

Appendix 1 – Annual Governance Statement

1. Scope of Responsibility

Rutland County 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 its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes the arrangements for the management of risk.

The elements of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (updated in 2016) are embedded throughout the Council’s Constitution and other strategies. This statement explains how the Council has complied with the framework and also meets the requirements of regulation 4(3) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of an Annual Governance Statement.

2. The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Council is managed and controlled and its activities through which it 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.

The system of internal control is a significant part of that 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 only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically by identifying and implementing measures to reduce the likelihood of the risks being realised and to negate or mitigate their potential impact.

The governance framework has been in place at Rutland County Council for the year ended 31 March 2018 and up to the date of approval of the statement of accounts.

3. The Governance Framework

The Council has a ‘Local Code of Governance’ which states our commitment to complying with the principles of good governance and references relevant documents where stakeholders can find out more. This section of the AGS describes some of our arrangements in more detail.

Vision, Aims and Objectives

The Corporate Plan serves as a roadmap for what the Council wants to achieve during its current four-year term. The Plan was developed following a review of the previous Plan, a multi-agency workshop, public consultation and Scrutiny Panel review and feedback.

The Rutland County Council Corporate Plan 2016 to 2020 was adopted by Council on the 12th September 2016 based on a recommendation from Cabinet. In addition to approving the plan it was agreed that an annual review of the plan would be produced and presented to Cabinet and Council. The Plan can be found here:

<http://www.rutland.gov.uk/my-council/how-the-council-works/key-plans-policies-and-strategies/corporate-plan/>

The refresh of the Corporate Plan did not change the key priorities which include:

- Delivering sustainable growth, supported by appropriate housing, employment, learning opportunities and infrastructure (including other Public Services)
- Safeguarding the most vulnerable and supporting the health and well-being needs of our community
- Planning and supporting future population and economic growth to allow businesses, individuals, families and communities to reach their full potential
- Ensuring the Council's medium term financial plan is balanced and based on delivering the best possible value for the Rutland pound

The key revisions reflected:

- the change in political leadership
- acknowledging the opportunities presented by the confirmed closure of St George's Barracks in 2020/21
- the emergence of Rutland One Public Estate (ROPE) Partnership
- Progress on transforming the Barleythorpe College into the King Centre
- Continuing progress on our Digital Rutland project
- the work with Health Partners to investigate the potential for a Health and Social Care Hub.

The aims and priorities are underpinned by targets which will be reported on quarterly through the corporate performance report. The targets include improving educational attainment, reducing emergency admissions to hospital, creating 160 new affordable homes, increasing the number of visitors to Oakham castle and reducing the funding gap in the Medium Term Financial Plan (MTFP).

These targets form the basis for planning for the Budget, Local Plan, the Councils input to the Sustainability and Transformation Plan as well as service and team plans.

The financial implications of implementing agreed priorities are incorporated into the Budget Process and the MTFP.

Political and Constitutional Arrangements

At the start of the 2017/18 municipal year the Political make-up of the Council had changed to the following: 26 Members (18 - Conservative, 4 - Independent, 2 - Liberal Democrats and 2 – non-aligned).

In May 2017 Councillor Thomas (Ward Councillor for Whissendine) resigned from the Council and in June 2017 Councillor MacDuff (Ward Councillor for Ketton) also resigned. A by-election was subsequently held on 20 July 2017 which resulted in the election of Councillor Brown (Conservative) for the Ketton Ward, and Councillor Arnold (Independent Group) for the Whissendine Ward.

These changes resulted in the political make-up of the Council changing to the following: 26 Members (18 Conservative, 5 – Independent, and 3 – non-aligned).

In October 2017 Councillor Clifton confirmed that he would be stepping down from his position on the Cabinet and in November 2017 the then Leader, Councillor Mathias, appointed Councillor Brown as a new Cabinet Member.

In January 2018 Councillor Mathias (Ward Councillor for Oakham South East and Leader of the Council) resigned from the Council. At a Special Council Meeting on 5 February 2018, the Council elected Councillor Hemsley as Leader of the Council. At the same meeting Councillor Hemsley confirmed the appointment of Councillor Begy to the Cabinet as Deputy Leader and also confirmed the Cabinet Portfolios which can be found on the following link:

<http://rutlandcounty.moderngov.co.uk/mgCommitteeDetails.aspx?ID=133>

A by-election was held on 8 March 2018 which resulted in the election of Mr Adam Lowe (non-aligned) to the Oakham South East Ward.

This changed the political make-up of the Council to the following: 26 Members (17 Conservative, 5 – Independent, and 4 – non-aligned).

Elections

In June 2017, a General Election was held. Rutland is part of the Rutland and Melton UK parliament constituency. Sir Alan Duncan was re-elected as the MP for the constituency. The total turnout for the Rutland and Melton Constituency was 73.43% out of a total electorate of 78,463.

There were also elections held for three County Councillors arising from vacancies and a Parish Poll was held in Morcott.

