

A close-up photograph of a person's hand holding a white marker, pointing at a bar chart displayed on a tablet screen. The chart features several horizontal bars in shades of green, brown, and red, set against a blue grid background. The person is wearing a blue suit jacket. The overall scene suggests a professional or financial review.

Suffolk County Council Auditor's Annual Report

Year ended 31 March 2024

8 April 2025



Audit Committee
Suffolk County
Council
Endeavour House
8 Russell Road
Ipswich
IP1 2BX

8 April 2025

Dear Audit Committee Members

2023/24 Auditor's Annual Report

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for Suffolk County Council and Suffolk Pension Fund. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2023/24.

This report is intended to draw to the attention of the Suffolk County Council and Suffolk Pension Fund any relevant issues arising from our work. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting on 18 June 2025.

Yours faithfully

Debbie Hanson

Partner

For and on behalf of Ernst & Young LLP

Encl

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website ([Statement of responsibilities of auditors and audited bodies \(from 2023/24 audits\) - PSAA](#)). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit Committee and management of Suffolk County Council and Suffolk Pension Fund in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to Audit Committee and management of Suffolk County Council and Suffolk Pension Fund those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than Audit Committee and management of Suffolk County Council and Suffolk Pension Fund for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



BOARDROOM

01 Executive Summary



Executive Summary

Purpose

The purpose of the Auditor's Annual Report is to bring together all of the auditor's work over the year and the value for money commentary, including confirmation of the opinion given on the financial statements; and, by exception, reference to any reporting by the auditor using their powers under the Local Audit and Accountability Act 2014. In doing so, we comply with the requirements of the 2024 Code of Audit Practice (the Code) published in November 2024 and the supporting guidance of the National Audit Office (NAO) published within their Auditor Guidance Note 3 (AGN 03). This commentary aims to draw to the attention of the Council and Pension Fund and the wider public relevant issues from our work including recommendations arising in the current year and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

The 2024 Code paragraph 4.10 has suspended the requirement to issue an auditor's annual report by 30 November. It states that auditors may exercise judgement to determine when to issue their annual report including their commentary on arrangements to secure value for money.

Responsibilities of the appointed auditor

We have undertaken our 2023/24 audit work in accordance with the Audit Plans that we issued in February 2024. We have complied with the NAO's 2024 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- the 2023/24 financial statements;
- conclusions relation to going concern; and
- the consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

- if the Annual Governance Statement does not comply with relevant guidance or is not consistent with our understanding of the Council;
- any significant matters or written recommendations that are in the public interest; and
- if we identify a significant weakness in the Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Council

The Council and Pension Fund is responsible for preparing and publishing its financial statements, narrative statement and annual governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Executive Summary (continued)

2023/24 Conclusions

Financial statements

Suffolk Pension Fund - Unqualified - the financial statements give a true and fair view of the financial position of the Pension Fund as at 31 March 2024 and of its expenditure and income for the year then ended. We issued our auditor's reports on 21 February 2024.

Suffolk County Council - Disclaimed - The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30 September 2024 required any outstanding accountability statements for years ended 31 March 2015 to 31 March 2023 to be approved not later than 13 December 2024 and the accountability statements for the year ended 31 March 2024 to be approved not later than 28 February 2025 ('the backstop date').

The audit of the financial statements for the year ended 31 March 2023 for Suffolk County Council was not completed for the reasons set out in our disclaimer of opinion on those financial statements dated 3 December 2024.

Our audit work in the current year focused on transactions in the year and the current year balance sheet.

As a result of the disclaimer of opinion in the prior year and the scope of our audit work which was impacted by the backstop date, we did not have sufficient appropriate audit evidence over the following:

- in the Group and Council balance sheet and accompanying notes: the opening balances, closing reserves position and the valuation of property assets held at valuation included in 'other land and buildings' and heritage assets that were not revalued in year
- in the Group and Council comprehensive income and expenditure account and accompanying notes: comparatives and income and expenditure transactions that are impacted by the opening balances shown in the prior year balance sheet
- in the Group and Council cash flow statement and accompanying notes: opening balances, comparatives and in-year cash flow movements that are calculated as a movement between the opening and closing balance sheet
- in the firefighters' pension fund financial statements and accompanying notes: opening balances, comparatives and in-year movements that are calculated as a movement between the opening and closing balance.

