

**ROTHERHAM METROPOLITAN
BOROUGH COUNCIL**

**Annual Governance Statement
2017/18**

ROTHERHAM MBC ANNUAL GOVERNANCE STATEMENT 2017/18

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 Commissioners to take on all executive responsibilities at the Council and responsibilities relating to licensing^{*1}. By the start of the 2017/18 financial year, three Commissioners remained following the departure of Sir Derek Myers on 31st March 2017.
- 3.2 Throughout the 2017/18 financial year the Commissioner team was led by Lead Commissioner Mary Ney. The Lead Commissioner was assisted throughout the year by the Children's Social Care Commissioner, Commissioner Patricia Bradwell and 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.
- 3.4 During 2017/18 the Corporate Plan was refreshed and renamed as the Council Plan. This Council Plan 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”.

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.

3.5 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.

- 3.6 By the start of the Financial Year, the majority of powers and accountabilities had been restored to Councillors by the Secretary of State for Communities and Local Government. These services were listed in last year’s Annual Governance Statement.
- 3.7 Most remaining functions (community safety; waste management; performance management; asset management; and human resources) were recommended for return in July 2017. A revised Direction was issued on 12th September 2017 that returned most services to the Council other than those relating to children’s safeguarding and all other children’s social care services. 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).
- 3.8 In addition, for adult social care and the Council’s partnership with the NHS and the domestic abuse aspect of community safety, the relevant Commissioner can, if they consider a Cabinet decision is particularly significant and carries notable risk in terms of the best value duty, make a formal written recommendation to the relevant Executive Councillor that must be followed.
- 3.9 Ofsted carried out a re-inspection of services for children in need of help and protection, children looked after and care leavers in November 2017. This re-inspection, which was published in January 2018, rated the Council’s service as “good”.
- 3.10 Additionally, in February 2018, the Commissioners commissioned an independent check (a “Health Check”) of the Council as part of the move through the final phases of the intervention. This Health Check was reported to the Secretary of State on 21st March 2018 and was published on 14th June 2018. Its purpose was to provide an independent critique on whether the intervention had served its purpose and whether the Council was now fit to continue its improvement journey

without Commissioner oversight. The Commissioner Team set the standard for assurance and required the Council to demonstrate to the Health Check team that it was sufficiently self-aware and tenaciously committed to continuous improvement without the oversight of Commissioners. In particular, it needed to demonstrate that the leadership of the Council could show their commitment and understanding of their roles in ensuring that the children of Rotherham are kept safe and thrive.

3.11 The Health Check reported that, overall, the Council had demonstrated that it is presently fit to continue its improvement journey without Commissioner oversight. It reported that “the speed and extent of the improvements delivered since 2015 are impressive.” The report recognised that the next stages of improvement will be challenging but it expressed confidence that the right foundations were in place and were sufficiently strong.

3.12 For those functions still subject to additional Directions (Domestic Abuse and Adult Social Care), the Health Check found:

- Assurance of the Council’s improved capability in Adult Social Care and its preparedness to take forward its improvement agenda without ongoing Commissioner advice and;
- A high degree of assurance in Domestic Abuse Services, having found excellent partnership working and examples of best practice.

3.13 As a result of the Health Check, the Commissioner Team has recommended to the Secretary of State that the government intervention in Rotherham can now be concluded. On the 23rd of July 2018, the Secretary of State announced that he is “minded” to return the last remaining powers back to the Council, remove Commissioners, and require a final review to be held early next year. The Secretary of State will now consider any representations before making a final decision on whether to return these functions.

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 Code of Corporate Governance which was refreshed and approved by the Audit Committee in November 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 2017/2018 year.

Council Committee or group	Governance Function
Full Council	Approves the Council 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 2017/18 and the Council's own Code:

Principle	Arrangements at RMBC
Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	The Council has a constitution and a supporting set of rules and procedures that govern its activities in accordance with legislative requirements. All key decisions require review by Legal and Financial Services to ensure all relevant requirements and considerations are taken account of. 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.

