

Appendix A DRAFT

**ROTHERHAM METROPOLITAN
BOROUGH COUNCIL**

**Annual Governance Statement
2016/17**

ROTHERHAM MBC ANNUAL GOVERNANCE STATEMENT 2016/17

1 SCOPE OF RESPONSIBILITY

- 1.1 Rotherham Metropolitan Borough Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the Best Value duty).
- 1.2 In discharging its overall responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and ensuring there are effective arrangements in place for the management of risk.
- 1.3 The Council has a Code of Corporate Governance in line with the principles of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government*. The Code can be found at www.rotherham.gov.uk
- 1.4 This Annual Governance Statement meets the requirements of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.

2 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems, processes, values and behaviours by which the Council is directed and controlled. It also comprises the activities through which the Council accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore provide proportionate and not absolute assurance of effectiveness. The system of internal control is based on an on-going process that is designed to:
 - identify and prioritise the risks to the achievement of Council policies, aims and objectives

- evaluate the likelihood of those risks being realised and assess the impact should they be realised, and
- manage the risks efficiently, effectively and economically.

3 THE COUNCIL'S CURRENT GOVERNANCE ARRANGEMENTS

3.1 Following Directions issued by the Secretaries of State for Education and Communities and Local Government on 26th February 2015, the Government appointed five Commissioners to take on all executive responsibilities at the Council and responsibilities relating to licensing¹. By the start of the 2016/17 financial year, four Commissioners remained as the Managing Commissioner had left the Council at the end of January 2016 following the appointment of a substantive Chief Executive.

3.2 Throughout the 2016/17 financial year the Commissioner team continued to be led by Lead Commissioner Sir Derek Myers. Lead Commissioner Myers left the Council on 31 March 2017, following the return of additional powers to the Council (see Sections 3.6 to 3.8). The Lead Commissioner was assisted throughout the year by:

- Commissioner Mary Ney (Commissioner Ney became Lead Commissioner on Lead Commissioner Myers' departure at the end of the 2016/17 Financial Year)
- The Children's Social Care Commissioner: Commissioner Malcolm Newsam until 4 May 2016 and Commissioner Patricia Bradwell from May 2016
- Commissioner Julie Kenny CBE

3.3 The Council's general governance arrangements include a range of policies, procedures and activities that are designed to be consistent with the expectations for public sector bodies. Throughout the financial year these arrangements have been developed further as the Commissioner team and the scale of intervention has changed. Section 4 makes reference to the operation of general governance arrangements in place at the Council and includes annual statutory assessments made by Internal and External Audit.

¹ The Commissioner for Children's Social Care Services had been in place since October 2014 having been appointed initially by the Secretary of State for Education following the failings identified by Ofsted.

- 3.4 During 2016/17 a Corporate Plan was produced, which set out the direction and priorities for the whole organisation for the year ahead. The vision for the borough was defined as

“Rotherham is our home, where we can come together as a community, where we seek to draw on our proud history to build a future we can all share. We value decency and dignity and seek to build a town where opportunity is extended to everyone, where people can grow, flourish and prosper, and where no one is left behind. To achieve this as a council we must work in a modern, efficient way, to deliver sustainable services in partnership with our local neighbourhoods, looking outwards, yet focused relentlessly on the needs of our residents”.

- 3.5 To that end four priorities were set which were:

- Every child making the best start in life
- Every adult secure, responsible and empowered
- A strong community in a clean, safe environment
- Extending opportunity, prosperity and planning for the future

Each of these priorities was underpinned by a fifth priority, “A modern, efficient Council”. The plan detailed how each directorate contributes to those priorities and included performance measures to be met.

