

## **Annual Governance Statement**

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### **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 2019 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. 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 Corporate Plan priorities 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 Council did not refresh its Corporate Plan in the year but it will be reviewed after the May 2019 election.

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 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 Council's 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 2018/19 municipal year the political make-up of the Council has changed to the following: 17 Conservative, 5 independent, and 4 non-aligned.

In May 2018 Councillor Clifton (Ward Councillor for Oakham South West) resigned from the Council. A by-election was subsequently held on 12 July 2018 which resulted in the election of Councillor Alderman (Independent) for the Oakham South West Ward. Councillor Alderman subsequently resigned on 21<sup>st</sup> February 2019 no

by-election was held as this was within the period of 6 months before the ordinary election.

In July 2018 Councillor Stewart (Ward Councillor for Cottesmore) resigned from the Council and Councillor Begy (Ward Councillor for Greetham) stepped down from his role as Deputy Leader and as a member of Cabinet. Councillor Begy remains as a Councillor for the Council. The position of Ward Councillor for Cottesmore has remained vacant. The Cabinet Portfolios which can be found on the following link:

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

At the Council meeting on 9 July 2018 Councillor Hemsley (Leader of the Council) confirmed the appointment of Councillor Brown to the role as Deputy Leader, and also confirmed the appointment of Councillor Stephenson to the Cabinet.

This changed the political make-up of the Council to 26 Members made up of Groups as follows: 15 Conservative, 5 Independent, 4 non-aligned and 2 vacant posts.

### *Elections*

In April 2018, as a result of the Local Government Boundary Commission for England (LGBCE) Review that took place in 2017/18, an election took place for the newly created Barleythorpe Parish Council, with the uncontested election of 8 Parish Councillors.

Also as a result of the LGBCE Boundary Review recommendations, the elections staff conducted a full polling place review to ensure that polling arrangements were correct for forthcoming elections. The review was completed between October – December 2018, and was approved by Full Council on 21 January 2019.

In July 2018 a by-election was held in the Oakham South West Ward resulting in the election of Councillor Alderman (Independent).

Following a resignation in June there was an uncontested election in August 2018 resulting in the appointment of a new Parish/Town Councillor for Oakham South East Ward - Oakham Town Council.

Following the resignation in July 2018 Councillor Stewart (Ward Councillor for Cottesmore) there remains a vacancy for this seat. There is also a vacancy for the Oakham South East seat following resignation of Councillor Alderman in February 2019

In addition to these elections during the period of this report, there were a further 25 Parish notice of vacancies posted which have resulted in no election being called and the parishes concerned being given the opportunity to co-opt new councillors to these posts.

## *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. 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 Deputy Director Corporate Governance is designated as the Council's Monitoring Officer under the Local Government and Housing Act 1989 and the Strategic Director for Resources 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.

A full review of the Council's Constitution was undertaken in the year through the Council's Constitution Review Working Group with the resulting changes approved by Council on 11 March 2019. Details of these changes can be found on the following link:

<https://rutlandcounty.moderngov.co.uk/documents/g1867/Public%20reports%20pack%2011th-Mar-2019%2019.00%20Council.pdf?T=10>

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

The changes resulting from these recommendations were issued in SI2018/1314 'The Rutland (Electoral Changes) Order 2018' and have now been implemented in accordance with that order. Full details of this order can be found at:

<http://www.legislation.gov.uk/id/uksi/2018/1314>

Following the implementation of these changes revised electoral register were published for the electorate in Rutland with effect from 1 February 2019. The new

electoral arrangements will come into force at the local elections in 2019. Full details in relation to this review 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 Deputy Director for Corporate Governance 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 Deputy Director for Corporate 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. In 2018/19 the Council took a different approach and produced a more accessible annual report for 2017/18 with detailed information explaining how local services are operating, together with the usual performance data. The report was published in August 2018 and it was the first time that Rutland's annual report has been published in this way and is part of the Council's commitment to show how it's serving local communities.

