

**ROTHERHAM METROPOLITAN  
BOROUGH COUNCIL**

**Annual Governance Statement  
2022/23**

## **ROTHERHAM MBC ANNUAL GOVERNANCE STATEMENT 2022/23**

### **1 SCOPE OF RESPONSIBILITY**

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

### **2 THE GOVERNANCE FRAMEWORK**

- 2.1 The Council's general governance arrangements include a range of policies, procedures and activities that are designed to be consistent with the expectations for public sector bodies. They are drawn together by the Council's Code of Corporate Governance which was refreshed and approved by the Audit Committee in November 2022.
- 2.2 The Council's overall strategic direction is determined by the Council Plan 2022-2025 and the Year Ahead Delivery Plan 2022. These were approved in January 2022, with the Year Ahead Delivery Plan 2022 being framed around five themes:
  - Every Neighbourhood Thriving
  - People are Safe, Healthy and Live Well
  - Every Child Able to Fulfil Their Potential
  - Expanding Economic Opportunity
  - A Cleaner, Greener Local Environment
- 2.3 The Council Plan and associated Year Ahead Delivery Plan form the basis of the strategic direction of the Council throughout the financial year. The first quarterly

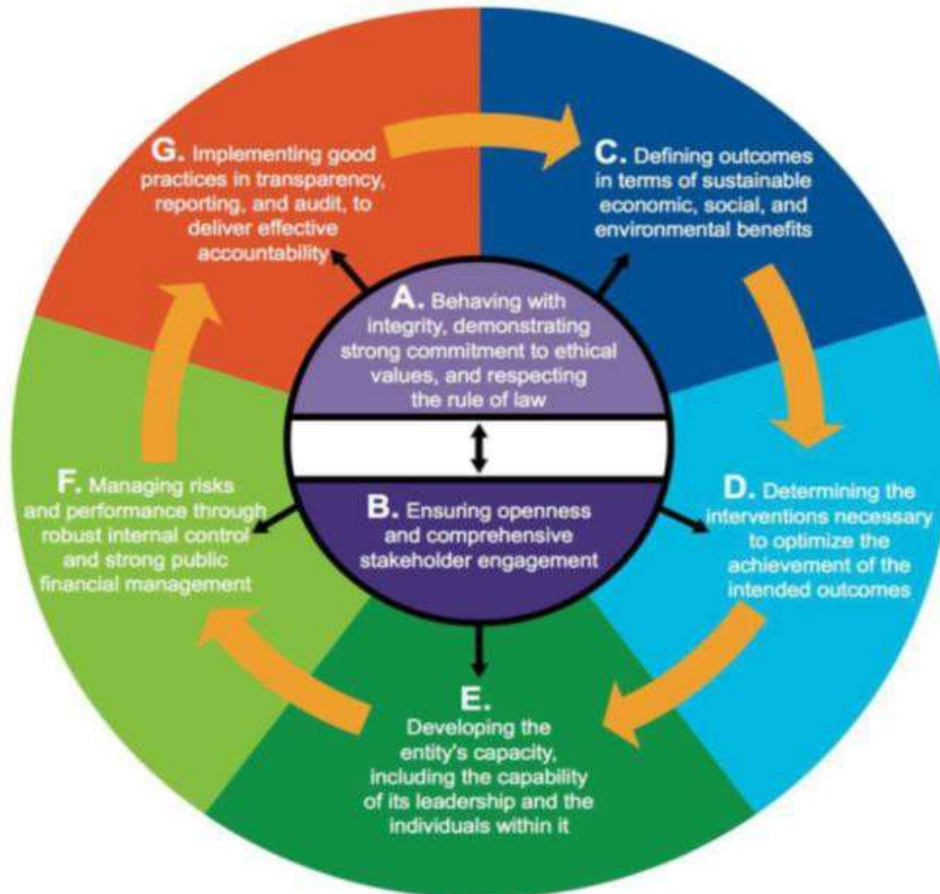
report on progress on the new Council Plan and Year Ahead Delivery Plan was presented to the Council's Cabinet on 20<sup>th</sup> June 2022 and focused on progress from 1<sup>st</sup> January 2022 to 31<sup>st</sup> March 2022, with subsequent reports being presented on 20<sup>th</sup> September 2022, 19<sup>th</sup> December 2022, 24<sup>th</sup> April 2023 and a final report for the year planned to be presented on 10<sup>th</sup> July 2023.