Restoration of Powers

- 3.6 In February 2016 the Council made positive steps towards powers and accountabilities being restored and the Secretary of State for Communities and Local Government issued revised Directions following a request from Commissioners to return responsibility for a number of functions to Councillors. These were listed in last year’s annual governance statement. In December 2016 Licensing powers were returned to the Council.
- 3.7 Further functions were recommended for return in November 2016 and in February 2017 the Communities Secretary stated that he was minded to return the following powers to the Council, which were actually returned in March 2017:
- Economic growth
 - Town centre
 - External partnerships
 - Adult social care and the Council’s partnership with the NHS*
 - Grounds maintenance
 - Audit

- the power of appointment of Council representatives to external bodies

The Commissioners may give formal Advice to the Members of the Cabinet before formal decisions are made. With the exception of Advice upon matters relating to adult social care and the Council's partnership with the NHS, this Advice is not binding, though a reason for not accepting it needs to be recorded. *When the relevant Commissioner provides formal Advice to the relevant Cabinet Member in relation to adult social care and the Council's partnership with the NHS the Advice must be followed as whilst the decision making function has returned to the Council, it is returned with a power of direction.

- 3.8 Commissioners currently retain executive responsibilities for: children's safeguarding and all other children's social care services; asset management; waste management; performance management; community safety and human resources. These will be subject to consideration during Summer 2017. The Commissioners also retain responsibility for deciding on the appointment and dismissal of statutory officers (the Head of Paid Service, Section 151 Officer and Monitoring Officer).

4 GENERAL CORPORATE GOVERNANCE ARRANGEMENTS AND THEIR OPERATION DURING THE YEAR

- 4.1 As noted in paragraph 3.3, the Council's Governance framework includes a range of policies, procedures and activities that are designed to be consistent with the expectations for public sector bodies. They are drawn together by the Council's Local Code of Corporate Governance which was approved by the Audit Committee in February 2017.

Elements of an effective Governance framework

- 4.2 The table below sets out the key elements of an effective Governance framework, all of which were in place in the Council throughout the 2016/2017 year.

Council Committee or group	Governance Function
Full Council	Approves the Corporate Plan and Improvement Plan Endorses the Constitution Approves the policy and financial frameworks
Cabinet	Primary decision making body of the Council Comprises the Leader of the Council and Cabinet members who have responsibility for specific areas
Audit Committee	Considers all issues relating to audit matters, both internal and external. Monitors and reviews the effectiveness of risk management systems, including systems of internal

	control
Standards and Ethics Committee	Promotes high standards of conduct by elected members and monitors the operation of the Members' Code of Conduct
Overview and Scrutiny Committees	Review and scrutinise the decisions and action taken in connection with any functions of the Council Make reports or recommendations to the Council or Cabinet with respect to the discharge of any functions of the Council
Chief Executive, Strategic and Assistant Directors	Set governance standards Lead and apply governance standards across the Council
Internal Audit	Performs independent and objective reviews of all areas of the Council Undertakes fraud and irregularity investigations and proactive anti-fraud work

4.3 The table below indicates the detailed governance arrangements in place during the year and their operation, with reference to the principles set out in both the CIPFA/SOLACE *Delivering Good Governance* Guidance applicable to 2016/17 and the Councils own local code:

Principle	Arrangements at RMBC
Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	<p>The Council has a constitution and a supporting set of rules and procedures that govern its activities in accordance with legislative requirements.</p> <p>All key decisions require review by Legal and Financial Services to ensure all relevant requirements and considerations are taken account of.</p> <p>The Council has arrangements for encouraging the reporting of suspected wrong-doing. The Council's Whistle-blowing policy has been revised in line with current guidance.</p> <p>The Council's Member/Officer Protocol has been revised and adopted by the Council in October 2016. They have been communicated to all Members, and are emphasized through training on the Code of Conduct which forms part of the induction programme for Members and their continuous development programme.</p> <p>The Code of Practice, Officer/Member Protocol, constitution and Whistle-blowing Policy can be found at www.rotherham.gov.uk</p>
Principle B - Ensuring openness and comprehensive	During Summer 2015 a series of public consultation exercises resulted in a new vision for the borough which was approved 28 th October 2015. This vision featured at the heart of the 2016/17 Corporate Plan and has been carried forward into the

