken about future arrangements for the governance of local community engagement.
39. The County Council has set out its commitment to working in partnership with residents, businesses, communities, the voluntary and community sector and local authority partners through a number of initiatives. 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 the effectiveness of relationships with other organisations, including the other tiers of local government and the NHS. As an output of the good governance review, the Council's Communities Directorate is leading on work to further enhance and clarify the Council's local community and partnership arrangements to ensure the Council is an outward

looking, collaborative and engaging organisation. The action for 2020/21 on this clarification work was not completed due to the diversion of effort to address the recent refugee situation and it will therefore be completed in 2021/22.

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

40. 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.
41. 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.
42. **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.
43. 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](#). Individual services are required to maintain open channels of communications with relevant stakeholder groups and representative bodies where relevant to service planning.
44. All formal public consultations and engagement projects are made accessible online using the 'Your Voice' consultation 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.
45. The information gathered is analysed and considered as part of the decision-making process. The protocol can be found in the [Constitution](#). Analysis reports and decisions are made available on the 'Your Voice' webpages as a means of closing the 'feedback loop' and increasing trust in decision-making processes.
46. 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 but will need to be reinforced through the use of guidance and best practice and focused training in areas in which risks have been identified.

47. The County Council has a **Petitions Scheme** describing how petitions from residents are dealt with by the County 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 County Council will or will not do in response.

**Governance Review and issues for Assurance**

48. In response to the Children’s Commissioner’s report of November 2019 a review of the Council’s governance, leadership and culture was undertaken. This has taken stock of a number of areas of concern which have implications for the County Council’s improvement plans in critical areas of service, including those raised in the inspection report from Her Majesty’s Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) in 2019 (subject of re-inspection during 2021). These were built upon by a comprehensive governance review which has led to a number of current projects and workstreams.

49. Governance changes arising from HMICFRS in 2019 were implemented during late 2019 and during 2020. The most notable change was the establishment of a new Fire and Rescue Service Scrutiny Committee, which has continued to provide effective scrutiny of this critical area of the Council’s responsibilities. The Fire and Rescue Service prepares its own Statement of Assurance as part of its annual report. The most recent Statement of Assurance (20/21) was approved by Cabinet in December 2021. It mainly focuses on an overview of and actions to support operational and financial commitments to meet the Council’s service obligations as Fire Authority. It also describes the governance within the Council for facilitating those activities. The need for further work will be reviewed in light of consideration of the report from the Autumn 2021 re-inspection by HMICFRS.

50. Actions on these matters are covered in the relevant sections of this Statement with additional commentary as necessary to explain the detail of the area of improvement required. Progress has continued throughout 2021/22 to make the required improvements, including the production of the new Code of Governance and the officer guide to decision-making.

**Principle B (openness and engagement)**

Action	Owner
i. Complete work to enhance and clarify the Council’s partnership and community engagement arrangements as identified by the good governance project in 2020.	Assistant Director (Communities)
ii. Adults Services partnership and commissioning arrangements with NHS as part of care integration plans	Director of Adults and Health
iii. Fire and Rescue (see FRS Statement of Assurance for 2022 published after Cabinet July 2022)	Chief Fire Officer

## **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 measures. These cover the strategic aims for supporting the economy, complement the social value policy of the Council and are built against a theme to address sustainability to support the Council's climate change commitments.

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

The Council Plan was 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. The Plan 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.

51. 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 by both executive and scrutiny members. 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 first review took place at the County Council meeting in February 2022.
52. The Council Plan is implemented through the Directorate Business Planning process. Arrangements for comprehensive performance reports to the Executive Leadership Team and Cabinet Members as well as more focused reports to scrutiny committees and have been settled and put into practice. This performance monitoring 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.
53. 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 staff performance conversations which also cover individual staff development. This is also covered in Section D (60-61 below).