Constitution

The Council's Constitution defines the roles and responsibilities of the Council, Cabinet, Committees and Scrutiny Panels and provides for extensive delegation to officers. Policy and decision making are facilitated by a clear framework of delegation set out in the Council's Constitution. Delegation arrangements were renewed at the Annual Council Meeting in May 2016 and again in May 2017. The exercising of

delegated powers is regulated by Financial Procedure Rules, Contract Procedure Rules and other policies and procedures.

The Constitution includes a list of roles of officers including officers responsible for undertaking statutory roles. The Chief Executive is the Head of Paid Service. The Director for Resources is designated as the Council's Monitoring Officer under the Local Government and Housing Act 1989 and the Assistant Director (Finance) is designated as the responsible officer for the administration of the Council's financial affairs under section 151 of the Local Government Act 1972.

The Audit and Risk Committee undertakes the core functions of an audit committee, in accordance with CIPFA's Audit Committees – Practical Guidance for Local Authorities and this is set out in the Committee's terms of reference, which include the Council to act as those charged with governance on behalf of the Council.

The Constitution is kept under review by a working group of members appointed by the Council. The working group recommends amendments to the Constitution to the Council. Its work included:

- Consideration of proposals and drafting of responses to consultations for Council approval in relation to the Local Government Boundary Commission Electoral Review;
- Review of decision making in relation to Planning and Licensing Committee and clarification of referrals under Procedure Rule 110;
- Implementation and update of the Public Speaking Scheme for Planning and Licensing Committee; and
- Preliminary work on a revised Member Officer Protocol and revised Scrutiny Procedures Rules (on-going).

One of the Council's priorities for 2018/19 is a full review of the Council's Constitution.

Boundary Commission Review

The Local Government Boundary Commission for England identified Rutland as requiring an electoral review which started in March 2017 and was completed in April 2018.

The Commission's final recommendations propose that Rutland should be represented by 27 county councillors in the future: one more than the current arrangement. The recommendations also propose that those councillors should represent two three-councillor wards, eight two-councillor wards and five one-councillor wards across the county.

Full details of the final recommendations can be found at:

<http://www.lgbce.org.uk/all-reviews/east-midlands/rutland/rutland>

Decision Making Arrangements

The officer structure of the Council operates with a Chief Executive and three Directorates, entitled People, Places and Resources.

Matters which require a decision to be made by members are considered by the relevant Directorate Management Team (DMT), who will make a recommendation to the Strategic Management Team (SMT), which comprises the Chief Executive, Directors and Deputy/Assistant Directors. If approved, the matter is reported, with a recommendation to the Cabinet or other appropriate body.

The Director for Resources is designated as the Council's Monitoring Officer under the Local Government and Housing Act 1989. All reports to a decision making body must be considered by the Head of Legal and Governance) before they are submitted. This is to ensure compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful.

In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, decisions made by officers following express delegation by the Cabinet are recorded in writing.

Performance Management

The Council has a performance management framework through which quality of service and use of resources is measured. Financial and non-financial performance is monitored by DMT's and SMT on a regular basis and is formally reported to Scrutiny Panels and Cabinet on a quarterly basis. Progress against the strategic aims is measured in milestones and this is included in quarterly monitoring reports. The performance management framework flows through the Council, down to an individual employee level. All officers have a Performance Development Review (PDR) with their manager during each year. This process includes reviewing progress against objectives and targets and setting new objectives and targets for the forthcoming year. Training and development needs are also identified during this process.

Cabinet takes the lead role in improving the performance management framework and maintaining comprehensive quarterly reporting, which includes financial performance, progress against non-financial targets and milestones and risk management.

The Council also has a Compliments, Comments and Complaints Policy. Compliance with the Policy is reported via the performance management framework and an annual report is taken to Resources Scrutiny Panel for Member consideration.

Financial Management

The Assistant Director (Finance) is designated as the responsible officer for the administration of the Council's financial affairs under section 151 of the Local Government Act 1972.

The CIPFA Statement on the Role of The Chief Financial Officer in Local Government sets out the five principles that need to be met to ensure that the Chief Financial Officer can carry out the role effectively. The principles are that the Chief Financial Officer:

- Is a key member of the leadership team;
- Must be actively involved in all material business decisions;
- Must lead the promotion and delivery of good financial management;
- Must lead and direct a finance function that is resourced to be fit for purpose; and
- Must be professionally qualified and suitably experienced.

The Assistant Director (Finance) is a member of the Council's SMT and is actively involved in the key business decisions of the Council. The post holder oversees the development and work of the financial management function at the Council and is the Council's proper officer for matters of financial administration. The post holder is professionally qualified as a CIPFA Accountant with suitable experience. It is therefore confirmed that the Council is fully compliant with the requirements set out in the CIPFA statement.

