

**ROTHERHAM METROPOLITAN  
BOROUGH COUNCIL**

**Annual Governance Statement  
2021/22**

## **ROTHERHAM MBC ANNUAL GOVERNANCE STATEMENT 2021/22**

### **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.
- 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 GOVERNANCE FRAMEWORK**

- 2.1 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. They are drawn together by the Council's Code of Corporate Governance which was refreshed and approved by the Audit Committee in November 2021.
- 2.2 Throughout 2021 the Council's overall strategy was directed by the "Year Ahead" Plan which set out how the Council would work with Rotherham communities, residents, and businesses in uncertain times; providing ongoing support to those who continue to be affected by the pandemic and helping to build resilience as we all adapt to the challenges ahead.
- 2.3 The "Year Ahead" Plan was framed around 5 themes:
  - Thriving Neighbourhoods
  - Better Health and Wellbeing
  - Economic Recovery
  - New Ways of Working

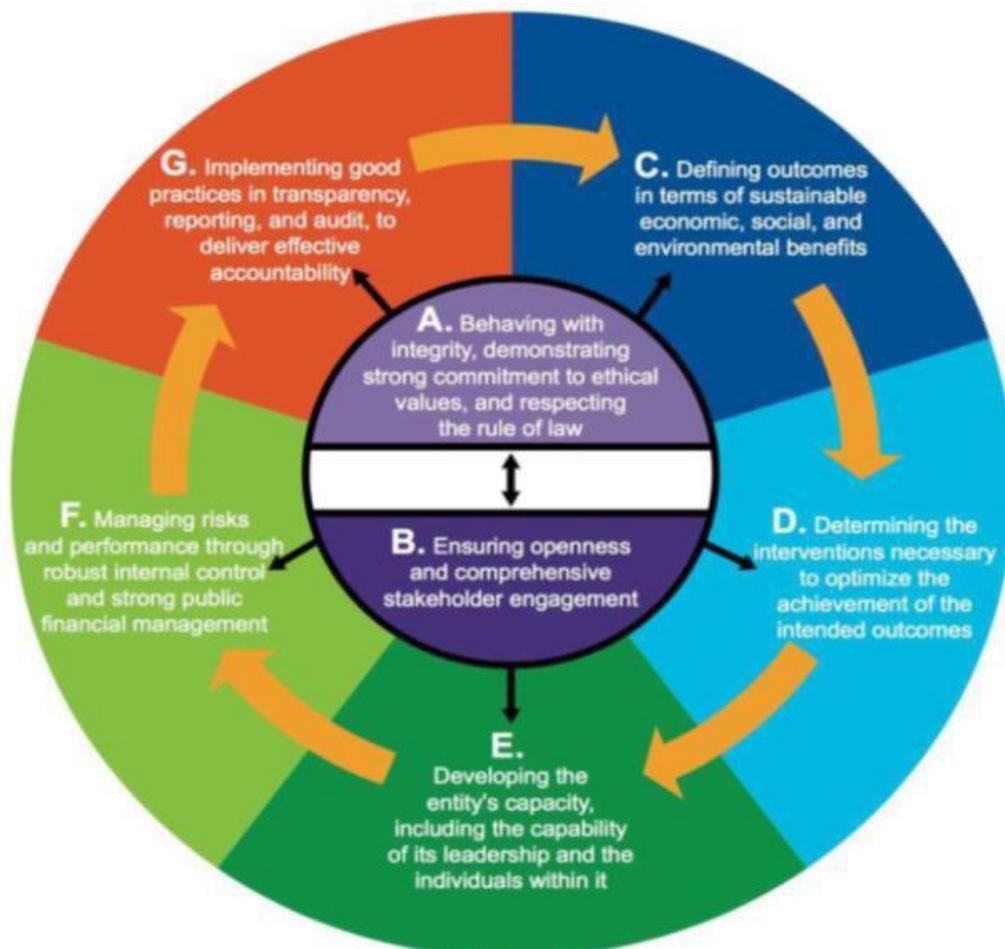
- Hope and Confidence in Rotherham
- 2.4 The plan also included the following cross-cutting strands, which were integral to each theme:
- Equalities and Social Justice
  - Climate Impact
- 2.5 The “Year Ahead” Plan was originally approved by the Council’s Cabinet in September 2020 and covered the period until June 2021. In June 2021 the “Year Ahead” Plan was extended until November 2021 to provide an appropriate period to develop a new longer-term Council Plan.
- 2.6 In January 2022 the Council approved the Council Plan 2022-25 and the Year Ahead Delivery Plan 2022, framed around five themes
- Every Neighbourhood Thriving
  - People are Safe, Healthy and Live Well
  - Every Child Able to Fulfil Their Potential
  - Expanding Economic Opportunity
  - A Cleaner, Greener Local Environment
- 2.7 The first quarterly report on progress on the new Council Plan and Year Ahead Delivery Plan was presented to the Council’s Cabinet on 20<sup>th</sup> June 2022 and focused on progress from 1<sup>st</sup> January 2022 to 31<sup>st</sup> March 2022. The second report, covering the period to the end of July was presented to cabinet on 20<sup>th</sup> September 2022.
- 2.8 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 is accountable 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.
- 2.9 The Council also has a system of internal control which 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 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.