stakeholder engagement.	<p>refreshed 2017/18 Council Plan, approved by Council in July 2017.</p> <p>Delivery of this new vision is embedded in day-to-day activities across the Council and is monitored through the performance management framework.</p> <p>The consultation events referred to above involved engagement with 1,800 people through a combination of face-to-face workshops, an online survey, and engagement events at the Rotherham Show in September 2015. There were also events with businesses.</p> <p>The Local Government Association conducted two surveys on behalf of the Council during 2016.</p> <p>Ongoing work is taking place on embedding greater levels of community and stakeholder engagement through the Council's Communications Strategy. Work is also taking place to reform the Council's Neighbourhoods and Engagement arrangements. There is also a new Partnership, the Rotherham Together Partnership, which is chaired by the Leader of the Council, with the Chair role now established on a rolling basis so that partner organisations have an opportunity to provide the Chair role in future years.</p> <p>The new Partnership strategy, The Rotherham Plan 2025, was published in early 2017.</p> <p>The Rotherham Plan 2025 can be found at www.rotherham.gov.uk</p>
Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.	<p>The Corporate Plan can be found at www.rotherham.gov.uk</p> <p>The Council has had a Corporate Plan in place throughout 2016/17 which set out the principal outcomes required in the course of the financial year. This has been monitored throughout the year in line with the Council's Performance Management Framework. This involves monthly and quarterly consideration of the performance indicators, the latter process being in public.</p> <p>Sitting alongside the Council Plan are numerous other strategies which set out more detail around the required outcomes. These include the Rotherham Housing Strategy, Rotherham Economic Growth Plan, Safer Rotherham Strategy, Rotherham Local Plan Core Strategy, Municipal Waste Management Strategy and the Rotherham Health and Wellbeing Strategy.</p> <p>Each Service area has a Service Plan which links to both the Corporate Plan and the relevant Strategies and these Plans are reviewed by individual Services.</p>

	<p>In addition to the above, the Council's Risk Management framework links to the Service Plans and enables Leadership Teams to monitor the risks around each key element of the overall plan that they are accountable for.</p>
<p>Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.</p>	<p>As set out above, the Corporate Plan and associated Service Plans form the basis for all interventions planned by the Council. All Business decisions are accompanied by a business case and options appraisal and the corporate report templates require information explaining the legal and financial implications of decisions.</p> <p>Delivery of the Plans is monitored through Quarterly Monitoring Reports and Contract Monitoring Reports and the Council has Performance Reports which are aligned to the Corporate Plan priorities.</p> <p>All decisions need to be taken in the context of the Medium Term Financial Strategy, the Capital Programme and the Revenue budget process.</p>
<p>Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.</p>	<p>The Council has been working with the Local Government Association to provide peer mentors for all Cabinet Members and Opposition Group Leaders during 2016/17 and this will continue into future years. Personal development planning is also now available to all Members and take up is encouraging at over 85%.</p> <p>Good progress has been made in developing officer leadership capacity. A new permanent Strategic Leadership Team structure is now embedded and almost all Assistant Director posts are permanently filled.</p> <p>Job descriptions are in place for all posts throughout the Council and these are supported by recruitment and appointment policies and procedures. There is a comprehensive training programme for officers linked to a Workforce Development Plan and the Corporate Workforce Strategy. Each Council employee has a Personal Development Plan which links to their service's Service Plan.</p> <p>Capacity to respond to increasing demand has been identified in a number of front line services. Plans are being developed to deliver service transformation across the Council which will enable these capacity pressures to be mitigated.</p>
<p>Principle F - Managing risks and performance</p>	<p>The Council has a Risk Management Policy and Guide which is embedded and reviewed annually. This Policy requires the Strategic Risk Register to be reviewed at regular intervals by</p>