The Council's Medium Term Financial Plan (MTFP) covers a five year period. Such an approach to financial planning provides the platform on which the Council can look to deliver public services in accordance with local priorities. Moreover, through horizon-scanning and anticipating necessary change at the earliest opportunity, the Council can plan and react accordingly to not only secure its financial position but to protect services.

The MTFP was updated throughout 2017/18 and periodically reported to Cabinet. The updated MTFP, following the Local Government Settlement, was presented to each Scrutiny Panel by the Leader and to Council as part of the budget setting process. Members have up-to-date financial information about not only the current but also the medium term outlook for decision making purposes.

In their Annual Governance report issued in September 2017, the external auditors issued an unqualified audit opinion on the Authority's financial statements.

The Council has a set of Financial Procedure Rules and Contract Procedure Rules within its Constitution which govern the way in which financial matters are conducted. There have been no updates to either set of rules in the year.

Risk Management

Risk Management is embedded in the Council through the Risk Management Strategy. Risk management is an integral part of the Council's decision-making processes. All Council papers include reference to risk to ensure that members and officers understand the impact of decision-making.

The Leader is the lead member for risk management. Each risk is assigned a member of SMT as risk owner. SMT is responsible for maintaining the register and monitoring the actions taken to mitigate the strategic risks. The Audit and Risk Committee receives regular reports on risk management, with the ability to refer particular risks to Scrutiny Panels if there is a need to look at them in more detail. The register was reviewed in July 2018.

Beyond the corporate risk register, the Council also has an Elections Risk Register and Fraud Risk register. Directorates also have their own risk registers albeit in different formats. The move to standardise risk registers is ongoing.

The development of a new fraud risk register (in 2014) has continued to help the Council set out a list of potential fraud risks and details of how the Council seeks to mitigate them. This is reported periodically to the Audit and Risk Committee.

Standards of Conduct

During 2017/18 the Monitoring Officer received 28 complaints of alleged Councillor Misconduct within the County, which is a significant reduction on the previous year. A large percentage of the complaints continue to be related to Oakham Town Council. An independent investigation took place into multiple conduct complaints relating to an Oakham Town Councillor. Recommendations and sanctions were suggested by the Monitoring Officer for implementation by the Town Council.

Information Governance

The new General Data Protection Regulation (GDPR) will be effective from May 2018. A project group was established with representation from across the Council to review current data protection practices and policies to ensure compliance.

The Council used guidance provided by the Information Commissioner's Office (the ICO) and issues arising from previous internal audit reviews to drive its action plan. Key actions included:

- Establish a data protection asset register
- Review current data sharing agreements
- Completing system readiness checks of all existing applications
- Identifying data champions from teams
- Developing a tool kit for use across the Council

The project will continue into 2018/19 but good progress has been made and the Council anticipates being in a position to comply.

Training was launched in March 2018 to both staff and elected members to ensure the Council is fully compliant by May 2018.

Counter-fraud and Whistleblowing

The Council has arrangements in place for receiving allegations of fraud or misconduct through its whistle-blowing policy. The Policy was reviewed, and subsequently endorsed by Cabinet in February 2016, to incorporate changes in legislation and reporting procedures within the Council. An external reporting mechanism was also included in the new version. Members of staff are made aware of the changes through Policy briefings and internal communication updates. Members of the public are also advised of the changes. No whistle blowing allegations were registered during 2017/18.

The Council continues to make available a fraud reporting mechanism: the Rutland Reporting App was developed for mobile telephone users, who might wish to report concerns via this route. All concerns are directed to the fraud@rutland.gov.uk email account, which is monitored by the Performance and Project Co-ordinator. No reports were made during 2017/18.

The Council's Counter Fraud Strategy is under review and will be finalised by June 2018. The review will consider whether any changes are required in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).

Matches generated by the National Fraud Initiative exercise were progressed during 2017/18 with no issues or concerns.

Developing Effectiveness

The Council has a Performance Development Review (PDR) scheme, which provides an annual discussion between line manager and employee to ensure the employee is clear of their expectations and objectives and receives feedback on their contribution. Learning and development needs are also identified at these meetings. No changes have been made in year.

The effective performance of our staff is crucial to delivering Council services- our Recruitment policy provides the framework to recruit the right staff at the right time. Over the past two years we have introduced some innovative and creative recruitment strategies through digital campaigns and bespoke microsite – this has enabled us to fill difficult to recruit posts and reduce the use of agency and interim staff. This has also brought stability to teams and we are now seeking individuals move through their career and develop their role with Rutland.

We invest in our staff through a training and development framework that supports professional training, ensures essential and mandatory training is provided, as well as organisational, leadership and management development.

The Council's Workforce Development Strategy is scheduled for review in 2018 and will set out key objectives and targets for the next two years. The content will be aligned with strategic aims and objectives, Council Values and feedback from the second Staff Engagement Survey that was carried out in quarter 3 of 2017-18.

Members are provided with development opportunities through in-house and external training and briefings. There is mandatory training on the Code of Conduct, planning, licensing and appeals. Members are encouraged to express an interest in receiving training on specific topics.