2.10 The table below sets out the key elements of an effective governance framework, and how these were delivered in the Council throughout the financial year.

<b>Council Committee or group</b>	<b>Governance Function</b>
Full Council	Endorses the Constitution Approves the policy and financial frameworks Approves the budget and sets council tax Approves the Council Plan.
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 internal and external audit matters Monitors and reviews the effectiveness of risk management systems, including systems of internal control. Oversees financial reporting and financial statements and the annual governance process.
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	Reviews and scrutinises the decisions and action taken in connection with any functions of the Council, including "pre-Scrutiny" of some recommendations due to be considered by Cabinet. 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 within all Directorates of the Council Undertakes fraud and irregularity investigations and proactive anti-fraud work
Areas or disciplines which are not directly responsible for delivery of services, for example Performance Management, Risk Management, Finance, HR, Legal, Information Security, Health and Safety.	Responsibilities include designing policies, setting direction and ensuring compliance
Management. Assurance at this level comes directly from those responsible for delivering specific objectives, projects or operational areas.	Responsibilities include identifying risks and improvement actions

### 3 HOW THE GOVERNANCE FRAMEWORK IS APPLIED

3.1 The principles set out in both the CIPFA/SOLACE Delivering Good Governance Guidance and the Council’s own Code are shown in the diagram below:



3.2 The table below indicates the detailed governance arrangements in place during the year and their operation, with reference to these principles:

Principle	Arrangements at Rotherham MBC
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 into account.</p> <p>The Council has arrangements for encouraging the reporting of suspected wrong-doing. The Council’s Whistle-blowing policy is in line with current national guidance.</p>

	<p>The Council has a Member/Officer Protocol which has been adopted by the Council. It is communicated to all Members and is emphasised 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. There has been an extensive programme of training and induction for all members following the “all out” elections in May 2021.</p>
<p>Principle B – Ensuring openness and comprehensive stakeholder engagement.</p>	<p>The Council is committed to openness and acting in the public interest. The original “Year Ahead” Plan was developed rapidly in response to the Covid pandemic. Following on from that Plan, a new Council Plan 2022-25 and the Year Ahead Delivery Plan 2022 were developed during the year after consultation with stakeholders as part of the development process. They are available on the Council’s website and all performance reporting against the Plans is presented in public meetings of Cabinet.</p> <p>Delivery of the vision in both the Council Plan 2022-25 and the Year Ahead Delivery Plan is embedded in day-to-day activities across the Council and is monitored through the performance management arrangements which are underpinned by an established framework.</p> <p>The Council conducts a Residents’ Satisfaction Survey every twelve months, based on the Local Government Association’s national model. The results have been reported through the performance management framework.</p> <p>The Thriving Neighbourhoods Strategy was published in 2018, covering the period 2018-2025. The Strategy sets out the way in which the Council will work with and listen to its communities. It commits the Council to listening and acting on feedback and working with partners to plan for the future. During 2021/22 this Strategy has continued to become embedded in the Council’s methods of working, especially through the Covid pandemic as neighbourhoods were the cornerstone of the response. As part of this development, a series of regular ward newsletters were continued to improve public awareness of developments in their local areas and improve community engagement.</p> <p>Fortnightly newsletters are also produced for Council members with additional ‘special’ bulletins produced to cover significant issues. These summarise key developments and issues in the Council to enable them to perform their roles effectively.</p> <p>A Consultation and Engagement Policy was developed in 2019. This Policy sets out the Council’s commitment to consult and engage with the public and states that the Council will listen, inform and work in partnership with service users and stakeholders, including their views in the shaping, commissioning and delivery of services wherever possible. The Policy was refreshed in 2021/22 and is underpinned by a consultation toolkit</p>