In addition, at the start of the year, the Chief Executive working with SMT colleagues redesigned how performance was to be tracked internally. A new performance dashboard was developed, which combines information about projects, finance and KPIs. This is reported quarterly and discussed at SMT. At a Directorate level, Directors working with their DMT's focus on operational performance.

The Council has moved away from formal quarterly performance monitoring from this year and instead produced a mid-year report with information available to both Cabinet and Scrutiny Panels, as required in the intervening periods. An annual report will be published again after the year end in August 2019.

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.

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 Audit and Risk Committee for Member consideration.

## **Financial Management**

The Strategic Director for Resources 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 Strategic Director for Resources 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 2018/19 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 2018, the external auditors issued an unqualified audit opinion on the Authority's financial statements.

The Council has a set of Financial Procedure Rules (FPRs) and Contract Procedure Rules (CPRs) within its Constitution which govern the way in which financial matters are conducted. Both FPR's and CPRs were updated as part of the review of the Constitution. Further details can be found on the link above.

## **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 September 2018 by Audit and Risk Committee and then again in January 2019. The Risk Management Policy itself was reviewed by Audit and Risk Committee in October 2018 in advance of a full review by the Strategic Director in 2019.

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. More recently, the Council has been identifying risk and mitigations in relation to Brexit and is working with colleagues across Leicestershire, Leicester and Rutland.

## **Standards of Conduct**

During 2018/19 the Monitoring Officer received 28 complaints of alleged councillor misconduct within the County. A majority of the complaints continue to be related to Oakham Town Council. Various independent investigations are ongoing. In addition the Committee for Standards in Public Life has released their report on Ethics in Local Government. Recommendations arising from this report will be considered by the Authority in a review of its Code of Conduct to take place in 19/20.

## **Information Governance**

The Council has a range of arrangements in place to comply with the General Data Protection Regulations (GDPR) which came into force in May 2018 and other regulations pertaining to data matters. These arrangements include:

- A Data Protection Policy and Document Retention and Record Disposal Policy which was approved by Cabinet in June 2018;
- Monthly staff drop-in sessions for staff to discuss any GDPR related concerns with the Data Protection Officer;
- Training to staff which includes an e-learning package and briefings to relevant service areas as required;
- Review of contracts by the Commissioning team to ensure GDPR compliance;
- A compliance checking process to help managers monitor staff GDPR awareness.

## **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. It will be refreshed in 2019.

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.

In September, the Council approved an updated Counter Fraud Policy. This provides a clear framework for the Council to identify and investigate anyone who tries to defraud the authority and to recover money from fraudsters by using all possible legal means. In developing its Policy, the Council worked with internal audit and the Audit and Risk Committee and took account of the Code of Practice on Managing the Risk of Fraud and Corruption

## **Developing Effectiveness**

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 seeing individuals move through their career and develop their role with Rutland. In December, we rolled out a new Recruitment System and this will progress through 2019 and be supplemented with the design and delivery of a recruitment ‘branding’ and microsite that will continue to improve the candidate experience and hence their impression of Rutland as an employer.

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 has successfully delivered against the new Apprenticeship Levy in the past 2 years – providing opportunities for Apprenticeships as well as ongoing professional development for existing staff through new Apprentice programmes such as the Institute of Leadership and Management and Health and Social Care.

The Council adopts a range of HR policies and practices that (a) ensures we operate within employment legislation and regulation and (b) provides a sound framework that supports our relationship with our staff – i.e. to ensure staff are treated fairly and within the spirit of our Values. The Council’s Workforce Development Strategy will evolve during 2019 based on feedback from the second Staff Engagement Survey that was carried out in Quarter 3 of 2017/18, with a specific focus on employee engagement and development. 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.

Members are provided with development opportunities through in-house and external training and briefings. Budget provision is made for training and development of members and officers. Following a meeting of the Scrutiny Committee the Council is developing the Induction Programme with Councillors to ensure that the best possible training is made available to enable the Democratic process and equip Councillors with the skills that they need following the election. 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 2018/19 Members attended training on the following subjects:

- Induction to the Council (for new Councillors elected in 2018/19)
- Chairing and Leading Scrutiny
- Being an Effective Chairman
- GDPR
- Planning Design and Place making
- Internal Audit and Related Topics

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.