- 2.4 A refresh of the Year Ahead Delivery Plan to cover the 2023-24 financial year was approved by Cabinet on the 24<sup>th</sup> April 2023, alongside a review of the targets set for Council Plan performance measures. Monitoring of the new plan will continue throughout the year, with public reports planned for December 2023 and July 2024.
- 2.5 The governance framework comprises the systems, processes, values and behaviours by which the Council is directed and controlled. It also comprises the activities through which the Council is accountable to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.6 The Council also has a system of internal control which is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore provide proportionate and not absolute assurance of effectiveness. The system of internal control is designed to:
  - identify and prioritise the risks to the achievement of Council policies, aims and objectives
  - evaluate the likelihood of those risks being realised and assess the impact should they be realised, and
  - manage the risks efficiently, effectively, and economically.
- 2.7 The table below sets out the key elements of an effective governance framework, and how these were delivered in the Council throughout the financial year.

<b>Council Committee or group</b>	<b>Governance Function</b>
Full Council	Endorses the Constitution Approves the policy and financial frameworks Approves the budget and sets Council Tax Approves the Council Plan.
Cabinet	Primary decision-making body of the Council Comprises the Leader of the Council and Cabinet members who have responsibility for specific areas
Audit Committee	Considers all issues relating to internal and external audit matters Monitors and reviews the effectiveness of risk management systems, including systems of internal control. Oversees financial reporting and financial statements and the annual governance process.
Standards and Ethics Committee	Promotes high standards of conduct by elected members and monitors the operation of the Members' Code of Conduct
Overview and Scrutiny Committees	Reviews and scrutinises the decisions and action taken in connection with any functions of the Council, including "pre-Scrutiny" of some recommendations due to be considered by Cabinet. Make reports or recommendations to the Council or Cabinet with respect to the discharge of any functions of the Council
Chief Executive, Strategic and Assistant Directors, including s151 Officer and Monitoring Officer	Set and monitor governance standards Lead and apply governance standards across the Council
Internal Audit	Performs independent and objective reviews within all Directorates of the Council Undertakes fraud and irregularity investigations and proactive anti-fraud work Produces Head of Internal Audit opinion each year, summarising work done
Areas or disciplines which are not directly responsible for delivery of services, for example Performance Management, Risk Management, Finance, HR, Legal, Information Security, Health and Safety.	Responsibilities include designing policies, setting direction, and ensuring compliance
Management. Assurance at this level comes directly from those responsible for delivering specific objectives, projects or operational areas.	Responsibilities include identifying risks and improvement actions

### 3 HOW THE GOVERNANCE FRAMEWORK IS APPLIED

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



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

Principle	Arrangements at Rotherham MBC
Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	<p>The Council has a constitution and a supporting set of rules and procedures that govern its activities in accordance with legislative requirements.</p> <p>All key decisions require review by Legal and Financial Services to ensure all relevant requirements and considerations are taken into account.</p> <p>The Council has arrangements for encouraging the reporting of suspected wrong-doing. The Council’s Whistle-blowing policy is in line with current national guidance.</p>

	<p>The Council has a Member/Officer Protocol which has been adopted by the Council. It is communicated to all Members and is emphasised through training on the Code of Conduct which forms part of the induction programme for Members and their continuous development programme. Codes of Conduct for Members and Officers define conflicts of interest and how they should be treated. There has been an extensive programme of training and induction for all members following the “all out” elections in May 2021.</p>
<p>Principle B – Ensuring openness and comprehensive stakeholder engagement.</p>	<p>The Council is committed to openness and acting in the public interest. A new Council Plan 2022-25 and the Year Ahead Delivery Plan 2022 were developed after consultation with stakeholders as part of the development process. A further Year Ahead Delivery Plan covering the 2023-24 financial year was developed in the course of the year. These Plans are available on the Council’s website and performance reporting against the Plans is presented in public meetings of Cabinet.</p> <p>Delivery of the vision in both the Council Plan 2022-25 and the Year Ahead Delivery Plan is embedded in day-to-day activities across the Council and is monitored through the performance management arrangements which are underpinned by an established framework.</p> <p>The Council conducts a Residents’ Satisfaction Survey every twelve months, based on the Local Government Association’s national model. The results are checked and challenged against other Councils and have been reported through the performance management framework.</p> <p>The Thriving Neighbourhoods Strategy was published in 2018, covering the period 2018-2025. The Strategy sets out the way in which the Council will work with and listen to its communities. It commits the Council to listening and acting on feedback and working with partners to plan for the future. During 2022/23 this Strategy has continued to become embedded in the Council’s methods of working. As part of this development, a series of regular ward newsletters were continued to improve public awareness of developments in their local areas and improve community engagement.</p> <p>Regular email newsletters are also produced for Council members with additional ‘special’ bulletins produced to cover significant topics in-between. These summarise key developments and issues in the Council to enable them to perform their roles effectively including latest news, member development information, forthcoming meetings and consultations.</p> <p>The Consultation and Engagement Framework, which was developed in 2019, was refreshed in 2022. This document sets out the Council’s commitment to consult and engage with the public and states that the Council will listen, inform and work in partnership with service users and stakeholders, including their views in the shaping, commissioning and delivery of services</p>