54. 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 members 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**

55. 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 recovery and prosperity of the county in the wake of the Covid-19 pandemic as well as for the longer term. The Plan, which has been published, 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.
56. Partners and stakeholders contributed to the development of the Economy Plan, including the district and borough councils, the Coast to Capital Local Enterprise Partnership, the South Downs National Park Authority, further and higher education institutions, and business representative organisations. Working with these partners is crucial in the Council's determination to support the business community and ensure recovery and sustainable growth for the West Sussex economy.
57. 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. It complements the climate change theme underpinning the Council Plan approved in February 2020. It was approved by members in July 2020 after member engagement and scrutiny. The first [annual report](#) was published in autumn 2021.
58. 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 'to be confirmed.'
59. In December 2021 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 processes. Actions include strengthening the remit of the internal Climate Change Board, ensuring all decision-making forums and processes across the organisation reflect climate change ambition in their activity and engaging directorate leadership teams.
60. The creation of [The Council Plan](#) (2021–2025) is underpinned by the ambitions of the Council in responding to the challenges of climate change. All Directorates have been tasked to reflect this ambition in their 2021-22 Business Plans, to embed the ownership of climate change activity across the organisation. Quarterly reporting to Cabinet and monthly management reporting (internal) will highlight progress on key climate change indicators.

61. 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 has been fully redeveloped and re-launched in 2020. It 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

<b>SECTION D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>
<p><b>Assured</b></p> <p>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 2021/22.</p> <p>Interventions for improvement in relation to Children’s Services and the Fire and Rescue Service have continued to be a particular focus aligned with the challenge to address capacity and capability in these service areas 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.</p> <p>In anticipation of 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.</p> <p>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 will continue to be given particular focus. Proposed interventions are recorded through Directorate Business Plans for timely outcome delivery, overseen by the relevant Management Team.</p>

62. 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.

63. 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.

64. The **Performance and Resources Report** provides an overview of performance against the agreed 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 Term Financial Strategy and in-year budget
  - Culture and Workforce
  - Service and Corporate Improvement
  - Corporate Risk Management
65. 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.
66. 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, the climate change strategy and one for strategic procurement.
67. Additional action is underway as part of the project for streamlined decision-making (good governance) to clarify the governance of these boards and their fit within the Scheme of Delegation and how they interact so as 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 the recently developed officer guide to governance to assist in making their work and purpose better understood.

### **Service Improvement activity**

68. 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 informs the continued improvement interventions for the service. The Department for Education's and appointment of a Commissioner to report on the County Council's capacity and capability to improve remains. The Commissioner's most recent reports record continued improvements. The Commissioner, in January 2022, wrote to the Secretary of State to recommend the abandonment of the Direction to the County Council to establish a Children's Trust to run its Children's Services, following the pause in those plans by the Department of Education in late 2020.

69. The implementation of the improvement plan adopted following the inspection of the Council's Fire and Rescue Service by HMICFRS (report published on 20th June 2019) has been recognised as showing sustained success. There are regular member updates to full Council, Cabinet and scrutiny on improvement activity. External oversight of the work on governance was lifted in light of the significant improvements recorded. Whilst a re-inspection by HMICFRS was undertaken in the autumn of 2021, the report from this inspection is not expected until late spring 2022.
70. In February 2022 the Cabinet approved for implementation a new strategy for Adults' Services, developed with extensive partner, service user and member engagement. Its development with take place in parallel with the implementation nationally of integrated care services with the NHS at local level. The development and implementation of the strategy during 2022 will mean significant areas of change for service delivery, service performance, systems to support practice and commissioning – including that undertaken jointly with the NHS. Its further development and implementation will be the subject of oversight by the Health and Adults' Social Care Scrutiny Committee.

**Principle D (interventions for outcomes)**

<b>Action</b>	<b>Owner</b>
i. Children's Improvement Plan implementation	Director of CS
ii. Fire and Rescue Improvement Plan implementation	Chief Fire Officer
iii. Implementation of the Adults' Service Strategy	Director of Adults and Health
iv. Review of Officer executive Boards governance	Director of L&A
v. Review of capital governance arrangements	DLA & Dof F&SS

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

**Assured**

There have been continued actions taken in 2021/22 in areas related to leadership to reinforce service improvement in Fire and Rescue Service and Children's Services and the overall assurance for corporate capability and capacity to improve.