	<p>for services to use so that they comply with the Policy.</p> <p>The Rotherham Together Partnership is well established. The Partnership strategy, The Rotherham Plan 2025, was published in early 2017. The Rotherham Plan is currently in the process of being updated with the aim that this will be published in December 2022.</p>
<p>Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.</p>	<p>The Council's five-year Council Plan came to an end in March 2020. The Council Plan is aligned to the election cycle but, as a result of Covid, elections were delayed until May 2021. As a result, a plan was approved for the coming year to cover the period until June 2021. This "Year Ahead" Plan set out the key outcomes that the Council intended to achieve in the coming 12-month period. Following the elections in 2021, the Plan was subsequently extended until November 2021. In January 2022 the new Council plan 2022-25 and associated Year Ahead Delivery Plan 2022 were approved by Council. All the plans have been monitored throughout the year in line with the Council's Performance Management Framework, which was itself revised in April 2022. This monitoring involves quarterly consideration of the outcomes in public sessions of Cabinet and the Overview and Scrutiny Management Board.</p> <p>Sitting alongside the Year Ahead Plans 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>Because of the pandemic, during the 2021-22-year, Service Plans were not compulsory, although many services still maintained such Plans. However, the Year Ahead Plan captured the priorities and outcomes for services. These were used for Performance Development Reviews for staff. With the development of the extension of the "Year Ahead" Plan and a new Council Plan, the requirement for Service Plans that link to the Council Plan and into individual Personal Development Plans has been reinstated for 2022-23 and Service Plans were in place for all services by 1 April 2022.</p> <p>In addition to the above, the Council's Risk Management framework links to the relevant plans and enables Strategic and Directorate Leadership Teams to monitor and respond to the risks around each key element of the 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 Year Ahead 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 continues to be monitored through Quarterly Monitoring Reports and the Council has a suite of performance reports which are aligned to the Year Ahead 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 support the development of all councillors, and this will continue in future years. Personal development planning was available to all Members during 2021/22 and take up reached 100% prior to the latest elections in May 2021. The Member Development Programme is continually being refreshed with elected Members encouraged to provide topics of interest that they would like to see included. A survey of members is currently being undertaken which includes questions relating to development and the overall Member Development Programme is reviewed at each Member &amp; Democratic Panel Meeting.</p> <p>The roles of the Leader, the Cabinet, all Members and the Statutory Officers are included in the Constitution.</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 the recently approved refreshed Workforce Development Plan. The Plan aligns with the Council Plan and the new strategy has been developed in tandem with the Council Plan. Each Council employee has a Personal Development Plan which links to their service's Service Plan and is reviewed at regular intervals.</p> <p>A series of projects are in place to deliver service transformational change across the Council as part of the "Big Hearts, Big Changes" programme. These are drawn from the Council Plan and are cross cutting big ticket items. Many of these projects are designed to increase the Council's capability and capacity to achieve ambitions and adapt to service demands in a "post Covid" environment.</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 fully embedded. The Guide was reviewed in November 2021 having last been rewritten in November 2019. 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 at least quarterly.</p> <p>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. 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 comply with the CIPFA Code of Practice 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's approach to transparency 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 Code of Corporate Governance is refreshed annually in accordance with CIPFA/SOLACE principles and any documents proposed for publication are scrutinised and approved by Strategic 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. The Audit Committee meets six times a year and receives reports from both Internal and External Audit. The Audit Committee Terms of Reference are based on CIPFA guidance.</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 reported to the relevant Overview and Scrutiny Committee and made available via the website.</p> <p>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 and Cabinet.</p>

The Council won the award for the Most Improved Authority at the Local Government Awards in July 2022. This is an indication of the improvements in the governance structure and is linked to the principles highlighted above.