	<p>wherever possible. The Framework is underpinned by a consultation toolkit for services to use so that they comply with the Policy.</p> <p>The Rotherham Together Partnership is well established. The Partnership strategy, The Rotherham Plan 2025, which was originally published in early 2017 and was refreshed in December 2022.</p>
<p>Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.</p>	<p>In January 2022 the new Council plan 2022-25 and associated Year Ahead Delivery Plan 2022 were approved by Council. All the plans have been monitored throughout the year in line with the Council's Performance Management Framework, which was itself revised in April 2022. This monitoring involves quarterly consideration of the outcomes in public sessions of Cabinet and the Overview and Scrutiny Management Board. A new Year Ahead Delivery Plan covering the 2023-24 financial year was approved in April 2023.</p> <p>Sitting alongside the Year Ahead Plans are numerous other strategies which set out more detail around the required outcomes. These include the Rotherham Housing Strategy, Rotherham Economic Growth Plan, Safer Rotherham Strategy, Rotherham Local Plan Core Strategy, Municipal Waste Management Strategy and the Rotherham Health and Wellbeing Strategy.</p> <p>Service Plans that link to the Council Plan and into individual Personal Development Plans were in place for all services during 2022-23.</p> <p>In addition to the above, the Council's Risk Management framework links to the relevant plans and enables Strategic and Directorate Leadership Teams to monitor and respond to the risks around each key element of the plan that they are accountable for.</p>
<p>Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.</p>	<p>As set out above, the Year Ahead Plan and associated Service Plans form the basis for all interventions planned by the Council. All business decisions are accompanied by a business case and options appraisal and the corporate report templates require information explaining the legal and financial implications of decisions.</p> <p>Delivery of the Plans continues to be monitored through Quarterly Monitoring Reports and the Council has a suite of performance reports which are aligned to the Year Ahead Plan priorities.</p> <p>All decisions need to be taken in the context of the Medium-Term Financial Strategy, the Capital Programme and the Revenue budget process.</p>
<p>Principle E - Developing the entity's capacity,</p>	<p>The Council has been working with the Local Government Association to support the development of members of the Improving Lives Select Commission, and this will continue in future</p>

<p>including the capability of its leadership and the individuals within it.</p>	<p>years. The Member Development Programme is continually being refreshed with elected Members encouraged to provide topics of interest that they would like to see included and delivered in the most appropriate manner e.g. Member Session, Briefing Note etc. A programme of Mid-Term Reviews are being undertaken with members to support training and development required to aid delivery of ward priorities.</p> <p>The roles of the Leader, the Cabinet, all Members and the Statutory Officers are included in the Constitution.</p> <p>Job descriptions are in place for all posts throughout the Council and these are supported by recruitment and appointment policies and procedures. There is a comprehensive training programme for officers linked to the recently approved refreshed Workforce Development Plan. The Plan aligns with the Council Plan and the new strategy has been developed in tandem with the Council Plan. Each Council employee has a Personal Development Plan which links to their service's Service Plan and is reviewed at regular intervals.</p> <p>A series of projects are in place to deliver service transformational change across the Council as part of the "Big Hearts, Big Changes" programme. These are drawn from the Council Plan and are cross cutting big ticket items. Many of these projects are designed to increase the Council's capability and capacity to achieve ambitions and adapt to service demands in a "post Covid" environment.</p>
<p>Principle F - Managing risks and performance through robust internal control and strong public financial management.</p>	<p>The Council has a Risk Management Policy and Guide which is fully embedded. The Guide was reviewed in November 2022 and the Policy was formally approved by Cabinet in January 2023 This Policy requires the Strategic Risk Register to be reviewed at regular intervals by the Strategic Leadership team and for Directorate and Service level risk registers to be reviewed at least quarterly.</p> <p>Corporate report templates all contain 'risk implications' sections and Risk Management also links closely to Service Plans. The Audit Committee reviews risks and the Risk Management process at every meeting. Performance Reports are aligned to Council Plan priorities and are considered in public and are also linked to the Risk Policy.</p> <p>The Council has an Anti-Fraud and Corruption Policy and Strategy which comply with the CIPFA Code of Practice and an Internal Audit function which issues an annual opinion on governance, risk management and internal control. The Council also has a Corporate Information Governance Group which is responsible for improving its approach to securing information. This group is supported by a dedicated Information Governance team as well as ongoing monitoring of Data Protection Act / Freedom of Information compliance.</p>
<p>Principle G -</p>	<p>The Council's approach to transparency includes the publication</p>