We therefore issued a disclaimed 2023/24 audit opinion on 21 February 2025.

Going concern

As we issued a disclaimer of opinion for 2023/24, we do not provide a conclusion on whether the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Consistency of the other information published with the financial statements

Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.

Executive Summary (continued)

2023/24 Conclusions

Consistency of the Pension Fund annual report and other information published with the financial statements	Financial information in the Pension Fund Annual report and published with the financial statements was consistent with the audited accounts.
Value for money (VFM)	We had no matters to report by exception on the Council's VFM arrangements.
Consistency of the Annual Governance Statement	We were satisfied that the Annual Governance Statement was consistent with our understanding of the Council and Pension Fund.
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Whole of Government Accounts	We have not yet concluded the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the NAO have not yet confirmed the final reporting position and whether any questions will be raised on individual returns. We cannot issue our audit certificate until we can confirm whether these procedures are complete.
Certificate	We will issue our certificate following confirmation from the NAO that no further work is required on the Whole of Government Accounts.



Executive Summary (continued)

Value for Money

Scope

Auditors are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditors provide an annual commentary on arrangements published as part of the Auditor's Annual Report.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of council committee reports;
- meetings with the chief Financial Officer and other key members of the Council;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Council management and the finance team.

Executive Summary (continued)

Value for Money (continued)

Reporting

Our commentary for 2023/24 is set in Section 03. The commentary on these pages summarises our understanding of the arrangements at the Council based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2023/24.

In accordance with the NAO's 2024 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures and whether we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Council ensures that it makes informed decisions and properly manages its risks	One risk of significant weakness identified in relation to the Council's SEND arrangements	No significant weakness identified
Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified



Executive Summary (continued)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council and Pension Fund, and its members and senior management and its affiliates, including all services provided by us and our network to the Council and Pension Fund, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2023 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2024

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2024:

[EY UK 2024 Transparency Report | EY - UK](#)



02

Audit of the financial statements

Audit of the financial statements – Suffolk County Council

Key findings

The Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

On 21 February 2025, we issued a disclaimed audit opinion on the financial statements as detailed on page 6 of this report.

We reported our audit scope, risks identified and detailed findings to the 30 January 2025 Audit Committee meeting in our Audit Results Report. We outline below the key issues identified as part of our audit in relation to the significant risk areas. The findings for each of the account areas are set out in the Audit Results Report in Appendix A.

Significant risk	Conclusion
Misstatements due to fraud or error - Management override of controls	We did not identify any material weaknesses in the recognition of expenditure. We did not identify any instances of inappropriate judgements or estimates being applied. Our work did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.
Misstatements due to fraud or error - capitalisation of revenue expenditure	Our work did not identify any material weaknesses in controls or evidence of material management override concerning the capitalisation of revenue expenditure. Our work did not identify any instances of inappropriate judgements being applied.
Inherent risk	Conclusion
Valuation of land and buildings	We did not identify any misstatements relating to the valuation of Land and Buildings. We did not identify any issues from our review of the work performed by the valuer and our sample testing of key assumptions and methodologies did not identify any material issues concerning the reasonableness of the estimation techniques employed.
Pension valuation	We identified two misstatements relating to the valuation of Pensions which were not corrected as management determined that they did not have a material impact on the Statement of Accounts. These misstatements related to changes in the year end valuation of investment assets held in the Pension Fund and the accounting treatment of an asset ceiling under IFRIC14. The impact of these uncorrected misstatements on the Council's financial statements would be to decrease the total comprehensive income and expenditure in the Comprehensive Income and Expenditure Statement by £5.8 million and increase long term liabilities in the Balance Sheet by £5.8 million.
Accounting for schools that convert to academy status	Our review of the arrangements for agreeing school assets, liabilities and balances for transferred schools did not identify any omissions and our testing confirmed that transfers had been accounted for correctly.