## **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. The Council has a wide range of partners covering a wide range of service areas. Some examples are given below.

<b><u>Service area</u></b>	<b><u>Lead Authority Name</u></b>
Internal Audit	Local Government Shared Service
Welland Procurement	Melton Borough Council
Legal Services	Peterborough City Council
Out of Hours Emergencies	Harborough District Council
Public Protection	Peterborough City Council
Emergency Planning	Leicestershire County Council
Local Safeguarding Children Board	Leicestershire County Council
Health and Safety	Peterborough City Council
Planning system	South Kesteven District Council
Adoption Services	Leicestershire County Council

<b><u>Service area</u></b>	<b><u>Lead Authority Name</u></b>
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 an example below of latest plans.

The Council has agreed a new shared service arrangement with neighbouring Harborough District Council as part of long-term plans to improve the way that grounds maintenance is carried out. The agreement means that Harborough District Council will undertake grounds maintenance services such as grass cutting, hedge trimming and weed spraying over the next three years. The arrangement has been put in place as part of long-term plans to combine grounds maintenance with waste management and street cleaning, creating a single environmental services contract for Rutland.

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.

### **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. This section also includes details of our working on the Local Plan and Town Centre – two other major ventures.

#### *St Georges Barracks*

In September 2017, the Ministry of Defence (MOD) and Rutland County Council announced that it would 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 very first high-level plans setting out possible options for the future redevelopment of St George's Barracks were published on Friday 11 May, with

residents invited to share their views as part of a public consultation which ran to the 15 June 2018

Work on the project has continued throughout 2018/19 with particular emphasis on the Evolving Masterplan. The Evolving Masterplan was produced based on feedback from consultation with Rutland's Residents and ongoing work commissioned by the MOD to assess the feasibility of the project and the impact of redeveloping the site.

The document sets out the policy context, a vision for the site and outlining the consultation process. It provides a potential future framework for redeveloping the site to create around 2,215 new homes for Rutland and more than 2,000 new jobs.

The application for £30m of Housing Infrastructure Funding (HIF) as part of the plan will enable essential infrastructure works to be brought about in advance of the redevelopment of the St George's site. This will underpin the viability of the project to ensure appropriate and timely investment in infrastructure is put in place. The investment would not only benefit the St George's site, but benefits will be seen across the County as for roads and junctions are upgraded along with health facilities and public transport supporting the local community at and around St George's.

In January, Council approved the latest version of the Evolving Masterplan for St George's Barracks, together with the business case for a supporting bid to the national Housing Infrastructure Fund (HIF). The business case was developed using a contribution from HIF of c£140k alongside funding from the MOD.

The Council now awaits feedback on its HIF business case.

#### *The Officers' Mess Site*

The Council is looking into the potential acquisition and development of the Officers' Mess site at St Georges Barracks. In March 2018, Cabinet endorsed some proactive work be undertaken that would help us understand whether the acquisition of the Officers' Mess for the purpose of providing new housing is feasible.

During the year, the Council has been looking at the financial viability of the site taking advice from various sources and this work is still ongoing. No decision has been made as to how this project might proceed.

#### *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, Leicesterhire 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.

The project reached feasibility stage in year with the support of an external consultant. Whilst the idea of developing a Hub remains attractive, the financial viability remains challenging and work is on hold pending the May elections.

### *Town Centre*

Following the unanimous approval of a motion at Full Council on Monday 15 January 2018, a task and finish group was established through the Council's Growth, Infrastructure and Resources Scrutiny Panel. The purpose of the group was to consider the future of Oakham town. Membership of the group which was independently chaired comprised representatives from within the community, businesses, representative organisations, residents and Councillors with an interest in the regeneration of Oakham.

A detailed report containing proposals developed by the Group was endorsed by Rutland County Council's Growth, Infrastructure and Resources Scrutiny Panel in November and presented to Full Council in December 2018.