In 2017-18 Members attended training on the following subjects:

- Induction to the Council (for new Councillors elected in 2017/18)
- Planning Training
- Internal Audit and related topics
- Corporate Parenting
- Members have also attended various individual training sessions on a variety of subjects offered through organisations such as East Midlands Councils, Local Government Association and the Centre for Public Scrutiny.

Budget provision is made for training and development of members and officers.

Service Delivery

Partnerships

The Council is focused on delivering high quality outcomes at low cost and has always worked in partnership with an eclectic mix of Local Government and Public Sector partners. A list of the some of the key partnerships is including below.

<u>Service Name</u>	<u>Lead Authority Name</u>
Internal Audit	Local Government Shared Service
Welland Procurement	Melton Borough Council
Legal Services	Peterborough City Council
Out of Hours Emergencies	Harborough District Council
Fraud Support	Leicester City Council
Public Protection	Peterborough City Council
Emergency Planning	Leicestershire County Council
Local Safeguarding Children Board	Leicestershire County Council
Adoption Services	Leicestershire County Council
Public Health	Leicestershire County Council (with shared Director)
Finance IT systems provision and administration	Herefordshire Council (local authority company, Hoople)

The Council continues to review how best to deliver services with examples below of reviews undertaken in the year.

With the departure of key payroll staff, the Council extended its partnership with Herefordshire Council to include delivery of the payroll service. Payroll is now processed by Hoople with the Council retaining sign off responsibilities. The cost of service is lower than it was in house and now benefits from increased resilience.

One area under focus is the delivery of the Planning/Building Control Service. The Council currently has some aspects of the Planning/Planning Policy service provided/supported by officers from a neighbouring authority (South Kesteven District Council). SKDC use IDOX software and the Council is moving over to the same system which generates a financial savings as well as facilitating the potential for further joint working.

The Council has recently completed a review looking into how it delivers administrative support. The Council operated a structure wherein administrative roles were incorporated into various teams within each directorate with a central corporate support team providing executive and democratic support. The review generated options to reduce cost, increase resilience and drive forward equality and performance.

The review has led to the creation of a centralised business support hub, a separate Governance team with a stronger emphasis on support to the scrutiny process and clerk support to committees, and a team of three Executive Officer roles to support the

Senior Management Team. Over time and once fully embedded, officers will be assessing whether efficiencies can be made.

The Council's governance approach to partnerships, working with others varies according to the legal basis of arrangements. All delegated services are covered by formal delegation agreements. Partnerships/shared services are covered by Service Level agreements. All arrangements have a Rutland Lead Officer and all documents cover scope of services, performance expected, reporting and termination clauses.

The Council is working towards a central list of partnerships arrangements. This will contain a register for all key documents for each individual agreement.

Community Engagement, Partnership working and reporting

The Council has two projects that are part of the 'One Public Estate' programme which is supported by Central Government and aims to bring together Central and Local Government together with like-minded private sector partners to deliver services more effectively to the public. These projects relate to St Georges Barracks and the Rutland Hub.

St Georges Barracks

In September 2017, the Ministry of Defence (MOD) and Rutland County Council announced that it will work together to explore possible options for the future use of St George's Barracks in North Luffenham.

St George's Barracks was identified for intended disposal by the MOD in 2020/2021 as part of the November 2016 Better Defence Estate announcement.

As well as ensuring MOD infrastructure is optimised to meet the UK's strategic defence needs, the estate optimisation strategy also contributes to a cross-government target of releasing enough land for a potential 160,000 new homes by 2020, with surplus MOD sites to be utilised for housing and other forms of development.

The partnership between Rutland County Council and the MOD aims to make sure the St George's Barracks site is developed in a way that takes account of existing communities, local needs and the environment. Over the next two years a master plan for St George's will be produced and work has already begun to seek input from local groups and organisations with an interest in the site.

Public Parish Briefings took place in October and November 2017 and the Council and MOD held two Focus Group sessions in the Officer's Mess at St George's Barracks on Monday 29 January. The sessions were attended by close to 150 people who were either members of surrounding communities or had expressed an interest in taking part from the wider Rutland community.

The Council has successfully bid for external funding to support preparatory work and has made it to stage two of the Housing Infrastructure Fund (HIF) bidding process. Stage two of the HIF bidding process involves the development of a business case to support the proposal for funding before a final decision on the allocation of funding is made in summer 2018.

Rutland Hub

The Council (RCC) is leading a project to bring together the public sector and elements of the private sector into one physical asset. The Partners involved include the RCC, Leicestershire Partnership NHS Trust, East Leicestershire and Rutland CCG, Oakham Medical Practice, Healthwatch Rutland, East Midlands Ambulance Service, Leicestershire Fire and Rescue Service and Leicestershire Police.