Audit of the financial statements – Suffolk Pension Fund

Key findings

The Annual Report and Accounts is an important tool for the Pension Fund to show how it has used public money and how it can demonstrate its financial management and financial health.

On 21 February 2025, we issued an unqualified audit opinion on the financial statements as detailed on page 6 of this report.

We reported our audit scope, risks identified and detailed findings to the 30 January 2025 Audit Committee meeting in our Audit Results Report. We outline below the key issues identified as part of our audit in relation to the significant risk areas.

Significant risk

Conclusion

Misstatements due to fraud or error - Management override of controls

We did not identify any material weaknesses in the recognition of expenditure. We did not identify any instances of inappropriate judgements or estimates being applied. Our work did not identify any other transactions during our audit which appeared unusual or outside the Pension Fund's normal course of business. Our journal testing did not identify any instance of inappropriate posting of journals.

Valuation of complex investments (unquoted investments)

Our work did not identify any material misstatement within year-end investment asset valuations. Our procedures, including the review of the latest set of audited accounts and the internal control reports for the fund managers, did not identify any matters or material valuation differences in the reported funds valuation within the financial statements.

In addition, our triangulation work between the financial statements to Fund manager and to Custodian's reports, including the re-performance of the investment note, did not identify any material differences following the completion of our work.

Management identified an audit difference of £6.188 million related to Level 3 Investments. The difference was due to updated information received from the Pension Fund's fund managers for period ended 31 March 2024, which was provided after the draft accounts were prepared. The updated information identified a net decrease of £6.188 million in the value of Level 3 Investments. Management did not adjust the financial statements for this difference as it was not material.

Inherent risk

Conclusion

IAS 26 Disclosure - Actuarial Present Value of Promised Retirement Benefits

We did not identify any issues with the competence of the actuary. There were no significant changes in the IAS 26 approach or methodology and the assumptions used in calculating the IAS 26 figure was considered reasonable and compliant. The disclosure of IAS 26 was in line with the relevant standards and the valuation provided by the actuary. In addition, Management has also updated the disclosure to reflect the implications of the recent Virgin Media Judgement on the Local Government Pension Scheme (LGPS), specifically on the actuarial present value of promised retirement benefits in the Pension Fund's financial statements.



03

Value for Money Commentary

Value for Money Commentary

Financial Sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

The Council is required to have arrangements in place to ensure proper resource management and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements via the Annual Governance Statement, rests with management. In accordance with the NAO's Code the focus of our work should be on the arrangements that the Council is expected to have in place during the year ended 31 March 2024. Our risk assessment did not identify any risk of significant weakness in arrangements to secure financial sustainability.

The Council has a robust process for estimating its recurring and non-recurring expenditure and sources of funding. This process starts with the preparation of the Council Plan which sets out on a high level the projects the Council will focus on. The Medium-Term Financial Plan (MTFP) then identifies the factors that may impact the cost of pursuing the projects. Finally, a revenue budget report is prepared. The budget begins with the total expenditure incurred in the previous year and incorporates potential increases and decreases due to factors identified in the MTFP and the total funding. This is analysed alongside the reserves level for each period and the estimated level of unallocated reserve balance at the end of each year.

The Council prepared a balanced budget for 2023/24 and reported an outturn of a £2.0 million overspend, representing 0.3% of the total revenue budget. In January 2025, Management reported an estimated £1.6 million overspend for 2024/25 and a balanced budget for 2025/26, with significant budget gaps being predicted in 2026/27 to 2028/29. The Council have identified savings of £33.6 million in 2025/26 and 2026/27 to balance the 2025/26 budget and mitigate part of the budget gap in 2026/27. This results in a residual budget gap of £130.8 million to 2028/29. Management report that current funding from the government will be insufficient to cover the Council's budget gap from 2026/27 and if this were to be the case the financial position would become unsustainable.