<p>through robust internal control and strong public financial management.</p>	<p>the Strategic Leadership team and for Directorate and Service level risk registers to be reviewed monthly. Corporate report templates all contain 'risk implications' sections and Risk Management also links closely to Service Plans. The Audit Committee reviews risks and the Risk Management process quarterly.</p>
	<p>Performance Reports are aligned to Corporate Plan priorities and are considered in public and are also linked to the Risk Policy.</p>
	<p>The Council has an Anti-Fraud and Corruption Policy and Strategy which is frequently reviewed and an Internal Audit function which issues an annual opinion on governance, risk management and internal control. The council also has a Corporate Information Governance Group which is responsible for improving its approach to securing information. This group is supported by a dedicated Information Governance team as well as ongoing monitoring of Data Protection Act / Freedom of Information compliance</p>
<p>Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.</p>	<p>Greater clarity was provided in the course of the year over when decisions require Cabinet and Council approval and when they are decisions for officers. The Monitoring Officer and S151 officer were involved in advising decision makers to address this issue and the Constitution was reviewed and updated during the year including Financial Regulations (now called Financial Procedure Rules [FPR's]) and Contract Standing Orders (now called Contract Procedure Rules [CPR's]). Training has also taken place on decision making, and more will be rolled out in the coming year.</p> <p>The Council has a Corporate Communications Strategy and this includes the publication on its website of details around budgets and spending, Senior Officer remuneration, Performance Information and reports, the Annual Report and Statement of Accounts and the Annual Governance Statement.</p> <p>The Local Code of Corporate Governance refreshed annually in accordance with CIPFA/SOLACE principles and any document proposed for publication are scrutinised and approved by Senior Leadership Team, Cabinet and Audit Committee prior to publication.</p> <p>The Head of Internal Audit presents an annual report to Audit Committee to inform members of Internal Audit activity that has taken place during the year and the Audit Committee meets five times a year and receives reports from both Internal and External Audit.</p> <p>The Council is subject to regular inspections from regulatory bodies, including Ofsted, Care Quality Commission etc. The</p>

outcomes of these inspections, together with the Council's responses are made available via the website

An appropriate financial control and reporting framework for the Council is in place, with all aspects of revenue and capital spending compared to budget plans being routinely reported throughout the year to the officer Strategic Leadership Team, Cabinet and Commissioners.

Monitoring the effectiveness of Governance Arrangements

4.4 The Council annually reviews the effectiveness of its governance framework including the system of internal control. The ten key elements of assurance that inform this governance review are:

- 1) The Chief Executive, Strategic and Assistant Directors whose role includes:
 - Corporate oversight and strategic planning
 - Annual corporate governance assessment
 - Implement and monitor regulatory and other governance protocols
- 2) Monitoring Officer who has oversight of:
 - Legal and regulatory assurance
 - Monitors the operation of the Constitution
- 3) The Section 151 Officer who has oversight of the proper administration of the Councils financial affairs
- 4) Information Governance, which is monitored by:
 - The Designated Senior Information Risk Owner (SIRO)
 - Data Protection procedures
 - Information Security and Records Management procedures
- 5) The Overview and Scrutiny Management Board, who carry out policy review and challenge as well as have an overview and carry out scrutiny of specific topics
- 6) The Audit Committee which;
 - Reviews the effectiveness of internal and external audit
 - Considers the adequacy of the internal control, risk management and governance arrangements
 - Carries out a Self-assessment
- 7) Internal Audit who produce;
 - An Annual opinion on the adequacy and effectiveness of internal controls, risk management and governance arrangements

- An Internal audit plan, reports and action tracking reported to Audit Committee
- 8) External Audit / Inspections which include:
- Financial statements audit
 - Value for Money reviews
 - Other external inspections
- 9) Risk Management which incorporates:
- A Risk management policy and strategy
 - Quarterly monitoring and reporting of Strategic Risks
- 10) Counter Fraud work, which includes:
- Anti-Fraud and Corruption and Whistleblowing arrangements
 - Codes of Conduct for Officers and Members
 - Financial and Contract Procedure Rules

The Council's Budget 2017/18 and Medium Term Financial Strategy

- 4.5 The Council's budget for 2017/18 includes £24m of savings to address the budget shortfall. This is on top of £138m of annual savings delivered between 2011/12 and 2016/17. Public consultation was carried out through December 2016 on the new budget savings proposals and they were considered by Overview and Scrutiny Management Board prior to Cabinet recommendation and approval by Council.
- 4.6 To help mitigate some of the pressures within Adult Social Care the Council took the opportunity to increase the 2017/18 Adult Social Care precept by the maximum 3% allowable announced by the Government, along with maximising its ability to raise income through Council Tax. The Council also approved the use of £5.3m of reserves to support budget plans in 2017/18.
- 4.7 The Council's revenue budget outturn for 2016/17 achieved a £2.7m underspend compared with the revised budget approved by Council in December 2016.
- 4.8 The Council is undertaking a number of cross-cutting reviews which demonstrate a more strategic approach where previously there has largely been an over-reliance on a traditional "top-slicing" approach. In future budgets there will be a stronger focus on delivering increased value for money as the Council continues to better understand its costs and compares itself with Councils elsewhere. These reviews will provide new budget proposals for 2018/19 and beyond to address some of the funding gaps in those years. The Council's 2017/18 Budget and Medium Term Financial Strategy can be found at www.rotherham.gov.uk .