The Council has a Member/Officer Protocol which was adopted by the Council in October 2016. It is communicated to all Members, and is emphasized through training on the Code of Conduct which forms part of the induction programme for Members and their continuous development programme. Codes of Conduct for Members and Officers define conflicts of interest and how they should be treated.

The Code of Practice, Officer/Member Protocol, constitution and Whistle-blowing Policy can be found at www.rotherham.gov.uk

Principle B -
Ensuring openness
and
comprehensive
stakeholder
engagement.

The Council is committed to openness and acting in the public interest. The current Council Plan (covering the period to March 2020) is based on a series of public consultation exercises which resulted in a new vision for the borough which was approved 28th October 2015. The Council Plan can be found at www.rotherham.gov.uk

Delivery of this vision is embedded in day-to-day activities across the Council and is monitored through the performance management framework.

The Local Government Association conducted a citizen's satisfaction survey on behalf of the Council during 2017 – the results of which have been reported through the performance management framework.

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. The Rotherham Together Partnership is well established and partner organisations have an opportunity to provide the Chair role in future years. The new Partnership strategy, The Rotherham Plan 2025, was published in early 2017. The Plan can be found at www.rotherham.gov.uk.

Principle C -
Defining outcomes
in terms of
sustainable
economic, social,
and environmental
benefits.

The Council has had a Council Plan in place throughout 2017/18 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.

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.

Each Service area has a Service Plan which links to both the Council Plan and the relevant Strategies and these Plans are reviewed by individual Services.

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.

Principle D -
Determining the interventions necessary to optimise the achievement of the intended outcomes.

As set out above, the Council 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.

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 Council Plan priorities.

All decisions need to be taken in the context of the Medium Term Financial Strategy, the Capital Programme and the Revenue budget process.

Principle E -
Developing the entity's capacity, including the capability of its leadership and the individuals within it.

The Council has been working with the Local Government Association to provide peer mentors for all Cabinet Members and Opposition Group Leaders during 2017/18 and this will continue into future years. Personal development planning is also now available to all Members and take up has now reached 100%.

The permanent Strategic Leadership Team structure is now embedded and almost all Assistant Director posts are permanently filled.

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>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 through robust internal control and strong public financial management.</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 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 at every meeting.</p> <p>Performance Reports are aligned to Council 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>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 is refreshed annually in accordance with CIPFA/SOLACE principles and any documents 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 outcomes of these inspections, together with the Council's responses are made available via the website</p> <p>An appropriate financial control and reporting framework for the</p>

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 which is informed by annual Assurance Statements from each Strategic and Assistant Director
 - 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 conclusion
- 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
- Anti-Money Laundering Policy and supporting arrangements
- Codes of Conduct for Officers and Members
- Financial and Contract Procedure Rules

The Council's Budget 2018/19 and Medium Term Financial Strategy

- 4.5 The Council's budget for 2018/19 includes £15m of savings to address the budget shortfall. This is on top of £162m of annual savings delivered between 2011/12 and 2017/18. Public consultation was carried out through December 2017 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 2018/19 Adult Social Care precept by the maximum 3% allowable announced by the Government, along with maximising its ability to raise income through Council Tax.
- 4.7 The Council's revenue budget outturn for 2017/18 achieved a £3.2m underspend which has reduced the level of planned use of reserves in the 2017/18 budget which was approved by Council in March 2017. However, within this overall positive position there were significant overspends in social care services which must be addressed if the Council is to remain financially sustainable in the future.
- 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 2019/20 and beyond to address some of the funding gaps in those years as well as identifying actions to address the spending

pressures in social care. The Council's 2018/19 Budget and Medium Term Financial Strategy can be found at www.rotherham.gov.uk. The Medium Term Financial Strategy is currently being updated for approval by Cabinet in the autumn.