[Local Government awards - Rotherham is 'Most Improved Council' – Rotherham Metropolitan Borough Council](#)

### **How is the effectiveness of our Governance Arrangements monitored?**

3.3 The Council reviews the effectiveness of its governance framework, including the system of internal control, every year. 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
  - The operation of the Constitution
- 3) The Section 151 Officer who has oversight of the proper administration of the Council's 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 audit action tracking, all reported to Audit Committee
- 8) External Audit and other external inspections which include:
  - Financial statements audit
  - Value for Money conclusion
  - Care Quality Commission, Ofsted, etc.
- 9) Risk Management which incorporates:
  - A Risk management policy and strategy
  - Quarterly monitoring and reporting of Strategic Risks to Strategic Leadership Team
  - Regular monitoring and reporting of Risk Registers to Directorate Leadership Teams

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

**What specific assurances does the Council receive about the effectiveness of our Governance Arrangements?**

3.4 The Council receives a number of specific assurances around its governance arrangements from the following:

**Chief Financial Officer (Section 151 Officer)**

3.5 The CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016) demands that assurance is provided on a number of governance arrangements relating to the organisation including financial control, reporting, the approach to decision making, compliance with relevant codes and the influence of the CFO within the organisation. These have been considered within the context of this Statement and it has been established that the Council's arrangements conform to the CIPFA requirements, and the Section 151 Officer has no significant concerns.

**Monitoring Officer**

3.6 The Monitoring Officer is required to report to the Council in any case where it appears that any proposal, decision or omission by the Authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989; (LGHA 89). These have been considered within the context of this statement and the Monitoring Officer has no significant concerns to report.

**Internal Audit**

3.7 It is a requirement of the UK Public Sector Internal Audit Standards (PSIAS) that there is an annual internal assessment of Internal Audit's conformance with the standards, verified externally at least every five years. In late 2020 the external verification was completed. Internal Audit was assessed as generally conforming to Public Sector Internal Audit Standards. This is the highest classification used by CIPFA. The internal assessment at the end of 2021 confirmed that this standard has been maintained.

3.8 It is also a requirement of PSIAS 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.

- 3.9 The Annual Internal Audit report was presented to the Audit Committee on 28<sup>th</sup> June 2022. The report confirmed positive progress had been made during the year, with 85% of audits resulting in a positive opinion, similarly to the previous year. The remaining reports highlighted areas where further improvement could be made but none of these highlighted significant governance or control weaknesses that needed to be reported in the AGS. The areas identified will be followed up in 2022/23.
- 3.10 Internal Audit concluded that the Council has maintained overall an adequate and effective framework of governance, risk management and control throughout the year, based on their work undertaken throughout the year.

### **External Audit**

- 3.11 The Council's external auditor 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. Grant Thornton issued an unqualified opinion on the Council's financial statements for the year ended 31<sup>st</sup> March 2021 on 3<sup>rd</sup> December 2021.
- 3.12 In their Annual Report relating to 2020/21 issued in April 2022 Grant Thornton found no significant weaknesses in the Council's arrangements for financial sustainability and governance. They identified one significant weakness and made a key recommendation as a result of the Ofsted and CQC inspection around implementing SEND reforms. Further information concerning the inspection are given in paragraphs 5.4 to 5.7.
- 3.13 Grant Thornton will issue their opinion on the 2021/22 financial statements and a conclusion on the Council's arrangements to secure economy, efficiency and effectiveness once their work is complete.

### **Compliance with Financial Management Code (FMC)**

- 3.14 The Council complies with the financial management standards as set out within the CIPFA Financial Management Code (FMC). The Council's Financial and Procurement Procedure Rules (FPPR's) provide the bedrock of the Council's financial governance, setting clear principles as to how the Council manages and controls its financial decision making. These FPPR's are routinely reviewed to ensure they are kept up to date with the current financial environment, new financial standards and the ever-changing local authority financial conditions.
- 3.15 The Council's current budget and Medium-Term Financial Strategy set out how the Council will finance the current requirements of services, whilst

effectively planning for the delivery of agreed savings and continuing to stabilise and improve the Council's level of reserves. However, any significant longer-term planning is hindered by Government's reluctance to provide a financial settlement that is greater than a year ahead.