Internal Audit

- 4.9 It is a requirement of the UK Public Sector Internal Audit Standards that an annual report is produced setting out the work performed by Internal Audit and the opinion of the *Chief Audit Executive* (at Rotherham this is the Head of Internal Audit) on the Council's internal control environment.
- 4.10 The Annual Internal Audit report will be presented to the Audit Committee on 19th July 2017. The report confirms positive progress had been made during the year, but also highlighted areas identified from the work of Internal Audit where further improvement could be made. In addition to matters referred to in paragraphs 5.17 in relation to Licensing Enforcement, these were:
- The response to previous audit recommendations
 - Contracts management
 - Arrangements around collection of debts from former tenants
 - Arrangements for children leaving care.
- 4.11 Internal Audit concluded that the Council had maintained, overall, an adequate and effective framework of governance, risk management and control. However, significant areas that required urgent improvement were identified during the year. This meant that the opinion expressed by Internal Audit could not be applied consistently for all areas for all of the year. However it was noticeable that Internal Audit reports showed an improvement in assurance levels as the year progressed.

External Audit

- 4.12 The Council's external auditor (KPMG) is required each year to carry out a statutory audit of the Council's financial statements and give an assessment of the Council's value for money arrangements.

Audit Opinion on the Council's Financial Statements

- 4.13 KPMG issued an unqualified opinion on the Council's financial statements for the 2015/16 financial year on 28th September 2016. In KPMG's opinion, the financial statements gave a true and fair view of the financial position of the Authority and of its expenditure and income for the year ended 31st March 2016.
- 4.14 KPMG has identified no matters in its work done so far during 2016/17 to suggest it will not give an unqualified opinion on the Council's 2016/17 accounts, although KPMG's work is not yet complete.

External Audit Value for Money Conclusion

- 4.15 In relation to 2015/16, KPMG acknowledged the improvements to corporate governance arrangements that the Council had made since the initial intervention following the Jay, Ofsted and Casey Reports. However, because over half of the actions set out in the Corporate Improvement Plan had yet to be addressed before the end of the 2015/16 financial year, KPMG issued an “except for” Value For Money conclusion in respect of 2015/16 on 28th September 2016. This set out that, in their opinion, the Council had made proper arrangements for securing value for money, except for arrangements relating to “informed decision making”.
- 4.16 KPMG expects to give a Value for Money Conclusion for 2016/17 by 30th September 2017.

5 UPDATE ON MATTERS REFERRED TO IN THE ANNUAL GOVERNANCE STATEMENT FOR 2015/16

Commissioners’ Twenty Four Month Progress Review

- 5.1 In February 2017, the Commissioners produced a twenty four month progress review to the Department for Communities and Local Government. The review showed that steady progress continued to be made, while confirming the significant challenges still to be addressed. The twenty four month review can be found at www.rotherham.gov.uk
- 5.2 More details can be found below covering Children’s Services, Child Sexual Exploitation and Corporate Improvement, including the partial Restoration of Powers.
- ### **Children’s Services**
- 5.3 The 2014 Ofsted inspection judged Children’s Care Services as inadequate in every domain other than adoption which was judged as requiring improvement. The Annual Governance Statement for 2015/16 set out the details behind this judgement.
- 5.4 Following substantive completion of the urgent actions and outcomes required in response to the recommendations made by Ofsted in November 2014, a refreshed second improvement plan was agreed in September 2015 with a focus on longer term sustainable improvements.
- 5.5 The Children’s Improvement Board continues to oversee progress of the Children and Young People’s Services (CYPS) Improvement Plan through monitoring,

challenging and supporting officers. The Board considers the areas of greatest risk first, and lays the foundations for effective and sustained improvement. This includes challenging whether sufficient progress is being made.