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 was presented to the Audit Committee on 19th June 2018. The report confirmed 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.
- 4.11 Internal Audit concluded that the Council had maintained overall an adequate and effective framework of governance, risk management and control.
- 4.12 In December 2016 Internal Audit was assessed as partially conforming to Public Sector Internal Audit Standards. An action plan was immediately put into operation. 13 of the 21 actions were completed during 2017, and as a result when assessed in December 2017 the department was found to have substantially improved and to be generally conforming to the standards.

External Audit

- 4.13 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

- 4.14 KPMG issued an unqualified opinion on the Council's financial statements for the 2016/17 financial year on 26th September 2017. 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 2017.
- 4.15 KPMG have issued a final draft of the ISA 260 report for 2017/18 which anticipates that they will issue an unqualified opinion on the Council's financial statements before the deadline of 31st July 2018.

External Audit Value for Money Conclusion

- 4.16 KPMG issued an unqualified conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in the use of its resources on 26th September 2017. In KPMG's opinion, the Council had, in all significant respects, proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the financial year ended 31st March 2017.
- 4.17 KPMG have completed their work in relation to the Value for Money Conclusion for 2017/18. The main focus of their attention in relation to the VfM Conclusion was the future financial sustainability of the Council with particular regard to 2018/19. KPMG have concluded that the Authority has made proper arrangements to secure economy, efficiency and cost effectiveness in the use of resources and anticipate issuing an unqualified Value for Money opinion before the deadline of 31st July 2018.

5 UPDATE ON MATTERS REFERRED TO IN THE ANNUAL GOVERNANCE STATEMENT FOR 2016/17

- 5.1 In November 2017, the Commissioners produced a thirty three month progress review to the Department for Communities and Local Government. Overall, the Commissioners stated that they continued to see evidence of ongoing progress by the Council and noted the growing strength of leadership of the Leader of the Council and the Chief Executive which boded well for the ongoing task of cascading improvement in leadership throughout senior and middle management.
- 5.2 The Commissioners also noted the Leader's wider role within the region which has been prominent and consistent. The thirty three month review can be found at www.rotherham.gov.uk
- 5.3 More details can be found below covering Children's Services, Child Sexual Exploitation and Corporate Improvement, including the Restoration of Powers.

Children's Services

- 5.4 Following the 2014 Ofsted Single Inspection Framework (SIF) inspection which judged Children's Care Services as inadequate, the Children's Improvement Board continued to oversee progress of the Children and Young People's Services (CYPS) Improvement Plan through monitoring, challenging and supporting officers. This has been summarised in previous Annual Governance Statements. The Board considered the areas of greatest risk first, and laid the foundations for

effective and sustained improvement. This included challenging whether sufficient progress was made.

- 5.5 The most recent Ofsted inspection, which was published in January 2018 following a full re-inspection in November 2017, stated that the local authority had taken a systematic and rigorous approach to improvement since the last Ofsted inspection in 2014. The findings from the most recent Ofsted inspection report have been included in the Improvement Plan and are subject to monitoring at the monthly Performance Board meetings. The Improvement Board held its last meeting following the publication of the report and the improvement plan and in particular the 8 recommendations from the Ofsted re-inspection are now monitored at the monthly Performance Board as well as being part of business as usual Service Planning Monitoring.
- 5.6 The Ofsted report stated that the recruitment of effective senior managers has resulted in sustained improvement and that the quality and impact of services for children have been transformed. Ofsted reported that risks to children are recognised early and responded to, ensuring their safety and, overall, that the corporate response and associated change in the quality of children's services has been impressive.
- 5.7 Ofsted also stated that the Council achieves excellent outcomes for a great majority of its care leavers. Since the last inspection, councillors and senior leaders have invested significantly in the care leaving service, expanding its capacity and providing excellent new facilities, including a dedicated drop-in centre and good-quality housing. Highly effective partnership working has developed a broad range of services that give care leavers access to good-quality housing, and opportunities to receive education and training, and to gain employment.
- 5.8 The Ofsted report focused on a number of areas where work needs to be done to further improve performance. These included the need for greater management challenge of the quality of practice and planning for children looked after, the need to improve some risk assessments, the need to ensure that assessments are up to date for children looked after and the need to properly reflect the complexity of needs or how these will affect the children's future requirements.
- 5.9 The local authority is working to address these areas of provision that require improvement. Continued progress will 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. The Council is continuing to work to ensure that the needs of Children's Services are properly resourced within the financial