<p>Implementing good practices in transparency, reporting, and audit to deliver effective accountability.</p>	<p>on its website of details around budgets and spending, Senior Officer remuneration, Performance Information and reports, the Annual Report and Statement of Accounts and the Annual Governance Statement.</p> <p>The Code of Corporate Governance is refreshed annually in accordance with CIPFA/SOLACE principles and any amendments proposed for publication are scrutinised and approved by Strategic Leadership Team, and Audit Committee prior to publication.</p> <p>The Head of Internal Audit presents an annual report to Audit Committee to inform members of Internal Audit activity that has taken place during the year. The Audit Committee meets six times a year and receives reports from both Internal and External Audit. The Audit Committee Terms of Reference are based on CIPFA guidance and were updated in May 2023.</p> <p>The Council is subject to regular inspections from regulatory bodies, including Ofsted, Care Quality Commission etc. The outcomes of these inspections, together with the Council's responses are reported to the relevant Overview and Scrutiny Committee and made available via the website.</p> <p>An appropriate financial control and reporting framework for the Council is in place, with all aspects of revenue and capital spending compared to budget plans being routinely reported throughout the year to the officer Strategic Leadership Team and Cabinet.</p>
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The Council won the award for the Most Improved Council at the Local Government Awards in July 2022. This is an indication of the improvements in the governance structure and is linked to the principles highlighted above.

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

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

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

- 1) The Chief Executive, Strategic and Assistant Directors whose roles include:
  - Corporate oversight and strategic planning
  - Annual corporate governance assessment which is informed by annual Assurance Statements from each Strategic and Assistant Director
  - Implement and monitor regulatory and other governance protocols
- 2) Monitoring Officer who has oversight of:
  - Legal and regulatory assurance

- The operation of the Constitution
- 3) The Section 151 Officer who has oversight of the proper administration of the Council's financial affairs
  - 4) Information Governance, which is monitored by:
    - The Designated Senior Information Risk Owner (SIRO)
    - Data Protection procedures
    - Information Security and Records Management procedures
  - 5) The Overview and Scrutiny Management Board, who carry out policy review and challenge as well as have an overview and carry out scrutiny of specific topics
  - 6) The Audit Committee which;
    - Reviews the effectiveness of internal and external audit
    - Considers the adequacy of the internal control, risk management and governance arrangements
    - Oversees financial reporting and financial statements and the annual governance process.
  - 7) Internal Audit who produce;
    - An annual opinion on the adequacy and effectiveness of internal controls, risk management and governance arrangements
    - An Internal Audit plan, reports and audit action tracking, all reported to Audit Committee
  - 8) External Audit and other external inspections which include:
    - Financial statements audit
    - Value for Money conclusion
    - Care Quality Commission, Ofsted, etc.
  - 9) Risk Management which incorporates:
    - A Risk management policy and strategy
    - Quarterly monitoring and reporting of Strategic Risks to Strategic Leadership Team
    - Regular monitoring and reporting of Risk Registers to Directorate Leadership Teams
  - 10) Counter Fraud work, which includes:
    - Anti-Fraud and Corruption and Whistleblowing arrangements
    - Anti-Money Laundering Policy and supporting arrangements
    - Codes of Conduct for Officers and Members
    - Financial and Contract Procedure Rules