Officers and members are expected to have a clear sense of their purpose, roles and responsibilities in line with the Council's agreed aims and the suite of policies and processes which support them. This has been reinforced by the work on the West Sussex Plan and the business planning activity underpinning its delivery. The induction for members following the May 2021 elections and subsequent member development work have also focussed on this.

The Chief Executive and the Executive Leadership Team manage the County Council's workforce, skills and resource planning in line with its workforce strategy. All officers are expected to have their performance monitored and their development needs identified and addressed. Specific attention is paid to programmes for leadership development. Recent reviews of the aims and form of delivery have been implemented. 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 expected to be able 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. Areas of focus for review are identified.

Training and support, both internal and external has been given to members to help them to focus on the strategic nature of their roles. This has been a particular focus of attention in the period following the end of the initial induction activity after the election in May 2021 as members acquire a more thorough understanding of strategic and partnership working.

71. 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 are published. There is a system for reviewing and refreshing all constitutional terms of reference for committees and boards which transact Council business and Governance Committee has carried out such reviews during 2021/22 with relevant business on each meeting agenda.

72. **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.
73. 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 to meet member training needs, taking into account members’ views on priorities through surveys and feedback. It reviews the impact of member development work and identifies areas for improvement. Its reports and proposals are published as part of the Governance Committee’s business.
74. MDG’s work led to South East Employers granting the Council Charter status for its member development programme in November 2020. MDG developed a clear Councillor Development Strategy and a learning programme which supports the Council’s agreed priorities. A comprehensive induction programme for councillors was developed by MDG, working with senior officers and this was delivered almost entirely virtually because of the public health situation at the time. This programme covered members’ strategic and local community roles, governance arrangements, skills training such as chairmanship, social media and questioning, as well as specific training on the Code of Conduct, safeguarding and corporate parenting. More tailored induction was provided for members in specialist roles or linked to membership of particular committees.
75. All members have been offered the opportunity to have a training needs analysis (TNA), which logs the training they have undertaken and identifies areas for future development. Feedback from this process is being used to inform the ongoing member development programme and the MDG is monitoring update of the TNA process.
76. Specialist training is given to members according to the roles they carry out. This includes leadership training for Cabinet Members (the executive) delivered in partnership with the Local Government Association, 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, adults and children’s 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 a key performance indicator for 2021/22 and is being monitored by the MDG.
77. Disclosure and Barring Checks (DBS) remain part of the induction of new members following the May 2021 election. 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.
78. In 2021/22, support and advice has been provided to members to ensure more measurable impact of service performance oversight and purposeful scrutiny. All members were also closely involved in the development of the Council’s

corporate plan and the design of its performance measures and each scrutiny committee is carrying out in public quarterly performance monitoring against the measures set out in the Council Plan.

79. During May 2022 the MDG will evaluate work to promote local democracy, which leads on from work undertaken in the lead up to the May 2021 elections. This programme focused on information for people thinking of standing for election; an exploration of the barriers to people standing for election and ways to address these; a review of councillor roles; promotions of the role of county councillors and the Council to the wide public and a programme of engagement with the West Sussex Youth Cabinet. A key element of this programme was the 'Be A Councillor' project, that led to a website and events aimed at encouraging people from diverse backgrounds to stand for election in 2021. This also sought to raise awareness of the opportunities and requirements of the role.

### **Officers**

80. 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. These include the Director of Children, Young People and Learning and the Director of Adults' and Health.

81. In March 2022 the Chief Executive implemented a revision of the composition of the Executive Leadership Team with the addition of a post of Assistant Chief Executive to lead on specific support services and corporate policy advice and partnership activity. The titles of posts within the Executive Leadership Team were revised along with their direct reports to achieve consistency. These changes will be reflected in revisions to the Scheme of Delegation.

82. 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.