In line with the recommendations put forward by Council officers, Full Council agreed to the creation of a new Partnership Board that will take the Town's work forward to the delivery phase. Initial funding of £2,000 was also approved to help establish the Partnership Board.

The Council has already begun work to explore the feasibility of some of the recommendations included in the final report from Oakham Task and Finish Group. It is hoped that all the mechanisms needed to support the Group and allow further work to be undertaken will be in place by Annual Council in May 2019.

The full report of the Group can be found in the December Council meeting agenda below:

[https://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CId=145&MId=1966&\\_ga=2.139781875.1726407676.1551546976-858100405.1511790687](https://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CId=145&MId=1966&_ga=2.139781875.1726407676.1551546976-858100405.1511790687)

### *Local Plan*

We are reviewing the Local Plan in order to extend the plan period to 2036 and to provide for any additional new housing, employment or other development that may be needed over the extended plan period.

Additional consultation forming part of Rutland's ongoing Local Plan Review took place between 13 August and 24 September 2018. The consultation invited comments on two separate documents:

- Focused Changes to the Local Plan after including St George's Barracks in the Plan
- Additional Sites put forward for possible development since the Consultation Draft Local Plan 2017

The Council is currently reviewing all of responses received as part of this consultation and would like to thank everybody for their feedback. This feedback is expected to be published together with the Regulation 19 plan in summer 2019.

### *Working with the business community*

We work with the business community in different ways. We offer all year-round support to local businesses of all sizes through its Economic Development team. The team provides information and advice about grant funding, training and networking opportunities.

We held two business summits in the year where some of Rutland's leading businesses gathered in to meet and discuss future trends affecting our local, regional and national economy. Guest speakers at events, covered a wide range of special topics including the future of retail and high streets, streamlining businesses through cloud computing technology, connecting with customers through social media, and recruiting and retaining staff.

We also organise an Annual Tourism Forum through the Discover Rutland Tourism Committee for groups, businesses and individuals connected with tourism in the local area. This year's forum included a run-down of activity from different tourism sectors and reported on the economic impact of Rutland's tourism industry, which is shown to have grown again over the past 12 months.

### *Working with health*

The LLR Sustainability and Transformation Partnership has continued to reshape health and care services around the needs of the LLR population through the Better Care Together programme developing a multi-year plan which was most recently the subject of community engagement in Autumn 2018.

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

The priorities of the plan, whose aim is to ensure the sustainability and sufficiency of healthcare services, are: to keep more people out of hospital through improved prevention and by supporting more patients at home and in their community; to improve crisis care including for mental health; and to join up routes through the care system. The programme is a standing item at the Rutland Health and Wellbeing Board.

Following publication of the NHS Long Term Plan in January 2019, LLR will move into the next phase of integration, becoming an 'Integrated Care System' by April 2021. This will move further towards place based budgeting (with single system control totals), looking across organisations at the 'LLR pound' and identifying new, more efficient and effective models of care that manage demand, including through increased prevention. How Adult Social Care and Public Health fit into this picture are as yet uncertain, and will be clarified in part through respective Government Green Papers.

Delivery of the local Better Care Fund programme has again progressed well during 2018/19, providing integrated health and social care tailored to the Rutland context. Recent successes working together with local NHS and community sector providers include:

- Some 88% 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 301 per 100,000 people aged over 65 this year, at the target level.
- 20% fewer emergency hospital admissions than the CCG's ceiling target.

Avoiding hospital discharge delays has become business as usual activity, with the focus now turning to reducing hospital admissions and increasing wellbeing by improving care in the community. Unified prevention remains a focus, including an emphasis on active ageing, and on using holistic and personalised approaches to sustain the independence and wellbeing of those living with ill health. Individuals are empowered to take a greater role in their own wellbeing and in shaping the right care and support for them. Successes in prevention include the expansion of the Admiral dementia nurse service, high take-up of the streamlined Housing and Prevention Grant scheme delivering home adaptations for people with disabilities, and the complex care service for those with care needs that are difficult to meet through the mainstream care market.