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

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

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

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

**Monitoring Officer**

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

**Internal Audit**

- 3.7 It is a requirement of the UK Public Sector Internal Audit Standards (PSIAS) that there is an annual internal assessment of Internal Audit's conformance with the standards, verified externally at least every five years. In late 2020 the external verification was completed. Internal Audit was assessed as generally conforming to Public Sector Internal Audit Standards. This is the highest classification used by CIPFA. The internal assessment at the start of 2023 confirmed that this standard has been maintained.
- 3.8 It is also a requirement of PSIAS that an annual report is produced setting out the work performed by Internal Audit and the opinion of the Chief Audit Executive (at Rotherham this is the Head of Internal Audit) on the Council's internal control environment.
- 3.9 The Annual Internal Audit report was presented to the Audit Committee on 7<sup>th</sup> June 2023. The report confirmed positive progress had been made during the year, with 87% of audits resulting in a positive opinion, similarly to the previous year. The remaining reports highlighted areas where further improvement could be made. The areas identified will be followed up in 2023/24. The report on Tree Management resulted in an opinion of no assurance and is referred to

in Paragraph 5.2.

- 3.10 Internal Audit concluded that the Council has maintained overall an adequate and effective framework of governance, risk management and control throughout the year, based on their work undertaken throughout the year.

### **External Audit**

- 3.11 The Council's external auditor is required each year to carry out a statutory audit of the Council's financial statements and give an assessment of the Council's value for money arrangements. Grant Thornton issued an unqualified opinion on the Council's financial statements for the year ended 31<sup>st</sup> March 2022 on 16<sup>th</sup> January 2023.
- 3.12 In their Annual Report relating to 2021-22 issued in March 2023 Grant Thornton found no significant weaknesses in the Council's arrangements for financial sustainability and governance. They stated that the significant weakness and key recommendation from the previous year was still relevant. It was raised as a result of the Ofsted and CQC inspection around implementing SEND reforms. Further information concerning the inspection is given in paragraphs 4.7 to 4.10.
- 3.13 Grant Thornton will issue their opinion on the 2022-23 financial statements and a conclusion on the Council's arrangements to secure economy, efficiency and effectiveness once their work is complete.

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

- 3.14 The Council complies with the financial management standards as set out within the CIPFA Financial Management Code (FMC). The Council's Financial and Procurement Procedure Rules (FPPR's) provide the bedrock of the Council's financial governance, setting clear principles as to how the Council manages and controls its financial decision making. These FPPR's are routinely reviewed to ensure they are kept up to date with the current financial environment, new financial standards and the ever-changing local authority financial conditions.
- 3.15 The Council's current budget and Medium-Term Financial Strategy set out how the Council will finance the current requirements of services, whilst effectively planning for the delivery of agreed savings and continuing to stabilise and improve the Council's level of reserves. However, any significant longer-term planning is hindered by Government's reluctance to provide a financial settlement that is greater than a year ahead.
- 3.16 The Council's Capital Programme planning and investment levels are directly linked into the revenue budget planning to ensure that any new use of

corporate resources is affordable over the longer term, in terms of financing borrowing and major repairs provision charges. Whilst the Council does annually review and make additions to the capital programme, typically with new use of corporate resources, the Council actively looks to maximise its access to and use of, government grant funding and other external contributions. The links between the revenue budget and capital programme are tightly controlled to ensure that the Council sets a Treasury Management Strategy that is both prudent and compliant with the Prudential Code for Capital Finance.

- 3.17 The Council sets an annual budget through Cabinet and Council which is then monitored closely during the course of the financial year. The Council's Strategic Leadership Team receive monthly updates on the financial position with regular updates taken to Cabinet throughout the financial year. This reporting process culminates with a financial outturn report post the end of any financial year, this report sets out how that outturn impacts the future financial planning of the Council, in particular the impact on reserves and delivery of planned savings.