83. In recent years there has been inconsistency in the completion and signing off of the Directorate Statements of Assurance, in part due to the arrival in post part way through the relevant period of the senior officer in question and the need to gain a thorough understanding of the directorate and any issues related to its structure, performance and systems of management. Greater and more sustained stability and continuity at senior leadership levels should mean that the completion of assurance statements will be more straightforward.

84. There is greater stability in the Executive Leadership Team. 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 Human Resources and Organisational Development and the Chief Fire Officer. A holder of the new post of Assistant Chief Executive came into post in January 2022 taking responsibility for policy, performance and

intelligence and communications. A new and permanent Director of Human Resources and Organisational Design came into post in March 2022.

85. 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. Leadership by this group has also been required for the Council's response to the continuing public health emergency during 2021/22. Established emergency resilience processes and systems were deployed and have been used effectively to ensure sound and clear management of the Council's responsibilities.
86. 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. The arrangements for the duty director function and the role of Directors have been revised during 2021/22.
87. 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 Human Resources procedures cover all aspects of performance and procedure to support managers.
88. 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 (the People Framework) led by the interim Director of Human Resources and Organisational Development.
89. 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.

### **Principle E (capacity and leadership)**

<b>Action</b>	<b>Owner</b>
i. Completion of Directorate Statements of Assurance	Director of Law and Assurance
ii. Review of Duty Director role and procedure	Chief Fire Officer

## **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. This has recently been refreshed as part of the new business planning process adopted alongside The Council Plan.

Service and corporate performance management has been addressed in earlier sections of the report in the context of the comprehensive review of performance during 2020/21 as part of 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.

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

Health and Safety is the focus of a recent and ongoing review to ensure improved systems and compliance.

90. 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.
91. 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 2020/21 concluded that arrangements remained robust. The audit for 2021/22 is in the process of being concluded. 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. 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 2022 as part of the Smartcore project (to replace SAP and the systems linked to it).
92. 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 part E above (78-79).

## **Scheme of Delegation for officers**

93. The officer scheme of delegation is critical for the effectiveness of controls of spending and performance as well as 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 and have worked with the Director of Law and Assurance to ensure that there is shared understanding of the operation of delegations and the need to continually review them. This does however remain an area for further action and is planned as part of the streamlined decision-making project arising from the good governance review. Areas of action for greater clarity and assurance in relation to officer delegations are identified elsewhere in this report.
94. The streamlined decision-making exercise arising from the good governance review focused on the identified 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, 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 will be used for a programme of officer training to reinforce the need to achieve a culture of clarity and trust.
95. 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 2021/22, 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 review of 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.
96. The **Risk Management Strategy** is set out in the Constitution (Part 4 section 2). The Strategy describes the allocation of responsibilities between 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 this framework and concerns identified are reported quarterly to the Regulation, Audit and Accounts Committee as part of its responsibility for providing assurance on the effectiveness of risk management arrangements.
97. Corporate risks are also included in the Performance and Resources Report which is 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 formally 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 effective management of risk is being achieved.

98. 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.
99. The area of Health and Safety management and the corporate assurance arrangements for good Health and Safety policy and practice is the subject of continual review and, in the context of sound risk management and internal governance, works well and continues to meet the Council’s need.

**Principle F (risk and performance)**

Action	Owner
i. Refresh compliance and consistency in scheme of onward delegation from Directors	DLA
ii. Review of Financial Regulations as part of Smartcore project	Director of Finance and Support Services
iii. Review of Health and Safety governance	Director of HR & OD

**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 Our Council Plan.

100. 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 general 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.

101. The County Council has several separate bodies of which it is a part, which in 2021/22 included the Local Enterprise Partnership 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**

102. 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.

103. 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 2021/22 is 'reasonable assurance'.

104. 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.

105. 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 have been 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.

106. The Internal Audit annual report highlights areas where a limited assurance review has been issued. During 2021-22 internal audit undertook reviews of the Annual Governance Statement and Our Council (Performance), both of which concluded with a Reasonable assurance opinion and Information Governance (GDPR) 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.