Locally, the partnership context has also been evolving, offering new opportunities to take integration further with, in particular: Rutland becoming one of three LLR 'Locality Pilots', demonstrating how integrated cross-sectoral working in areas of 30-50,000 people can improve local care; Rutland GPs launching their own transformation programme with some dependencies on the wider partnership; and, an LLR Community Services Review underway which will lead to the recommissioning of Community Nursing services. In this context, Rutland Governance structures were updated in September 2018, replacing the BCF-focussed Integration Executive with a Health and Care Board with a broader scope and remit and a more balanced partnership across primary, community and social care which is well placed to navigate the next wave of change anticipated by the NHS Long Term Plan.

### *Other Engagement*

The Council undertakes public engagement and consultation on a range of matters. Outside of the matters discussed above, in 2018/19 this included:

- Barrowden & Wakerley Neighbourhood Plan
- 2019/20 Annual Budget Consultation
- Learning Disability Market Position Statement
- Armed Forces Survey
- Rutland Older People's Accommodation Market Position Statement
- Pharmaceutical Needs Assessment for Rutland
- Local Transport Plan

### *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.

<https://www.rutland.gov.uk/my-council/transparency/>

#### **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 TEXT BELOW IS FROM THE 17/18 AGS BUT GIVES MEMBERS AN IDEA OF THE TYPE OF INFORMATION REPORTED*

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:

“Satisfactory Assurance can be given that there is generally a sound system of internal control, designed to meet the organisation's objectives and that controls are generally being applied consistently. The level of assurance, therefore, remains at a generally consistent level from 2016/17.

Controls relating to the key financial systems reviewed during the year were all concluded at a level of at least Good Assurance.

The Council has received no opinions of Limited Assurance during the financial year and 44% of opinions have been of the highest rating of Substantial Assurance.

The implementation of audit recommendations during the year has generally been strong, with 85% of those actions from 2017/18 audit reports which were due for implementation being completed in accordance with the agreed timescales.

No systems of controls can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.”

### *Scrutiny*

During 2018/19 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:

- Financial Management
- Oakham Town Task and Finish Group
- Mental Health Task and Finish Group
- Sustainability and Transformation Plan and Better Care Together
- Access to Primary Care
- Homecare recommissioning
- Safeguarding Adults Annual Report
- Public Health Annual Report
- Cancer Treatment Waiting Times
- Post 16 Education
- Safeguarding Children Annual Report and Business Plan
- Child Exploitation and Modern Slavery
- SACRE Annual Report
- Children’s’ Services Annual Reports and Strategy’s
- Adult Social Care Annual Reports and Strategy’s
- Safeguarding Through Education Annual Report 2018-19
- Neighbourhood Planning
- St Georges Barracks
- Local Transport Plan
- Corporate Debt Policy
- Fees and Charges
- Recruitment and Retention
- Member Induction and Development Plan

Scrutiny Panels also consider service area performance indicators in relation to their scope and remit as set out in terms of reference for each panel.

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

There was a task and finish group on Oakham Town constituted under the Growth, Infrastructure and Resources Scrutiny Panel and also a Mental Health Task and Finish Group constituted under the Adults and Health Scrutiny Panel. Both reviews were completed this year and have reported their final recommendations to Cabinet and/or Council.

The Poverty Review also reported to Council in December 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 produced an annual report which was presented to Council in September.

As the Committee is in its final year of the election cycle, the effectiveness review was deferred.

### *Complaints*

Further improvement has been achieved in our complaint response times. The results show that 97% of stage 1 complaints (96% last year) and 100% of stage 2 complaints continue to be answered within the deadlines set within the complaints policies.

### *Financial performance*

***THE TEXT BELOW SUMMARISES THE POSITION AT Q3 BUT GIVES MEMBERS AN IDEA OF THE TYPE OF INFORMATION TO BE REPORTED***

Quarterly reports on financial management are presented to Cabinet. At Quarter 3, the Council was projecting a deficit of £8k compared to a budgeted deficit of £89k.. This includes setting aside underspends of £211k in ring fenced areas like public health and £618k in demand led areas like social care to fund future pressures.