### **Delivering the Financial Strategy**

- 3.18 The Council faced some significant financial challenges during 2022/23 that were not evident at the time of setting the 2022/23 Budget, such as the significant rise in energy prices, inflation and Local Government Pay Award. In an update to November 2022 Cabinet the Council noted that it was estimated that the impact of inflation and in particular energy price increases would be £4m above available budget. In addition, the financial impact of the Local Government Pay Claim 2022/23 was £6.1m greater than anticipated, increasing the Council's base budget moving forwards, together these pressures created around a £10m gap per year within the Council's Medium Term Financial Strategy from 2022/23 onwards. As a result of these financial pressures the Council's financial outturn for 2022/23 was a £7.3m, improved from an £18.2m forecast overspend at its peak, following the Council's approach to delivering a series of short-term savings. The £7.3m overspend was funded by the Council's transfer from Transformation Reserve (£4.1m) and Budget and Financial Strategy Reserve (£3.2m).
- 3.19 Given this challenging start position, in setting the Budget for 2023/24 the Council kept focus on mitigating the impact on residents as far as possible and trying to protect basic services in order to support the community through a cost of living crisis, along with the Council's ambitions for the Borough with specific regard to the environment and social care.
- 3.20 The Final Settlement did have some positives for the Council with inflation provided on core funding such as Business Rates Grants and Revenue Support Grant, along with Government's approach to delaying the Adult Social

Care Reforms whilst allowing Council's to retain the funding linked to those reforms. However, the additional grant funding fell short of what was required by Councils in order to mitigate the impact of inflation and energy prices.

- 3.21 For example, the additional funding provided or made available for Adult Social Care was £11.5m, however the cost of providing an inflationary uplift to adult care providers (at the Real Living Wage rate) and meeting the required costs of transitions and demand was £12m.
- 3.22 The development of the Council's Budget proposals for 2023/24 and the further update of the MTFS took into account prevailing economic factors, most notably significant rises in inflation and energy prices during 2022/23. Following the Council's technical MTFS updates and the impact of the Final Financial Settlement the Council faced around a £6m funding gap in each year from 2023/24 to 2025/26.
- 3.23 In order to address this budget gap the Council had to consider the following areas:
- New savings proposals
  - Further increases in fees and charges
  - Increases in Council Tax above assumptions within the approved MTFS
  - Further use of reserves
- 3.24 As detailed within the Council's 2023/24 Budget report, this financial pressure was mitigated through proposals to increase fees and charges above the approved MTFS 2% assumption to 6%, new proposed savings across all Directorates of the Council and a proposed increase in Council Tax for 2023/24 above the 3% assumed in the approved MTFS to 4%.
- 3.25 These proposals have allowed the Council to set out a balanced budget position without further use of reserves, allowing those reserves to be held to guard against the significant risk and uncertainty that still exists in the UK economy around inflation and energy prices.
- 3.26 The current economic climate remains uncertain, with challenges in projecting where inflation will move and the pace at which it moves, along with uncertainty in the energy markets. Whilst the uncertainty in the economy still remains the most significant pressure in the Council's Budget and MTFS proposals, by being aware of the current challenges the Council has been able to better plan for this new economic position and set a budget which retains a sufficient balance in reserves to ensure the impact of further unexpected volatility can be mitigated without impact on services to residents.
- 3.27 The Council has endeavoured through the Budget setting process to minimise

the impact on residents in terms of both service delivery that they receive but also in terms of the financial impact on residents, for example the Council's proposed fees and charges and Council Tax increases are significantly below the prevailing level of inflation seen during 2022/23.

- 3.28 Since setting the 2023/24 Budget the Council's delivery of new planned savings as part of Budget have progressed well with £3.4m delivered by the end of September 2023 against the £4.3m plan. The Council is however facing some wider financial challenges for 2023/24, across a number of areas listed below. The Council is working hard to take firm action to reduce the level of overspend as much as possible in order to bring the Council's position back on track. These pressures are also offset by a £5m corporate budget risk contingency within Central Services approved within the Council's Budget and Council Tax Report 2023/24.
- 3.29 The Council's overspend position at this point is largely due to the following overall issues:
- Placement pressures within Children and Young People's Services and Adults Social Care.
  - Home to School Transport pressures within Regeneration and Environment and Children and Young People's Services.
  - Pressures relating to the longer-term recovery from Covid-19 on income generation within Regeneration and Environment.
  - Inflationary costs impacting the cost of food in Schools Catering and contractual and provider inflation impacting Children and Young People's Services.
  - Increased costs of homelessness due to increased demand.
  - Increased property costs within Regeneration and Environment.
- 3.30 The current economic climate remains turbulent, with challenges in projecting where inflation will move and the pace at which it moves. At present inflation is slowing although there are variances below the headline rate: food prices are starting to fall while petrol and diesel prices are increasing. The overall reduction will help support the Council's Budget for 2023/24 but the position will be closely monitored.
- 3.31 There remains funding uncertainty for the local government sector beyond 2023/24 as the Local Government Financial Settlement was only a one-year allocation and the Council will continue to face significant challenges moving forwards in regards to the funding of social care. This is perhaps best illustrated by the volume of Local Authorities across the UK that have recently hit difficult times with a number having to declare S114 notices.