- 3.16 The Council's capital programme planning and investment levels are directly linked into the revenue budget planning to ensure that any new use of corporate resources is affordable over the longer term, in terms of financing borrowing and major repairs provision charges. Whilst the Council does annually review and make additions to the capital programme, typically with new use of corporate resources, the Council actively looks to maximise its access to and use of, government grant funding and other external contributions. The links between the revenue budget and capital programme are tightly controlled to ensure that the Council sets a Treasury Management Strategy that is both prudent and compliant with the Prudential Code for Capital Finance.
- 3.17 The Council sets an annual budget through Cabinet and Council which is then monitored closely during the course of the financial year. The Council's Strategic Leadership Team receive monthly updates on the financial position with regular updates taken to Cabinet throughout the financial year. This reporting process culminates with a financial outturn report post the end of any financial year, this report sets out how that outturn impacts the future financial planning of the Council, in particular the impact on reserves and delivery of planned savings.

#### **4 UPDATE ON MATTERS REFERRED TO IN THE ANNUAL GOVERNANCE STATEMENT FOR 2020/21**

##### **Adult Social Care**

- 4.1 Adult Care in 2019/20 continued to develop its key areas of delivery. Engagement with the workforce was initiated to develop a new target operating model for implementation in October 2019 and this was completed. The service introduced a virtual platform where teams could discuss and share their key activities – Perform Plus, this proved invaluable as they moved into the pandemic where virtual working had to become the norm. However, the embedding of the new operating model was hampered to a degree due to the focus on response to the pandemic, but key principles were still introduced. The model continues to be embedded and reviewed.

##### **Information Governance**

- 4.2 In last year's Annual Governance Statement, it was reported that the Council had not obtained a Public Services Network (PSN) certificate. This did not have any impact on the business of the Council although there remained a risk

should that have continued that the Council's permissions to share confidential data with other organisations could be removed. During the past 12 months significant progress has been achieved with the latest IT system penetration test, conducted by a third party, achieving the highest rating to date. The Council submitted the 2022 PSN submission to the Cabinet office earlier in the year and obtained a PSN certificate. The Council will work hard to continue to maintain certification in future years.

- 4.3 The rate of completion for Freedom of Information Requests and Right of Access Requests remains reasonably static. Monitoring of performance levels is undertaken monthly by the Corporate Information Governance Group and any areas of concern are addressed immediately either on a corporate or directorate level as appropriate. An annual report is also shared with the Audit Committee.

### **Delivering the Financial Strategy**

- 4.4 The Budget and Council Tax Report 2021/22 noted that £18.1m of agreed budget savings and cost reductions were required to be delivered across the medium term. A significant volume of savings were predicated on assumptions about social care costs and market conditions. As noted in the Medium Term Financial Strategy (MTFS) update to Cabinet on 20 December 2021, despite changing demand pressures and wider economic factors affecting social care, the Council remains confident that most of the remaining savings will be achieved over time. £2m savings were delivered 2021/22 with £11.5m over the subsequent years. In addition to the savings to come from Directorates, significant further savings are being achieved from Treasury Management.
- 4.5 The biggest challenge for the Council within the approved budget for 2022/23 remained the cost and demand pressures on social care services and the ability of all services to deliver the service and cost changes agreed within the budgets. The Council continues to engage with Government regarding funding for Operation Stovewood, further to the one-off funding allocations provided in the last two years (£1.3m for 2019/20 and £2m for 2020/21).
- 4.6 The challenges and risks have been exacerbated by the ongoing Covid-19 pandemic and the consequent circumstances which make it highly likely that the delivery of some of the savings will be further delayed whilst those circumstances remain, especially within social care services. Overall however, the Council has to date effectively managed the financial impact of Covid within the Government grant funding that has been made available. Whilst further Government funding has been provided for 2021/22, the risk remains around the continuing impact of Covid and the balance between financial impact on the Council and compensating Government grant funding.
- 4.7 The uncertainty nationally on the future funding of local government remains.

2022/23 has seen new significant challenges for the Council's financial monitoring that could not have been anticipated at the time of setting the 2022/23 budgets. The impact of the war in the Ukraine on inflation and energy prices, along with a higher than anticipated Local Government Pay Award has created £10.1m of additional cost pressure for the Council that is out of the Council's control. Taken together with demand pressures in the main across CYPs Placements, Homelessness and Home to School Transport the Council reported an £18.2m forecast overspend for 2022/23 as at September's financial monitoring. This position is being closely monitored with the Council making good progress to identify mitigations to address the £8.1m pressure relating directly to Council Directorates, however, it is clear that the cost impacts out of the Council's control of £10.1m will require use of reserves. The Council's position is reflective of the national picture.