Currently the partners involved in this project have a number of physical property assets that are spread out across the County of Rutland. In the majority of cases these assets are at the end of their economic life and in need of significant investment or replacement.

This project aims to explore and cost the options in bringing together these partners onto one cost effective asset that will improve operational effectiveness. The project is now at feasibility stage which is being conducted by an external consultant.

Engagement is underway with local representatives in the form of a public participation group which is feeding into feasibility work to support the development of the project.

Town Centre

In 2017/18 the Council continued its project for the regeneration of Oakham Town Centre to ensure a vibrant future for the Town.

To deliver this vision, the Council considered various options including one-way with traffic flowing west to east, incorporating chevron parking, loading bays, high quality surfaces and wider pavements and two-way traffic flow with an enhanced pedestrian environment and high quality surfaces.

A stakeholder engagement strategy was developed by a Project Board and approved by Cabinet on 17th Jan 2017 (report no 19/2017). Stage 1 of the strategy involved working group meetings to consider 3 design concepts. The responses were assessed by the Project Board and the Council's design partners (AECOM) with both options developed as outline designs. Stage 2 of the stakeholder engagement was a public consultation exercise on these options. The consultation ran from 11th June until 14th July 2017 and involved public exhibitions in the Market Place, leaflets and a website. In addition 300 businesses were invited to an evening event to discuss the proposals.

Soon after the public consultation, the project was halted as it became evident that the project does not have wide enough support within the community and Councillors were unwilling to bring forward a project without that support. No physical work was actually undertaken by the Council.

The Council remains committed to the need to invest in Oakham as our County town but acknowledges that this initiative must have wider support. Following the unanimous approval of a motion at Full Council on Monday 15 January, a task and finish group has been established through the Council's Growth, Infrastructure and Resources Scrutiny Panel. The purpose of the group will be to consider the future of Oakham town. The Membership and Terms of Reference were agreed by the Growth, Infrastructure and Resources Scrutiny Panel at meetings held on 15 February and 22 March. Membership of the group which is independently chaired includes

representatives from within the community, businesses, representative organisations, residents and Councillors with an interest in the regeneration of Oakham. Further information can be found at:

<https://www.rutland.gov.uk/my-community/roads-and-highways/oakham-town-centre/>

Rutland Together

The Council engages with the local community in different ways. Rutland Together is the Local Strategic Partnership (LSP) for Rutland. The Partnership was established to bring together all of those people and bodies whose work impacts on the lives of local people.

Below is the membership of the Local Strategic Partnership:

Helen Briggs	Chief Executive, RCC
Cllr Oliver Hemsley	Leader, RCC
Cllr Alan Walters	Chair of Safer Rutland Partnership & Health & Wellbeing Board
Cllr Gordon Brown	Chair of Sustainable Growth and Culture and Leisure Theme Groups
Cllr Richard Foster	Chair, Children's Trust Board
Dr Tim O'Neill	Deputy Chief Executive, RCC
Cllr Michael Haley	Mayor of Oakham
Cllr Alec Crombie	Mayor of Uppingham
Dr A Ker	GP Representative
Tim Sacks	Chief Executive, East Leicestershire & Rutland CCG
Insp Gavin Drummond	Leicestershire Constabulary
CFO Steve Lunn/Rik Taylor	Leicestershire Fire & Rescue
Neil Thomas	Governor, HMP Stocken
Lindsay Henshaw-Dann	Chief Executive, Voluntary Action Rutland
Simon Mutsaars	Chief Executive, Citizens Advice Bureau
Lt Col Richard Chesterfield	Armed Forces Representative

The Council engages with the local community in different ways. Rutland Together is the Local Strategic Partnership (LSP) for Rutland. The Partnership was established to bring together all of those people and bodies whose work impacts on the lives of local people.

The Partnership has gone through radical changes since its beginning; this is due to political changes over the years which have affected the partnerships direction of travel. Rutland Together is made up of over 50 partners from the public, private and voluntary sectors. Rutland Together allows different organisations in the community to support each other and work together on different initiatives and services to address local issues.

The following is a list of initiatives that have been created in 2017/18:

- Contribution to a review of the RCC Corporate Plan

- Input into support for changes within our Armed Forces Community
- Restructure of the Local Strategic Partnership
- Significant work undertaken within LSP Theme Groups
- Signed up to and supported the refresh of the Armed Forces Community Covenant

Working with Health

In December 2015, the NHS outlined a new approach to help ensure that health and care services are built around the needs of local populations. Every health and care system (of which LLR is one) was asked to produce a multi-year Sustainability and Transformation Plan (STP), showing how local services will evolve and become sustainable over the next five years. As primary, secondary and social care are all under demand pressure this is an important plan.

Following public engagement in late 2016/early 2017 on a working draft of the LLR STP, the STP has been further developed and reshaped, with the next round of public consultation anticipated in early/mid 2018. The programme has been a standing item at the Health and Wellbeing Board.