## **4 UPDATE ON MATTERS REFERRED TO IN THE ANNUAL GOVERNANCE STATEMENT FOR 2021-22**

### **Information Governance**

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

### **COVID-19**

- 4.2 Following the national government's introduction of "lockdown" on 23rd March 2020 the Council had to respond at considerable pace to the COVID-19 pandemic in order to help the residents of the Borough to stay safe and support local businesses and key partners. This response continued throughout the majority of 2021/22. Although all domestic legal restrictions relating to Covid ceased on 24 February 2022, the Council continued to monitor the incidence and impact of Covid throughout the year and up to date.
- 4.3 The Council's Gold response and recovery arrangements stood down at the end of 2021/22 although the Council remains ready to initiate command and control structure if required either in relation to Covid or other types of Major Incidents. The Council's Gold group agreed a comprehensive debrief process following the major incident activity spanning the previous two years. This work provided an overview report to a meeting of all Strategic and Assistant Directors in June 2022, including feedback and recommendations for further work which will be linked to one of two areas:

- Major Incident Arrangements
- Business Continuity

### **Ombudsman Reports**

- 4.4 During 2021/22 RMBC received two reports from the Local Government and Social Care Ombudsman.
- 4.5 The first was a Public Interest Report which found that there was fault by the Council which caused injustice to two residents. The report made five recommendations which were accepted by the Council. An Action Plan has been produced detailing how and when the Council will meet those recommendations and how it will provide the Ombudsman with the evidence it requires. The report was presented to the Audit Committee in April 2022 in



line with the Committee's Terms of reference 'to consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions. The Report was also made available to Council through the minutes of Audit Committee on 25<sup>th</sup> May 2022. The report has been made available to the public in hard copy from Riverside House reception and the Council has placed two public notices in local newspapers as directed by the Ombudsman. The Ombudsman has also publicised this via its own website and has advised its media partners. On 15<sup>th</sup> June 2022 the Ombudsman thanked the council for their comprehensive response and readiness to improve the services and stated formally that he was satisfied with the Council's response in accordance with section 31(2) of the Local Government Act 1974. Progress on the completion of the Action Plan was reviewed by Internal Audit and a Substantial Assurance opinion was given. This was reported to the Audit Committee in March 2023.

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

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

- 4.7 In July 2021 Ofsted and the Care Quality Commission conducted a joint inspection of the local area of Rotherham to judge the effectiveness of the area in implementing the SEND reforms as set out in the Children and Families Act 2014. The report summarised strengths and areas for development in the effectiveness of identifying children and young people with SEND, meeting their needs, and improving outcomes for them.
- 4.8 As a result of the findings a Written Statement of Action (WSOA) was required because of significant areas of weakness in the local area's practice, to be submitted jointly by the RMBC and the area's Clinical Commissioning Group (CCG) now known as the Rotherham Integrated Care Board (ICB). The WSOA had to explain how the local area would tackle the areas of weakness and set forward a clear action plan.
- 4.9 The WSOA was submitted to Ofsted in January 2022 and was approved by them. Significant work has been undertaken to deliver improvements required across the Rotherham SEND Partnership. Regular support and challenge

meetings between the Local Area SEND system Leaders, the Department for Education and NHS Improvement are in place to hold accountability to the Rotherham WSOA.

- 4.10 The final Support and Challenge meeting took place with the Department for Education on the 20 June 2023. The aim of the meeting was to judge the rate of progress the local area had made for each area of the WSOA. The DfE noted that the local area had made considerable progress in its focus on impact on the day-to-day lived experiences of children, and young people with SEND and their families, and that SEND Leaders know themselves well.
- 4.11 External monitoring meetings with the DfE will continue to support the tracking of improvements associated with the WSOA. These will be embedded and managed as business-as-usual practice within the SEND Strategic Improvement Plan currently in development. These improvements and impact will be overseen by the SEND Executive Board and SEND Strategic Board.
- 4.12 Partnership governance continues to strengthen in relation to SEND to ensure robust local area response to addressing all aspects of this area, not just the WSOA, with strong visible leadership from senior leaders in the Council and ICB.