The Council's Dedicated Schools Grant (DSG) reserve is forecast to move to a significant deficit position over the medium term of £103.4 million in 2024/25 to £358.7 million in 2027/28. This is a national issue driven by increased costs and activity largely in the provision of SEND. The recent provisional local government finance settlement recognises this sector issue with plans to reform the current SEND system. In September 2024, management wrote to the Ministry of Housing, Communities and Local Government (MHCLG) to report this deficit position and the future impact this will have on the Council's finances without government support.

The Council recognises that it faces various risks that potentially have significant financial implications. The Council holds a risk reserve that seeks to quantify the risks to which it is exposed, ensuring it can reasonably expect to have sufficient resources to manage these risks should they transpire, enabling service levels and financial resilience to be sustained despite this.

Particular areas of risk include both wider national issues such as inflation and reduced funding alongside those areas where containing spend is challenging due to demand and cost pressures being experienced, for example in:

- Adult Social Care - Care Provision
- Children's Social Care - Corporate Parenting
- Home-to-School Transport
- Special Educational Needs & Disabilities (SEND)

Value for Money Commentary

Financial Sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

The challenges the Council is facing over the medium term are significant and it is critical that the Council continues its scenario assessment of the savings requirement and continues to identify relevant schemes to achieve the annual savings requirements to minimise the use of reserves where possible.

Conclusion: Based on the work performed, the Council had proper arrangements in place in 2023/24 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Value for Money Commentary (continued)

Governance: How the Council ensures that it makes informed decisions and properly manages its risks

Risk of significant weakness identified

The Council is required to have arrangements in place to ensure proper risk management and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements via the Annual Governance Statement, rests with management. In accordance with the NAO's Code the focus of our work should be on the arrangements that the Council is expected to have in place during the year ended 31 March 2024. In 2023/24, we identified a risk of significant weakness in arrangements in place to ensure sound governance in relation to the Council's SEND services.

SEND inspection

On 30 January 2024, Ofsted (and the Care Quality Commission (CQC)) issued an area SEND full inspection report to Suffolk County Council, NHS Suffolk and Based on Essex ICB and NHS Norfolk and Waveney ICB. This report related to an inspection completed between 13 and 17 November 2023. This inspection report concluded that there are widespread and/or systemic failings leading to significant concerns about the experiences and outcomes of children and young people with special educational needs and/or disabilities (SEND), which the local area partnership must address urgently. The inspection was undertaken in 2023/24, the report noted that 'since Ofsted and Care Quality Commission (CQC) inspections raised serious concerns in both 2016 and 2019, leaders have not urgently or effectively addressed systemic and significant weaknesses in the SEND provision in Suffolk.'

We have undertaken further work assessing the arrangements the Council had put in place to address the issues raised in the previous SEND reports. This has included discussions with senior officers and review of various reports. Based on the work we have undertaken, we have concluded that despite the weaknesses identified in the report, we are satisfied that these do not represent significant weaknesses in the Council's overall governance arrangements, although we did give this serious consideration. The reasons for our conclusion are:

Although SEND services are a critical service provided by the Council in partnership with other bodies, in financial terms, they are a relatively small part of the Council's overall services, with the core-funded elements representing 1.3% of the overall spend on services and 5.1% of the children's services budget.

The Council has taken, and is continuing to take, action both to address the historic reports and the current report including significant action planning and commitment of funds in 2024/25 and earlier years, as noted below.

The Council committed additional capital funds of £45 million to the SEND services following the inspection in 2019, with additional funds of £6 million in 2022/23. In addition, the core-funded revenue budget has increased from £8.6 million in 2022/23 to £11.9 million in 2023/24.