107. The key observations focused on refresher training for staff, the maintenance of the Information Asset Register and the absence of data protection Key Performance Indicators to help provide assurance on information governance activities/processes.

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

<b>Action</b>	<b>Owner</b>
i. Information governance	Director of Law and Assurance

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

108. 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.
109. An action plan is attached at part of the Appendix (final column), 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, February 2023**

**Becky Shaw Chief Executive, February 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 2021/22.
Codes of Conduct	Constitution	Standards Committee & Director L&A	Defines standards of behaviour and how to enforce	Minor changes were approved by the County Council in July 2021.
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. Continuing Action to promote and monitor*.
Anti-fraud and corruption strategy	Intranet	RAAC & Director F&SS	Statutory obligations recorded and enforced	November 2015. Reviewed every 3 to 5 years. Review planned for 2022/23*.
Anti-bribery policy	Intranet	Director L&A	Statutory obligations recorded and enforced	November 2015. Reviewed every 3 to 5 years. Review planned for 2022/23*.
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 to be further refreshed and reinforced in 2021*.
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. Review of complaints arrangements planned for 2022

<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. No action planned
Data Security & Accepted Use Policy	Intranet	Director F&SS	Defines rules and procedures	September 2014 Mandatory annual refresher training. No action planned
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 revisions to manage growth in emergency procurement linked to pandemic affected commissioning.
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.	December 2019. Action required to clarify officer onward delegations and in context of senior officer boards within Good Governance Underway as streamlined decision making workstream*.
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. Revised in 2021 to give oversight to individual scrutiny committees. Executive/Scrutiny protocol under consideration.

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/ action planned*</b>
Openness and access to meetings/ decisions.	Constitution and Website	Director L&A	Describes rules and process for ensuring transparency of business.	Constitution revised 2018. Web casting of meetings extended to all formal meetings during 2020-21 but has now reverted to major committees only as determined by the Governance Committee.
Consultations & community liaison forums	Intranet, Website & Press releases	Head of Communications & Engagement	Communication to public	New community liaison channels are being explored with learning from pandemic response
Consultation Q&A system	Intranet	Chief Executive	Provide system and guidance for service consultation	Review in 2015. Review of Statement of Community Involvement in 2018. No action planned
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 partly reviewed 2018. Further and fuller review required*. 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.
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.
Social Value Policy	Website	Director of F&SS	Sets aims for social economic and community benefits of council business	Full review in procurement activity completed 2019/20.
Climate Change Strategy	Website	Director of E&PP	Sets Council's commitment to becoming carbon neutral and climate resilient by 2030	The Strategy approved 2020.

## Sources of Assurance for Principle D: Optimising Interventions

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Performance and Resources Report	Website	Chief Executive & Cabinet and Director F&SS	Reviews financial and operational performance	Reviewed 2020. Newly introduced in 2021.
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 planned programme re-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 in December 2019. Actions identified above for clarity for officer boards and onward delegation schemes generally*.
Budget, including medium term financial strategy	Council agenda	County Council Executive Director Resource Services & Director F&SS	To agree a sound budget and financial strategy.	February 2021 and ongoing review of arrangements and timetable for preparation.

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/action planned</b>
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**

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/action planned</b>
Governance Statement	RAAC agenda	RAAC Director L&A	Captures all sources of governance assurance	Annual (this document)
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. No action planned. 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. Action since for systems for risk management to be more consistent.

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/action planned</b>
Health and Safety Policy	Intranet	Director of HR &OC	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. Internal Audit service re-procured 2018
Performance and Resources Report	Website	Chief Executive & Director F&SS	Reviews financial and operational performance	New from 2021. Annual review as part of Council Plan refresh
Treasury Management Strategy	Council agenda	Director F&SS	For sound strategy to limit risks to borrowings and investments.	Reviewed and updated by Council February 2022.
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. To be reviewed as part of Smartcore project in 2021/22.
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 completed 2020/21 Procurement of external auditor is required every five years and was last undertaken in 2021.
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 20/21 accounts. The 2021/212 audit is in the process of being concluded so the opinion has not yet been given.