A 'place based budget' approach is being taken (single system control total) that looks across organisations at the 'LLR pound' and which focuses on new ways of working and models of care that manage demand and are more efficient. There are 5 big issues being tackled:

- Urgent & emergency care
- Integrated teams
- General practice resilience
- Service reconfiguration
- Operational efficiency

The Council is already working across LLR on joint commissioning opportunities and in some areas has joint teams. There is a strong likelihood that further integration is likely as "health and social care must have a plan" for integration by 2017, to be implemented by 2020.

<http://www.bettercareleicester.nhs.uk/EasysiteWeb/getresource.axd?AssetID=32078>

Helping to deliver health and social care integration tailored to the Rutland context, the Rutland Better Care Fund has progressed well during 2017/18, with the programme remaining on track against its key targets.

Some of our recent successes working together with local NHS providers include:

- An average of 92% of people receiving reablement care after a hospital stay still living at home three months after being discharged
- A projected rate of permanent admissions to residential homes of 196 per 100,000 people aged over 65 this year, well within the target of 322.
- The average number of hospital beds taken up by Rutland patients per day due to delays discharging patients have almost halved (5.2 per day per 100,000)

adults, relative to 10.25 per day in 2016-17 and a national average target of 9.4).

- Emergency hospital admissions of Rutland patients are being sustained at last year's levels, against a background trend of rising admissions.

Avoiding hospital discharge delays has been a key focus over the last 9 months, reflecting the national priority placed on this issue. Going forward, the focus of partnership working across health and care remains on unified prevention, including an emphasis on active ageing, and on using holistic and personalised approaches to equip those living with long term conditions or frailty to prolong their independence and enhance their wellbeing, so reducing demand on community and acute health services. A central focus is empowering individuals to take a greater role in their own wellbeing and to shape the care and support that is right for them. Particular successes in prevention include introducing a new Housing MOT service to respond to housing issues with a bearing on health and a low overhead Housing and Prevention Grant scheme for people with disabilities needing home adaptations. In parallel, a new complex care service has been piloted for those with particularly complex care needs that are difficult to meet through the mainstream care market.

Other Engagement

The Council undertakes public engagement and consultation on a range of matters. In 2017/18 this included:

- Future of St Georges Barracks
- Rutland Hub project
- 2018/19 Annual Budget Consultation
- Highways Customer Survey
- Childcare Survey
- Oakham Town Centre
- Sexual health services
- Greetham Neighbourhood Plan
- Council Tax discounts and premiums applied to empty homes
- Local Plan review
- Oakham Hopper Bus service

Reporting

All formal meetings are held in public, and the reports and minutes of those meetings are published in accordance with the principles of openness and transparency, unless there are legal reasons for confidentiality. There are opportunities for members of the public to make deputations to, or ask questions at, meetings of the Council, Committees and Scrutiny Panels.

The Council publishes information relating to all of its expenditure on its website and also complies fully with the Local Government Transparency Code 2015 which sets out the minimum data that local authorities should be publishing and the frequency it should be published and how it should be published. The information published can be found here.

4. Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of its effectiveness is informed by the work of senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also comments made by the external auditors and other review agencies and inspectorates.

Internal and Management Assurance

Internal Audit

The responsibility for maintaining an effective Internal Audit function is set out in Regulation 6 of the Accounts and Audit (England) Regulations 2011. This responsibility is delegated to the Assistant Director (Finance). The Internal Audit service operates in accordance with best practice professional standards and guidelines. The service independently and objectively reviews, on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Council's objectives, and contributes to the proper, economic, efficient and effective use of resources.

The Internal Audit service continues to be provided by the Welland Internal Audit Consortium in partnership with LGSS. The Head of Internal Audit opinion is shown below:

[TO BE INCLUDED IN FINAL VERSION WHEN RECEIVED]

Scrutiny

During 2017/18 the Scrutiny Panels have considered a number of issues of particular concern to assess whether there are robust governance arrangements in place as far as the Council's own services are concerned.

Areas considered include:

- Performance and Financial Management
- Oakham Town Task and Finish Group
- Annual Report of the Director of Public Health 2017
- Signs Policy
- Fees and Charges
- Local Flood Risk Management Strategy
- Rutland Local Plan
- CQC Inspection Reports
- Adult Social Care Peer Review
- Neighbourhood Plan Task and Finish Group
- SACRE Annual Report
- Children's' Services Annual Reports and Strategy's
- Adult Social Care Annual Reports and Strategy's

- Safeguarding Reports
- Ofsted Reports

The Scrutiny Commission continues to provide a platform for Chairs of each Panel to meet and share best practice.

In August 2016 the Scrutiny Commission agreed to undertake a review of Poverty in Rutland. A Green Paper on the Poverty Review was drafted in March 2017 and went out to consultation in April 2017. The Scrutiny Commission will look to conclude this work in Spring 2018.

Audit and Risk Committee

CIPFA best practice on Audit & Risk Committees recommends two key actions: a) Committees undertake an annual review of their effectiveness; and b) Committees produce an annual report on their activity.