In terms of the medium term financial outlook, the Council has a financial gap (it plans to spend more than it receives in funding) which is forecast to be between £1.5m - £2m by 2020/21. The Council understands that this position is not sustainable in the medium term and is working on a range of strategies to address this position. Work will continue into 2019. One of the challenges around the funding position is that the Council is not aware of what Government funding it will receive beyond 2019/20. These figures could have a significant impact on the size of the gap.

### *Corporate performance*

The mid-year report for 2018/19 shows a positive position. At the end of Quarter 2 performance across the authority is good with 42 (96%) indicators on or above target and only 2 (4%) currently below target.

The indicators below target at Q2 were:

- % of children becoming subject to a Child Protection plan for a second time within the previous 2 years – our performance of 26% represents 6 children out of a total of 23 currently on a CP Plan that have been the subject of a plan for a second time within the last two years in Rutland. Whilst 26% is higher than the national/statistical average of 20.5%, this still represents a small number of children, all of whom have had ongoing support from Children's services including one to one work and family support during their period of de-listing.

- Achieve positive progress KS1 to KS2 in each of Reading, Writing and Mathematics (average progress score) - Early indications suggest no subject has achieved positive progress. Currently published data is unvalidated and has a wide confidence interval, placing Reading and Mathematics broadly in line with national average and Writing just outside national averages. Further analysis of these results will be done once validated results are published later in the year.

The full report can be found at the link below:

<https://rutlandcounty.moderngov.co.uk/documents/s14032/Report%20No%20235-2018%20Mid%20Year%20Performance%20Update%202018-19%20Appendix%20A.pdf>

### *Information Governance and related issues*

The General Data Protection Regulations (GDPR) came into effect in May 2018. In October 2018 an internal audit took place of the Councils GDPR arrangements with an outcome of 'Good'.

In August 2018 the Investigatory Powers Commissioner's Office (IPCO) undertook an inspection into the Councils Regulations of Investigatory Powers (RIPA) arrangements. The Council was found to have a positive approach to RIPA and to be demonstrating a level of compliance that removed the requirement for a physical inspection to take place. The following matters were identified as requiring attention:

- Review of the RIPA Policy
- A review of those staff currently trained with regard to RIPA

A full review of the Policy has been completed and was approved by Cabinet on 19 February 2019. Training is planned to take place in June 2019 for all relevant Officers.

The Data Security and Protection Toolkit (previously called Information Governance (IG) Toolkit) is an NHS online self-assessment tool that allows us to measure our Information Governance performance. Organisations that have access to NHS patient data and systems must complete this assessment to provide assurance that personal data is handled correctly.

Requirements cover:

- Confidentiality and data protection.
- Information security.
- Records management.
- Training
- Staff Responsibilities

The Council submitted the 2018/19 assessment in March 2019 and is awaiting feedback.

*Fraud and whistle blowing*

Two whistle blowing allegations was registered during 2018/19 one of which was investigated by Internal Audit and was unfounded. We have also been referred another matter which is being discussed with other agencies.

We were the victims of theft in year when cash boxes in three ticket machines in Oakham were broken into on 13 November resulting in a loss of a few hundred pounds in addition to the cost of repairing the damaged machines.

We have also provided proactive advice to residents as we have become aware of issues. For example, we warned residents not to respond to unsolicited emails offering refunds for an overpayment from HM Revenue & Customs.

*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 Council updated its Project Management methodology in the year through the Audit and Risk Committee to reflect the importance of assessing corporate projects up front to identify ‘very high’ risk projects and establishing appropriate governance arrangements over them. Training will be provided to both Members and Officers in due course.

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 Council delivered the following projects in year.

<b>Project</b>	<b>Outcome</b>
Planning System Replacement – IDOX	The Planning Management System, Swift, has been replaced with the IDOX system, to improve customer experience and back office functions
Implementation of GDPR	General Date Protection Regulation has been implemented across the council and continues to be maintained
Highways System Replacement – Confirm	Highways Work Management System, Bentley Systems, has been replaced with Confirm, which will improve back office integration with the contractor (Tarmac) and improve customer queries/issues
Linking FixMyStreet to Salesforce and Confirm	The national system used to log customer issues identified on highways and streets, FixMyStreet, has been linked to Salesforce and Confirm to ensure there is a consistent view of the customer and how the Council interact with them.