### **Homes England Report**

- 4.13 Homes England is an executive non-departmental public body sponsored by the Department for Levelling Up, Housing and Communities. It part-funds housing developments by providing grants to local councils, including RMBC. Councils must comply with Homes England's policies, procedures and funding conditions when receiving the grants.
- 4.14 During 2020-21 the council received a 'red status' audit report from Homes England – serious failure to meet requirements, because certain key requirements had not been met at the point the grant was drawn down for two housing development schemes. Immediate action was taken to prevent recurrence of these issues and further necessary measures have been identified and captured in an action plan. In the last year the action plan was completed, and the service worked with Homes England to deliver learning to other grant recipients. A further audit from Homes England resulted in a 'green status' audit report.

### **Youth Justice Service**

- 4.15 A Youth Justice Board Peer Review of the Youth Justice Service (previously Youth Offending Team) was commissioned by the Rotherham Youth Justice Partnership Board and was completed in March 2022. This followed an inspection by Her Majesty's Inspector of Probation in 2020 which gave a

Required Improvement judgement. Since then, an improvement action plan has been followed and the Youth Justice Service Partnership Board strengthened. The Peer Review found that positive improvements had been made and gave feedback on areas 'for consideration'. The CYPS Evidence Challenge Panel (containing representatives from external agencies) has overseen and scrutinised the completion of all 46 improvement actions. Further assurance against the actions has been monitored through the Improving Lives Select Commission and the safer Rotherham Partnership Board.

### **Health and Safety Executive**

- 4.16 On 29<sup>th</sup> November 2021 the Health and Safety Executive made the Council aware of an investigation it was undertaking into allegations concerning hand arm vibration. On 4<sup>th</sup> April 2023 they confirmed they intended to prosecute the Council. The Council is awaiting full disclosure and associated summons to attend a hearing.

## **5 OTHER SIGNIFICANT ISSUES ARISING DURING 2022/23**

### **Tree Management and Green Spaces**

- 5.1 The service has received three reports during the year: a Health and Safety report following an incident in the summer of 2022; an external review of the Tree Management Protocol and guidance; and an Internal Audit report which gave a 'No Assurance' opinion. An Action Plan has been produced to capture all the recommendations from the reports and ensure the actions are completed. A wider review of Green Spaces will also be completed to ensure that risks are identified and managed.

### **Asset Management**

- 5.2 An Improvement Plan has been commissioned for the Asset Management Service. This has arisen from recent challenges around building safety and especially evacuation at a number of Council properties. The Improvement Plan will include a specific strand on building safety and will also consider the pressures and high profile workstreams in the service, including budget pressures, fire safety, building compliance and major projects.

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

### **Corporate Peer Challenge**

- 6.1 On 4<sup>th</sup> September 2023, the Council published the outcome of a Corporate Peer Challenge conducted by the Local Governance Association (LGA) in June 2023. In summary the report stated that the Council "...serves the town

*well and is today an impressive organisation. Being named the 'Most Improved Council' in the country at the Local Government Chronicle (LGC) Award in 2022 provides ample evidence that it is now in a very good place. It is ambitious and has well-established and robust foundations, along with several notable and commendable practices that other councils can learn from."*

- 6.2 The Council has produced an Action Plan to respond to the seven recommendations in the report and both the Action Plan and the report itself can be found on the Council's website.

## **7 LEADER AND CHIEF EXECUTIVE STATEMENT 2022-23**

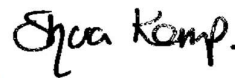
- 7.1 This Annual Governance Statement fairly reflects the position at Rotherham Metropolitan Borough Council during the year and up to the date of signing.
- 7.2 As Leader and Chief Executive, we have been advised on the results of the review of the effectiveness of the Council's governance framework. We have also specifically considered the new significant issues noted in section five and their potential impact on our overall governance. Our final overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment, and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.
- 7.3 We are also satisfied that, over the remainder of this financial year, the Council will take appropriate steps to address the significant governance issues and we will monitor their implementation and operation as part of our next annual review.

Signed



**Councillor Chris Read,  
Leader, Rotherham MBC  
Date: 28.11.23**

Signed



**Sharon Kemp,  
Chief Executive, Rotherham MBC  
Date: 28.11.23**