The Committee completed a self-assessment review in July 2016 and has implemented the actions raising from that in 2017/18, including:

- Asking Directors to present to the Committee on any area rated by internal audit as 'limited' – this is now standard practice
- Dedicating 30 minutes of every other meeting to training – sessions have been held on the Annual Governance Statement and Audit Planning
- Reviewing the terms of reference of the Committee – this was completed in May 2017

The Committee also produced an annual report which was presented to Council in September.

Complaints

Significant improvement has been achieved in our complaint response times. The results show that 96% of stage 1 complaints (89% last year) and 100% of stage 2 complaints (92% last year) are answered within the deadlines set within the complaints policies. **[TO BE UPDATED AT YEAR END]**

Financial performance

Quarterly reports on Financial management are presented to Cabinet. **In terms of the budget, the Council achieved an outturn of £X compared to a budget of £X. [TO BE COMPLETED WHEN THE FINAL FIGURES ARE KNOWN]**

In terms of the medium term financial outlook, the Council has a financial gap which is forecast to be £1.5m by 2020/21.

Corporate performance

Quarterly reports on Performance Management are also presented to Cabinet. **The Council's overall performance shows 91% of indicators are on or above target (as at the end of January 2018), compared to 85% at the end of 2016/17. [TO BE UPDATED IN DUE COURSE]**

Corporate Plan targets and objectives are reviewed annually to ensure they are still relevant.

Information Governance

The Information Governance (IG) Toolkit is an NHS online system which requires organisations to assess themselves against Information Governance policies and standards, demonstrating a level of assurance which supports information sharing with health for Public Health and Adult Social Care purposes. Requirements cover:

- The Information Governance management framework.
- Confidentiality and data protection.
- Information security.
- Records management.

The Council met the required standard for IG Toolkit version 13, applicable to 2017-18.. We are currently reviewing and updating the information and evidence required to maintain compliance with version 14 of the Toolkit. The Toolkit is being replaced from April 2018 by a new Data Security and Protection Toolkit. This requires health and care organisations to demonstrate how they meet the ten data security standards adopted by Government in July 2017 following the 2016 Review of Data Security, Consent and Opt-Outs by the National Data Guardian for Health and Care.

Project Management

The Council has a project management framework which includes the role of the Project Management Office, a scalable Project Management methodology and Project Management support.

The Internal Audit report on the Library and Children's Centre highlighted a number of areas where lessons have been learnt and the Project Management Framework updated as a result. These areas are mainly in the project initiation phase of the framework, but a more general review of the whole framework was also carried out.

The following changes were made as a result:

- Establishment of formal project governance arrangements – establishment of a Project Board earlier in the process to oversee the project initiation and feasibility work.
- Budget Setting - The project board will provide more effective challenge to the development of the plans and budgets and include a finance representative
- Effective challenge of proposals (stages 0 and 1) - having a project board will also allow for a more robust response to any challenge from elected members or officers and this will be achieved through an evidence based approach, such as feasibility studies, surveys etc.

All project progress is also being monitored through SMT to understand progress and to overcome any potential issues/risks before they become problematic. This provides an additional layer of challenge outside of the project boards and allows for the independent escalation of issues.

The revised framework is being applied on current projects, including:

- Oakham Enterprise Park II
- Transforming Care Programme
- Green Waste collection
- General Data Protection Regulations
- Planning system replacement

Whilst projects are at different stages, project reporting indicates that all projects are on track.

Data Incidents

Between April 2017 and March 2018, 15 reports of potential data breaches were made. This is a slight increase on 2016/17. All were investigated to satisfactory conclusion with no outstanding risks identified. No data incidents were escalated to the Information Commissioners Office (ICO).

Business Continuity

Specific recovery plans are in place for the five key threats listed below.

- loss of key staff (skills/knowledge);
- loss of telephone system;
- loss of buildings;
- loss of ICT; and
- loss of utilities.

The business continuity plans also consider the loss of key suppliers across areas, the impact on services and how quickly service provision can be restored through alternative arrangements.

An audit of Business Continuity and Emergency Planning was undertaken in late 2017 and concluded that the Council's arrangements were 'Good'.

Current controls include the following:

- A Business Impact Assessment (BIA) has been carried out to determine which services are critical, how quickly they must be restored and the minimum resources required.
- A Major Incident Plan has been prepared which defines a structure to confirm the nature and extent of any incident, take control of the situation, contain the incident and communicate with stakeholders.

- Business Continuity documents have been uploaded to a secure website (Resilience Direct) to ensure they can be accessed from any site in the event of an incident
- Contract Procedure Rules include the requirement for contract managers to consider the impact of contractor failure and mitigate the risks appropriately

The most recent test was undertaken as a desktop exercise in June 2017 and the results were recorded in note form by the Senior Resilience Officer (SRO). The SRO stated that the notes are not kept once revisions to the Major Incident Plan are made although there is a 'lessons learned' register maintained by the Leicestershire Resilience Partnership that includes lessons from tests completed by all members of the partnership and associated agencies to support sharing of best practice.