The Council's performance and risk management arrangements have given specific focus to SEND services and a specific SEND strategy is in place which is updated on a regular basis and is based on engagement with families, practitioners and leaders.

The Council has commissioned external independent reviews of the service, including the review by a team from Lincolnshire as referred to later in this report, as well as a review by Anthony Douglas CBE to strengthen their work to reform SEND Services, and has taken actions to implement the recommendations for improvement made following these reviews.

To strengthen leadership, a new permanent Executive Director of Children and Young People's Services (the DCS) was appointed in May 2024 and started with the Council in July 2024. This followed a restructure of senior leadership posts covering Children and Young People. For just under a year (from August 2023 to July 2024) the DCS role was covered by senior and experienced Interims.

Value for Money Commentary (continued)

Governance: How the Council ensures that it makes informed decisions and properly manages its risks

Risk of significant weakness identified

The local area partnership, which includes the Council, ICB's, Suffolk Parent Carers Forum and Schools, have established an Improvement Board, chaired by an independent chair, to have strategic oversight of the actions following the most recent inspection of SEND services across the partnership. This work is also supported and monitored by DfE. The Partnership is reporting that improvements have been noted and that the Local Area Partnership knows what continued progress needs to be made and has plans in place to achieve this.

Children's Services inspection

The Council received a report from Ofsted on its Children's services in June 2024, which rated the overall effectiveness of services as 'requires improvement to be good'. The other areas covered in the inspection ('the impact of leaders on social work practice with children and families', 'the experiences and progress of children who need help and protection' and 'the experiences and progress of care leavers') were also rated as 'requires improvement to be good', other than 'the experiences and progress of children in care' which was rated as 'good'.

The main findings of the report were:

'Since the last inspection in 2019, when children's services were judged to be outstanding, there has been a decline in the quality of social work practice for children in need of help and protection and care leavers in Suffolk. This includes a lack of consistency in applications of thresholds in the multi-agency safeguarding hub (MASH), a lack of appropriate responses to children aged 16 and 17 years old who present as homeless and inconsistent practice for care leavers.'

Social work practice for children in care has continued to provide support and stable care for most children which allows them to thrive. Since the last visit, in 2022, there have been several changes in the director of children's services (DCS) role, with a new DCS expected to start shortly. Leaders have continued to invest in children's services to ensure that children in care in Suffolk are able to live in local homes, through the development of children's homes and the fostering and adoption service.'

We therefore also gave consideration to whether the findings from this inspection also represented a risk of significant weakness in arrangements in 2023/24. On the basis that the overall inspection finding was not 'inadequate', and the inspection was undertaken in 2024/25, we concluded that this was not an indication of a significant weakness in arrangements in 2023/24. We also noted that the main weaknesses noted were in relation to specific areas and that practices for children in social care have continued to provide support and stable care for most children.

Whilst we are satisfied that the findings reported by Ofsted do not represent a significant weakness in arrangements for our 2023/24 vfm reporting responsibilities the Council will need to continue to take action address issues raised by Ofsted.

Value for Money Commentary (continued)

Governance: How the Council ensures that it makes informed decisions and properly manages its risks

Risk of significant weakness identified

Overall governance arrangements

The Council undertakes an annual review of its high-level risks to assess their relevance and suitability and make recommendations to the relevant directorate and risk owner. The annual review is an opportunity to consider high-level risks at a cross-departmental level to moderate and assess appropriateness, balance and coverage for all significant issues facing the organisation and alignment to the Council's new business plan.

The Leader of the Council is responsible for the development and approval of the policies, strategies and plans of the Council, except for those policies, strategies and plans within the policy framework which are subject to approval by the Council. The Cabinet is the decision-making body of the organisation. The Leader of the Council is the Chair of the Cabinet.