envelope that is affordable to the Council whilst sustaining the improvements carried out to date. Significant work is underway to ensure that services are delivered efficiently and that value for money is secured.

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

- 5.10 The Children and Young People’s Services Action Plan remains the primary mechanism for delivering improvement. Improvements are being delivered through a multi-agency action plan jointly owned by the children and adult safeguarding boards and relationships across agencies are improving and leaders are increasingly modelling behaviours conducive with effective joint working. This is evidenced by the work of the Evolve Team, a crucial partnership between Children’s Social Care and South Yorkshire Police to address Child Sexual Exploitation effectively. In addition, the Multi-Agency Safeguarding Hub continues to bring together partners to facilitate effective decision making to keep children and young people safe from harm. Public confidence and staff morale across agencies continues to be boosted by a stream of successful prosecutions for online, non-recent, and current Child Sexual Exploitation.
- 5.11 Six independent reports into various issues raised by aspects of the Council’s actions around Child Sexual Exploitation were published on 6th September 2017. Although these reports were critical of the Council’s actions in the period leading up to the appointment of the Commissioners in February 2015, no new issues were identified that impact on the current arrangements in place at the Council.

“A Fresh Start” Corporate Improvement

- 5.12 The first phase of the Council’s Corporate Improvement Plan (‘A Fresh Start’) included 132 separate projects and was substantively completed by the end of May 2016. The 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 and further endorsed at the Cabinet and Commissioners’ decision making meeting on 11th July 2016. The Phase Two plan included 20 overall improvement objectives (and 99 specific milestones) to be delivered over the year to May 2017.
- 5.13 The Council concluded this phase of improvement activity in November 2017. The concluding performance progress report covering activity up to this date set out that 97 of the 99 measurable milestones in the ‘Phase Two’ action plan had been substantively delivered. There were three actions underneath these remaining two milestones, both of which were scheduled to be completed by the end of 2017. The actions remaining were; the review of the Compact; the implementation of the

commissioning action plan and the six month review of the constitution. Both outstanding actions have now been completed and follow up arrangements are being embedded within the Council's governance and management processes.

- 5.14 The Council is now an organisation which uses intelligence to assess what it does and how well it does it. The development of Members, senior managers and other managers has increased the Council's ability to effectively govern, lead and manage its operations. The capacity and capability of the Council has been developed through new leadership which is able to respond to the challenges ahead and future improvement and development will be managed through the Council Plan and the Council's performance management framework.

Adult Social Care

- 5.15 The 2016/17 Annual Governance Statement reported the progress that Adult Social Care Services had made against their improvement priorities. Specifically, it reported that 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.
- 5.16 The Commissioner's most recent progress report referred to the pressures within adult social care and the actions the Council was taking to manage demand and a backlog of referrals. They reported that the Council continued to make progress with its improvement work and, in particular, the governance arrangements of the Adult Social Care Improvement Board had been refreshed and now include external challenge from an experienced independent chair and additional peer support/critical friend input from the Local Government Association. A new improvement plan is in place and the LGA has reviewed and critiqued the programme to support the improvement plan.
- 5.17 The improvement plan has provided a level of structure and discipline to taking corrective action, waiting time for assessment and leadership and other detailed work has been carried out relating to the medium term finance strategy and associated actions and ownership. The Council continues to experience rising demand but has responded proactively and has made good progress on ensuring that referrals are up to date. The ongoing reduction of the backlog, performance and caseload management is being closely project managed within the improvement plan. Progress is also being made to reduce the costs of the service and improve value for money with a number of significant decisions being brought before Cabinet during 2018/19 for decision.