There has been some high level training provided to key staff members where their role is key in business continuity. The emergency planning test exercise referred to above is also used as a training tool for key staff involved in business continuity and enables them to be tested in scenario situations to see if they can arrive at a timely and accurate solution

Management Assurance

Managers have all completed an assurance statement highlighting whether there may be controls issues in their areas. **As expected, there are areas where improvements are required as identified through audit reports or other work. None of the issues raised are considered to be Significant Control issues.**

[TO BE COMPLETED FOR FINAL VERSION]

External Audit, Inspections and Reviews

External Audit

The Audit and Risk Committee has received and formally debated the Annual Audit Letter and External Audit Annual Plan. KPMG in their Annual Governance Report for 2016/17 gave the Council an unqualified conclusion on the Statement of Accounts and Value for Money opinion. No concerns were reported regarding the Council's arrangements for securing financial resilience.

Ofsted Inspection of Services for Children in Need of Help and Protection, Children Looked After and Care Leavers and Review of the Effectiveness of the Local Safeguarding Children Board

Rutland's children's services were inspected by Ofsted from 15th November to 8th December 2016. In a final report published on 13th February 2017, Ofsted gave the Council a 'Needs Improvement' rating. The report highlighted a huge amount of good work being done by our staff on behalf of children in Rutland and provided us with an indication of where improvements are required in order for children's services in Rutland to be rated as 'Good'.

In May, the Council took an action plan to the Children's Scrutiny Panel which addressed the 17 recommendations which Ofsted noted in their report. An update

was provided at the November Children and Young People Scrutiny Panel which can be found below:

<http://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CIId=132&MIId=1705&Ver=4>

Ofsted Joint Local Area SEND Inspection

Between 10 July 2017 and 14 July 2017, Ofsted and the Care Quality Commission (CQC) conducted a joint inspection of the local area of Rutland to judge the effectiveness of the area in implementing the disability and special educational needs reforms as set out in the Children and Families Act 2014. The main findings were as follows:

- Leaders are very committed to improving the local area's arrangements for identifying, assessing and meeting the needs of children and young people who have special educational needs and/or disabilities.
- The local area's self-evaluation is accurate.
- The designated clinical officer has a clear quality assurance role to ensure that health practice is effective in meeting the needs of children and young people who have special educational needs and/or disabilities.
- The local area's identification of children who have special educational needs and/or disabilities in the early years is highly effective.
- The local authority and health professionals work very closely together to meet the needs of children and young people who have special educational needs and/or disabilities.
- The quality of EHC plans has improved markedly over the past 12 months. They capture the children's voices and the views of parents and carers well. The outcomes are sharply focused and reflect the hopes and aspirations of children and young people. Parents have appreciated the greater clarity in the plans.
- A higher proportion of EHC plans are completed within the statutory time frame than nationally.
- The academic outcomes for children who have special educational needs and/or disabilities are improving.
- The communication of the local offer (the online tool for signposting families to services) has not been effective. Leaders recognise this and have already started talking to parents about how they could communicate the local offer to them more effectively.
- Children and young people who have special educational needs and/or disabilities say that they feel safe in Rutland.

The report was discussed at the Children's Scrutiny Panel in September 2017 and a series of actions were agreed including reviewing the Local Offer (now completed) and creating a Project Board to oversee the capital funds available to improve and extend SEND provision in Rutland.

Public Services Network compliance

The Council must demonstrate compliance with the Public Services Network (PSN) on an annual basis. The PSN is an information assurance mechanism to support the connection of the Council's network to other PSN accredited networks, without increasing or substantially changing the risks to the already accredited network. The Council undertakes an IT Security Health-Check annually (carried out by an accredited third party) to identify any compliance issues. Once these have been addressed, the Council completes a PSN renewal submission. The Council is now fully compliant until April 2018.

Summary

This statement has been considered by the Audit and Risk Committee, who were satisfied that it is an accurate reflection of the governance framework and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. There has been one significant governance issue arising. Whilst action has been taken to address this issue, full disclosure of the issue, impact and Council's response is given below.

5. Significant Governance Issues

There are no significant issues to report.

6. Certification

As Leader and Chief Executive, we have been advised on the implications of the results of the review of effectiveness of the Council's governance framework, by the Audit Committee and Cabinet.

Our overall assessment is that the Annual Governance Statement is a balanced reflection of the governance environment and that an adequate framework exists within Rutland County Council to ensure effective internal control is maintained. We are also satisfied that there are appropriate plans in place to address any significant governance issues and in particular that changes made to planning procedures should minimise the risk of a similar problem reoccurring.

Signed: _____

Helen Briggs, Chief Executive

Date: _____

Signed: _____

Oliver Hemsley, Leader of the Council

Date: _____