<b>Project</b>	<b>Outcome</b>
Streetscene System Replacement – Salesforce	The Streetscene Management system, Flare, has been replaced with Salesforce, enabling a single view of the customer and the improved management of customer requests/issues
Parking Permit System Replacement – Salesforce	The Parking Permit Management system, Flare, has been replaced with Salesforce, to improve the customer application experience and improve back office functions
Waste System Replacement – Salesforce	The Waste Management system, Flare, has been replaced with Salesforce, enabling a single view of the customer and the improved management of customer requests/issues
Public Protection Outsource	The Public Protection service has been fully outsourced to Peterborough City Council, including the Flare System
Green Waste Collection System	New system implemented to register green waste collection subscriptions and take payment

### *Data Incidents*

Between April 2018 and March 2019, 27 reports of potential data breaches were made. Due to the introduction of GDPR, the importance of reporting potential data breaches raised staff awareness, this caused an increase in reporting. All were investigated to satisfactory conclusion with actions and recommendations completed to mitigate further incidents of a similar nature. 3 data breaches were escalated to the Information Commissioners Office (ICO) in all cases the Council were found to have taken the appropriate measures with no further action was required.

### *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.

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 Council has undertaken two desktop exercises in Quarter 3 of 2018/19. An internal desktop exercise with Council officers was undertaken where officers tested how our plans would be used in the event of the loss of our headquarters at Catmose.

A wider exercise was undertaken with the wider LLR Resilience Forum focusing on a Control of Major Accident Hazard (COMAH) incident. This allowed partners to review the internal and external COMAH plans, record learning points to inform the revision of the plans and to practice the response of LLR Prepared agencies. This highlighted some areas where documentation needs to be amended or extended.

Alongside these exercises, the Council's Resilience Officer has attended every second SMT meeting to provide refresher training on key aspects of emergency planning and to share learning from real incidents such as the Hinckley Road explosion.

#### *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.

### **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 2017/18 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.

#### *Audit by the Children's Commissioner's new Stability Index*

A child/young person looked after, also often referred to as a child in care, is defined as any child who has been in the care of their local authority for more than 24 hours. The Stability Index tracks placement changes, school moves and changes in social workers for children looked after across the country to understand the type and scale of instability experienced by these children.

The results of the audit show that Rutland is performing better than national and regional averages for almost all key measurements and follow changes made by the Council's Children's Social Care department to working practices and recruitment.

Rutland had levels of single year placement instability 5% lower than the national average and 3% lower than the regional average.

*Integrated health and social care services for residents -national rankings released by the Department of Health and Social Care (DHSC)*

The DHSC's Performance Dashboard for Health and Social Care looks at every local authority in England and measures how well they perform in a number of key areas where health and social care work closest together. This includes emergency admissions to hospital, length of stay and whether people are delayed when ready to be discharged home.

Each local authority is assessed on their performance in six individual areas then given an overall ranking. Rutland is currently first out of 152 local authorities in the National Average Weighted Ranks. Information can be accessed on the link below:

<https://www.gov.uk/government/publications/local-area-performance-metrics-and-ambitions>

*OFSTED Inspection of Rutland Adult Learning and Skills Service (RALSS)*

RALS has been rated 'Good' by Ofsted following its latest scheduled inspection.

An intensive two-day inspection was carried out at RALSS in April. Inspectors noted:

- the RALSS curriculum specifically meets the needs of local communities
- teaching staff are highly qualified and enthusiastic about their subjects
- service users comment on the high quality teaching and learning they receive
- tutors have high expectations of their learners
- the standard of work by many learners is high

Success rates for RALSS learners are well above the national average:

- GCSE success rate for all learners of 97%
- All RALSS qualification success rate of 92%
- Apprenticeships success of 79%
- Community Learning 93% success

*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 July 2019.

**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:: \_\_\_\_\_