The Council's Constitution requires that Cabinet takes key financial decisions (as specified). All Cabinet reports are signed off by the Chief Financial Officer (CFO), with the expectation that Strategic Finance Leads (SFLs) within each directorate advise the CFO regarding the financial implications as part of this process. The Constitution allows for any decisions to be called in by other councillors for further review. The Council also operates a Scrutiny Committee which sits apart from Cabinet whose principal remit is to challenge and review the Council's operations and associated decisions. Audit Committee has an overarching responsibility to ensure compliance with the Financial Regulations that form the basis for the proper implementation of decisions.

The Council delivered against its Anti-Fraud and Corruption Policy in 2023/24, complying with all statutory requirements of the Cabinet Office' National Fraud Initiative exercise, delivering fraud awareness training delivered, and carrying out investigations in line with the Council's Fraud Response Plan.

The Council's Annual Governance Statement sets out the core governance arrangements for the year, including an Action Plan, which demonstrates how the Council's Code of Governance reflects the seven principles of good governance. The Head of Internal Audit concluded that for the 2023/24 financial year, reasonable assurance may be awarded over the adequacy and effectiveness of the Council's overall internal control environment.

Conclusion: Based on the work performed, the Council had proper arrangements in place in 2023/24 to make informed decisions and properly manage its risks.

Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The Council is required to have arrangements in place to ensure economy, efficiency and effectiveness, and the responsibility for these arrangements and reporting on the design and operation of these arrangements via the Annual Governance Statement, rests with management. In accordance with the NAO's Code the focus of our work should be on the arrangements that the Council is expected to have in place during the year ended 31 March 2024. In 2023/24, we did not identify a risk of significant weakness in arrangements in place to ensure economy, efficiency and effectiveness.

We did not identify any weaknesses in the Council's procurement procedures in 2023/24. The Council has a dedicated procurement team that manages the commissioning and procurement of contracts throughout the Council. This team is trained and experienced to ensure that procurement is delivered in accordance with relevant legislation, professional standards and internal policies. Contracts contain service performance measures which will broadly correlate with the KPIs associated with the service provision that is reviewed regularly through the quarterly performance reports, helping to enable poor contractual performance to be identified. The Council has a Procurement Rule Policy which set out the minimum requirements to be followed when undertaking a procurement process.

The Council has a culture of engaging with significant partnerships through a wide range of connections, in particular governance boards and regular management meetings. These boards cover key performance matters and identify areas of concern or areas that require improvement. Partnership working is a key component within both the Council's 2022/26 Corporate Strategy and 2023/24 Business Plan. The Council is committed to working effectively with their partners across the Suffolk system, further integrating services and jointly funding posts. This is particularly the case within the Integrated Care System, where they are working closely with Health partners to share and align workforce planning as it looks to support the county in its recovery from the impact of Covid-19, and to respond to continuing pressures within the care sector.

The Council prepares and presents quarterly finance monitoring reports to Cabinet. These reports compare the performance of the Council against the budget, including treasury management performance. As part of this, areas where expenditure is exceeding plans are identified, there is an expectation that remedial action is taken to improve budgetary performance. In relation to the use of performance information, and how this is used to identify areas for improvement.

In the summer of 2022, Sizewell C received Development Consent from Government. In January 2024, the project commenced construction. The Council plays a key role in working with the developer during the planning process aiming to minimise residual impacts of the development. Suffolk County Council has worked with Sizewell C Ltd and East Suffolk Council to develop a funding package for mitigation and compensation measures. This has been agreed in a Deed of Obligation which is a legally enforceable agreement that is binding on all parties. Suffolk County Council is a key stakeholder in the development of Sizewell C and has numerous roles including:

- ▶ Administration of circa £60 million of funding paid to the Council
- ▶ Arranging through-payments from Sizewell C to 5 third-party organisations
- ▶ Role on monitoring groups - Sizewell C has set up circa 30 different governance groups, which all have representation from the Council
- ▶ Role to discharge planning requirements.

Conclusion: Based on the work performed, the Council had proper arrangements in place in 2023/24 to enable it to use information about its costs and performance to improve the way it manages and delivers services.

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ED None

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