## **COVID-19**

4.8 Following the national government's introduction of "lockdown" on 23rd March 2020 the Council had to respond at considerable pace to the COVID-19 pandemic in order to help the residents of the Borough to stay safe and support local businesses and key partners. This response continued throughout the majority of 2021/22. Although all domestic legal restrictions relating to Covid ceased on 24 February 2022, the Council continued to monitor the incidence and impact of Covid throughout the year and up to date.

4.9 Previous Annual Governance Statements have set out in detail the Council's response and the necessary management changes brought about by the need to prioritise the safety of residents and staff. Throughout 2021/22 the Council maintained its additional controls, including a Gold group, led by the Chief Executive; Silver, led by the Director of Public Health and finally Bronze, which has been led by the Head of Service for Covid. In parallel to incident response and management arrangements, the Council also formally established recovery arrangements to cover the following key aspects:

- Workforce
- Mental Health and Wellbeing
- Economic, Jobs and Skills Recovery
- Schools and Education

4.10 The Council's Gold response and recovery arrangements stood down at the end of 2021/22 although the Council remains ready to initiate command and control structure if required either in relation to Covid or other types of Major Incidents. The Council's Gold group agreed a comprehensive debrief process following the major incident activity spanning the previous two years. This work provided an overview report to a meeting of all Strategic and Assistant Directors in June 2022, including feedback and recommendations for further

work which will be linked to one of two areas:

- Major Incident Arrangements
- Business Continuity

4.11 As reported last year, the need to respond to the pandemic led to several Council services being suspended or reduced. In some cases, this was due to the need to maintain safe methods of working in compliance with legislation and/or Government guidance and in some, due to staff needing to be deployed to manage aspects of the Council's response. However, services had returned to normal by the end of 2021/22.

4.12 Following the delayed local elections in May 2021, work started on the development of a new Council Plan. The previous Council Plan ceased at the end of 2019/2020 and, due to the impact of the pandemic, was replaced by a "Year Ahead" plan to ensure the Council maintained its strategic direction in the intervening period. This "Year Ahead Plan" remained in place until November 2021 and was itself replaced by a new Council Plan from January 2022. The new Council Plan covers the period 2022-2025 and is supported by a "Year Ahead Delivery Plan". Both of these are subject to continued quarterly public performance reporting. More details are provided in the table at paragraph 3.2.

4.13 As reported last year, the requirement for service plans was suspended to enable the rapid restart of Council Services and delivery of the Year Ahead Delivery Plan. Through the Year Ahead Delivery Plan, each Directorate was able to focus on their priorities throughout 2020/21 and 2021/22. Mandatory Service Plans have now been reintroduced in line with the development of the new Council Plan and all services had approved plans in place by the end of 2021/22 ready for the new financial year 2022/23.

## **5 OTHER SIGNIFICANT ISSUES ARISING DURING 2021/22**

### **Ombudsman Reports**

5.1 During the year RMBC received two reports from the Local Government and Social Care Ombudsman.

5.2 The first was a Public Interest Report which found that there was fault by the Council which caused injustice to two residents. The report made five recommendations which were accepted by the Council. An Action Plan has been produced detailing how and when the Council will meet those recommendations and how it will provide the Ombudsman with the evidence it requires. The report was presented to the Audit Committee in April 2022 in line with the Committee's Terms of reference 'to consider reports on the effectiveness of internal controls and monitor the implementation of agreed

actions. The Report was also made available to Council through the minutes of Audit Committee on 25<sup>th</sup> May 2022. The report has been made available to the public in hard copy from Riverside House reception and the Council has placed two public notices in local newspapers as directed by the Ombudsman. The Ombudsman has also publicised this via its own website and has advised its media partners. On 15<sup>th</sup> June 2022 the Ombudsman thanked the council for their comprehensive response and readiness to improve the services and stated formally that he was satisfied with the Council's response in accordance with section 31(2) of the Local Government Act 1974. Progress on the completion of the Action Plan is being monitored and will be reported to the Audit Committee.