Information Governance

- 5.18 In last year's Annual Governance Statement it was reported that the Council failed to retain its Public Services Network (PSN) 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 was a risk that, should lack of progress continue, the Council's permissions to share confidential data with other organisations would be removed. It was also reported that an action plan had been developed and action was being taken to deal with the identified weaknesses. Delivery of the action plan has progressed well with 90% of tasks completed during the last 12 months and regular discussion with the PSN office to discuss this progress.
- 5.19 A Corporate Information Governance Group remains in place and is chaired by the Senior Information Risk Owner (SIRO). There is also 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 2018/19. High level risks have been mitigated with appropriate actions and work is focusing on the completion of tasks required to ensure the Council is GDPR (General Data Protection Regulation) ready for 25th May 2018.
- 5.20 Additionally, last year's Governance Statement reported that Freedom of Information response times had deteriorated, significantly over the previous year although they had mostly recovered by the year end. In the course of this year, the Freedom of Information process has been reviewed and re-engineered to make it more efficient and citizen focused and is now operating effectively. Significant progress has been made on improving the response rate across all areas of the Council and monthly updates are presented to the Senior Leadership Team.

6 OTHER SIGNIFICANT ISSUES ARISING DURING 2017/18

Medium Term Financial Strategy

- 6.1 The biggest challenge for the Council is the cost and demand pressure on social care services. In 2017/18 both Adult's and Children's social care services overspent significantly. The cost of these services need to be brought down in the current year to ensure that by the year end the overall Council budget is within the risk contingency set. In the short to medium term the cost of these services needs to be brought down further as the biggest risk to the Council's future financial sustainability is the pressure on these services. Substantial in depth work and

analysis is taking place in order to identify where the cost pressure can be addressed or mitigated without adverse impact on vulnerable children and adults. The outcome of this work will be reported in the update of the Medium Term Financial Strategy which will be presented to Cabinet in the Autumn.

- 6.2 Ongoing issues relating to Children's Social Care and Child Sexual Exploitation are reported in Section 5 above. Progress on improvement actions in these areas will continue to be reviewed and reported during 2018/19 and summarised in the Annual Governance Statement for that year. All other issues arising during 2017/18 from other review processes have been included in the previous section as they were all mentioned in last year's Annual Governance Statement.

7 UPDATE SINCE MAY 2018

- 7.1 On the 14th June 2018 the Commissioners published the results of the Independent Health Check and their 39 month progress review letter to the Secretary of State and on the 23rd July 2018 the Secretary of State announced his intention to withdraw the Commissioners as a result of the progress that the Council has made since 2015. A summary of this can be found in paragraphs 3.10 to 3.13.

8 LEADER AND CHIEF EXECUTIVE STATEMENT 2017/18

- 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 2017/18 and this is supported by the comments made by the Commissioners in their most recent progress review. Positive progress continues to be made and this is supported both by the further restoration of powers to the Council throughout 2017/18 by the Secretary of State as well as by the positive outcome from the Ofsted re-inspection
- 8.3 The Council Vision remains current and has been reflected in the Council Plan which has been in place throughout the year. This Plan has been monitored through the Performance Management framework which includes public reporting of Council performance against the Plan. Refreshed indicators under the Council Plan have been finalised and were approved in May 2018. 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, the completion of the phase two Corporate Improvement Plan and the views of the Commissioners. Although, at the time of writing, Commissioners retain oversight of children’s safeguarding and children’s social care, the evidence in place throughout the 2017/18 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, which are now embedded as part of Service Plans and the wider Council Plan, will continue to drive further improvement throughout the coming year.

Signed

**Councillor Chris Read,
Leader, Rotherham MBC
Date: 31st July 2018**

Signed

**Sharon Kemp,
Chief Executive, Rotherham MBC
Date: 31st July 2018**