- 5.6 A Regional Association of Directors of Children's Services (ADCS) Sector-Led Peer Review, which focused on Looked after Children (LAC) and care leavers, took place in October 2016. This followed a similar review on Leadership, Management and Governance undertaken in June 2016. Additional peer reviews led by practice partners, around Special Educational Needs and Disabilities (SEND) and social care 'front door' and Child Sexual Exploitation, took place in November 2016. Practice partners have also reviewed the Medium-Term Financial Strategy and commissioning arrangements.
- 5.7 Ofsted has commenced a series of monitoring visits, the first of which took place on the 20th and 21st October 2016 and there was a further monitoring visit on 9th and 10th February 2017. The action plan has been updated dynamically to incorporate the findings of all feedback elicited from peers and the regulator.
- 5.8 There remain, however, some considerable risks. Progress will continue to depend on the Council meeting its vision for prioritising Children's Services and maintaining improvement within the services. This will include managing the significant financial pressure brought about by the need to strengthen the service. In recognition of this the Council approved an investment plan for Children's services in December 2016 which was set at the expected level required to achieve a sustainable children's service budget across the medium term. This investment took into account that a substantial proportion of the cost pressure is attributable to placements of looked after children and a reliance on agency staff and it will take time for the position to be recovered.

Child Sexual Exploitation – “The Way Forward for Rotherham 2015-2018”

- 5.9 The Children and Young People's Services Improvement Board Action Plan remains the primary mechanism for delivering improvement. However, three significant independent reviews of multi-agency CSE operations have provided a platform for culture change and improved multi-agency practice across the partnership. The next step is to drive forward improvements through a multi-agency action plan jointly owned by the children and adult safeguarding boards. This approach ensures that key learning in respect of responding to the needs of CSE victims applies across children, adolescents transitioning to adult services, and adult survivors. Relationships across agencies are improving and leaders are increasingly modelling behaviours conducive with effective joint working. Public

confidence and staff morale across agencies has been boosted by a steady stream of successful prosecutions for online, non-recent, and current CSE.

“A Fresh Start” Corporate Improvement

- 5.10 The first phase of the Council’s Corporate Improvement Plan (‘A Fresh Start’) included 132 separate projects. The plan was divided into two phases, with the first to May 2016 focusing on establishing the core building blocks of an effective local authority. 84% (108) of the phase one actions were assessed as being substantively completed to the required timescales or standards by the end of May 2016.
- 5.11 A second phase of the Corporate Improvement Plan (‘Phase Two Action Plan’) from May 2016 was agreed by the Joint Board of Commissioners and elected members, which oversees the implementation of the plan, when it met on 23rd May 2016. This was further endorsed at the Cabinet and Commissioners’ decision making meeting on 11th July 2016.
- 5.12 This ‘Phase Two’ plan further clarified the outline second phase actions and priorities set out in the original ‘A Fresh Start’ document, as well as ongoing areas of focus from phase one. The Phase Two plan includes 20 overall improvement objectives (and 99 specific milestones) to be delivered over the year to May 2017. It has a core focus on embedding strong leadership and a new culture across the organisation.
- 5.13 The Council is now approaching the conclusion of this phase of improvement activity. The most recent performance progress report covers activity up to June 2017 and sets out that 81 of the 99 measurable milestones in the ‘Phase Two’ action plan have been substantively delivered. This represents positive progress throughout the 2016/17 year across all the improvement plan’s themes. Of the remaining 18 actions, 5 relate to ongoing activities (regular reports or programmes of events) with no set end date which have been assessed as ‘on-track’ and could now be regarded as complete if judged to be embedded within mainstream activities. 13 actions have been rescheduled as a result of recruitment difficulties or changing circumstances. These are still assessed as ‘on-track’ although completion will be after the original dates set out in the plan. No activity was highlighted as ‘at risk’.
- 5.14 The Joint Board will meet again every other month for the remainder of 2017, to maintain its overview and challenge over the delivery of the remaining Phase Two programme actions. The Corporate Improvement Plan “A Fresh Start” can be found at www.rotherham.gov.uk