- 5.3 The second report found that there was fault by the Council which caused injustice to the Complainant. The Ombudsman directed that the findings are not made public as to do so would mean identifying the Complainant. The report was presented to the Audit Committee in private session. The Council has responded to the Ombudsman setting out the work that has been completed and that all the actions required have been discharged. On 6<sup>th</sup> July 2022 the Ombudsman welcomed the action taken by the Council and stated formally that he was satisfied with the Council's response in accordance with section 31(2) of the Local Government Act 1974.

### **Special Educational Needs and/or Disabilities (SEND) Inspection in Rotherham**

- 5.4 In July 2021 Ofsted and the Care Quality Commission conducted a joint inspection of the local area of Rotherham to judge the effectiveness of the area in implementing the SEND reforms as set out in the Children and Families Act 2014. The report summarised strengths and areas for development in the effectiveness of identifying children and young people with SEND, meeting their needs, and improving outcomes for them.
- 5.5 As a result of the findings a Written Statement of Action (WSOA) was required because of significant areas of weakness in the local area's practice, to be submitted jointly by the RMBC and the area's Clinical Commissioning Group (CCG). The WSOA had to explain how the local area would tackle the areas of weakness.
- 5.6 The WSOA was submitted to Ofsted in January 2022 and was approved by them. Work is now underway to deliver improvements required across the Council and in NHS services, with strengthened governance in place to monitor progress. Regular updates between the Local Area SEND system managers, the Department for Education and NHS Improvement are in place, with supportive aspects being offered from the Department for Education.
- 5.7 Partnership governance has been further strengthened in relation to SEND to ensure robust local area response to addressing all aspects of this area, not just the WSOA, with strong visible leadership from senior leaders in the Council

and CCG.

### **Homes England Report**

- 5.8 Homes England is an executive non-departmental public body sponsored by the Department for Levelling Up, Housing and Communities. It part-funds housing developments by providing grants to local councils, including RMBC. Councils must comply with Homes England's policies, procedures and funding conditions when receiving the grants.
- 5.9 During the year the council received a 'red status' audit report from Homes England – serious failure to meet requirements, because certain key requirements had not been met at the point the grant was drawn down for two housing development schemes. Immediate action was taken to prevent recurrence of these issues and further necessary measures have been identified and captured in an action plan. Confirmation of this has been supplied to Homes England.

### **Youth Offending Team**

- 5.10 A Youth Justice Board Peer Review of the Youth Offending Team (YOT) was completed in March 2022, after an inspection by Her Majesty's Inspector of Probation in 2020 had concluded that it Required Improvement. Since then an improvement action plan has been followed and the YOT Board has been strengthened. The Peer Review found that positive improvements had been made, and also gave feedback on areas that continue to need focus.

### **Health and Safety Executive**

- 5.11 On 29<sup>th</sup> November 2021 the Health and Safety Executive made the Council aware of an investigation it is undertaking into allegations concerning hand arm vibration. The final outcome of the investigation is expected later in 2022.

## **6 SIGNIFICANT EVENTS OR DEVELOPMENTS AFTER YEAR END**

- 6.1 There have been no significant events or developments relating to the governance system between the year-end and the date on which this statement has been published.

## **7 LEADER AND CHIEF EXECUTIVE STATEMENT 2021/22**

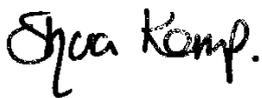
- 7.1 This Annual Governance Statement fairly reflects the position at Rotherham Metropolitan Borough Council during the year and up to the date of signing.
- 7.2 As Leader and Chief Executive, we have been advised on the results of the review of the effectiveness of the Council's governance framework. We have also specifically considered the new significant issues noted in section five and

their potential impact on our overall governance. Our final overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment, and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

- 7.3 We are also satisfied that, over the remainder of this financial year, the Council will take appropriate steps to address the significant governance issues and we will monitor their implementation and operation as part of our next annual review.

Signed..... 

**Councillor Chris Read,  
Leader, Rotherham MBC  
Date: 30.11.22**

Signed 

**Sharon Kemp,  
Chief Executive, Rotherham MBC  
Date: 30.11.22**