Taxi Licensing

- 5.15 The Taxi licensing function has a key role in preventing and disrupting CSE. The Casey Report found that the Council's taxi-licensing arrangements were wholly inadequate and placed vulnerable children at risk. The 2015/16 Annual Governance Statement reported that work was continuing to embed higher standards and performance of the licensing and enforcement service and a new structure is now in place to facilitate this.
- 5.16 A framework is in place to monitor performance and this shows most targets were achieved throughout the year. Where they were not met the risks are being managed and action taken to improve the position.
- 5.17 Internal Audit's follow up work in the summer of 2016 drew attention to the need to develop policies, procedures and work programmes for the Licensing Enforcement team and made further recommendations for improvement. Most of these have been addressed during the year.
- 5.18 As noted in paragraph 3.6, the licensing function was returned to Council control in December 2016.

Adult Social Care

- 5.19 The 2016/17 Annual Governance Statement reported that Adult Social Care Services undertook a self-assessment using a Local Government Association assessment tool. The aim of this review was to provide a 'health check' of safeguarding functions in Rotherham. In particular, it focused on how the Safeguarding Adults' Board was functioning and how the Council's adult social care services were meeting their safeguarding responsibilities.
- 5.20 The recommendations from a peer review formed the basis of an action plan to implement improvement opportunities, developed by the Safeguarding Adults Board, which was implemented during 2015/16. The independent chair of the Board commissioned an independent consultant to develop a strategic plan for the Board, the recommendations from this plan were turned into an action plan. The action plan was then allocated to the relevant sub groups to progress during 2017.
- 5.21 The implementation of Liquid Logic (LAS) has highlighted some operational challenges in relation to pathways and these will be reviewed alongside the practical changes which are required. A review of the pathways took place in April 2017 and an improvement plan has been developed to track social work

performance and align this to an enhanced understanding of the customer cohort and spend data through the ContrOCC finance system. An Organisational Development plan will also complement this in order to ensure safe and robust practice.

Service Planning and Performance Management

- 5.22 The 2015/16 Annual Governance Statement reported that, while arrangements were in place in key areas for 2015/16, for example Children's Services, there was not an overall corporate framework or consistent arrangements in place across all Council services. The development of service planning and performance management arrangements was a priority for 2016/17.
- 5.23 During 2016/17 the Council has had consistent Corporate Performance Management arrangements in place which have involved monthly, and public quarterly, reporting of indicators over the whole of its operations. Every service now has a current Service Plan and the Corporate Plan has now been refreshed as a Council Plan which focuses on the seventy six key performance indicators that the Council is committed to delivering.
- 5.24 Public quarterly reporting against the Council Plan targets will continue during 2017/18 and the Corporate Performance team is currently being strengthened. Service Planning and Performance Management Arrangements are now embedded throughout the Council.

Risk Management

- 5.25 Last year's Annual Governance Statement reported that following the actions taken in the Corporate Improvement Plan, detailed corporate and service risk registers were in place and subject to regular review. A priority for 2016/17 was to embed the refreshed arrangements and demonstrate the effectiveness of the arrangements.
- 5.26 In the course of 2016/17 the arrangements described in the 2015/16 Annual Governance Statement have remained in place. They have been reviewed by Internal Audit and determined to be adequate. In addition, the Risk Policy and Strategy has been refreshed in the course of the year, a substantial risk management training programme has been delivered and up to date Risk Registers are in place in each Directorate. As a result, Risk Management is deemed to be embedded within the Council, although work remains to be done to develop Risk Registers within the Council's Partnerships.

Major Project Developments

- 5.27 The Annual Governance Statement for 2015/16 referred to a series of substantial and major projects to improve systems and the services they support. Audit work in the year had identified that there were weaknesses in project and programme management. Two examples, implementation of a new social care system and a new integrated housing management system (IHMS), were audited during 2016/17. The IHMS audit revealed various process weaknesses that needed to be addressed through stronger project and programme management.

Procurement and Contracts Management

- 5.28 The Council gathered information to update its contracts register during 2015/16. The Annual Governance Statement for that year stated that this exercise revealed significant weaknesses in the forward planning and establishing of contracts to ensure the Council complies effectively with relevant procurement rules and achieves best value from its procurement of goods and services.
- 5.29 Steps have now been instigated to ensure there is an effective forward plan of contracts, better corporate scrutiny and increased emphasis on maximising value for money. In the course of the coming year the procurement team will progress more extensive market development work with commissioning teams.

Information Governance

- 5.30 In last year's Annual Governance Statement, significant weaknesses were highlighted in relation to the Council's management of information, including information security, from incidents reported during the year. These included failure to ensure steps were taken to secure information left behind in vacated buildings, failure to respond appropriately to enquiries made about former incidents and a number of breaches of the Data Protection Act. An Information Governance Group has been set up, chaired by the Senior information Risk Owner (SIRO) and a work programme developed to ensure continued improvement in all areas connected to information and data management and the Group will continue to address the risks associated with these issues in the course of 2017/18.
- 5.31 In the course of 2016/17 the Council failed to retain its Public Services Network certificate due to insufficient progress being made to action the previous years' requirements. This has not had any impact on the business of the Council but there is a risk that, should lack of progress continue, the Council's permissions to

share confidential data with other organisations could be removed. The new Assistant Director has developed an action plan and a number of actions have already been implemented.

- 5.32 Additionally, in the course of the year, it was identified that Freedom of information response times had deteriorated significantly over the previous year. This was immediately dealt with by the introduction of monthly detailed reporting to Strategic Leadership Team and further addressed by the new Head of Information Management. Year-end performance recovered to only 1% worse than 2014/15 and was significantly higher than the previous year.

6 OTHER SIGNIFICANT ISSUES ARISING DURING 2016/17

- 6.1 Ongoing issues relating to Children's Social Care, Child Sexual Exploitation and Corporate Governance are reported in Section 5 above. Progress on improvement actions in these areas will continue to be reviewed and reported during 2017/18 and summarised in the Annual Governance Statement. All other issues arising during 2016/17 from other review processes, including Internal Audit work, have been included in the previous section as they were all mentioned in last year's Annual Governance Statement.

7 UPDATE SINCE JUNE 2017

- 7.1 *This section will contain any significant issues arising between June and September 2017.*

8 LEADER AND CHIEF EXECUTIVE STATEMENT 2016/17

- 8.1 This Annual Governance Statement fairly reflects the position at Rotherham Metropolitan Borough Council during the year and up to the date of signing.
- 8.2 The Council has continued to make good progress on its improvement journey throughout 2016/17 and this is supported by the comments made by the Commissioners in their most recent progress review. Positive progress continues to be made on delivering the commitments made in the Council's Improvement Plans and this is further supported by the restoration of additional powers to the Council throughout 2016/17 by the Secretary of State. The new Strategic Leadership Team was fully in place by August 2016 and this Team has been at the forefront of driving the improvements made to date.
- 8.3 The Council Vision remains current and has been reflected in the Corporate Plan which has been in place throughout the year. This Plan has been monitored

through the new Performance Management framework which includes public reporting of Council performance against the Plan. A refreshed Council Plan is currently being finalised for approval in July 2017. The Medium Term Financial Strategy sets out the prioritising and funding of the Council's aspirations. These and other guiding documents developed during the year provide the building blocks for the Council to make further improvements.

- 8.4 There continues to be clear and demonstrable progress as evidenced by the return of powers and the views of the Commissioners. Although there remain six service areas where powers are yet to be returned and there are improvement actions still to be completed at the time of writing, the evidence in place throughout the 2016/17 year supports a conclusion that, overall, the Council demonstrated good governance and met its Best Value duty throughout the year. The action plans in place, including the conclusion of the Year 2 Corporate Improvement Plan, will continue to drive further improvement throughout the coming year.

Signed

**Councillor Chris Read,
Leader, Rotherham MBC
Date: XX September 2017**

Signed

**Sharon Kemp,
Chief Executive, Rotherham MBC
Date: XX September 2017**