



Redcar and Cleveland Borough Council

Annual Governance Statement

1 April 2020 – 31 March 2021

Introduction

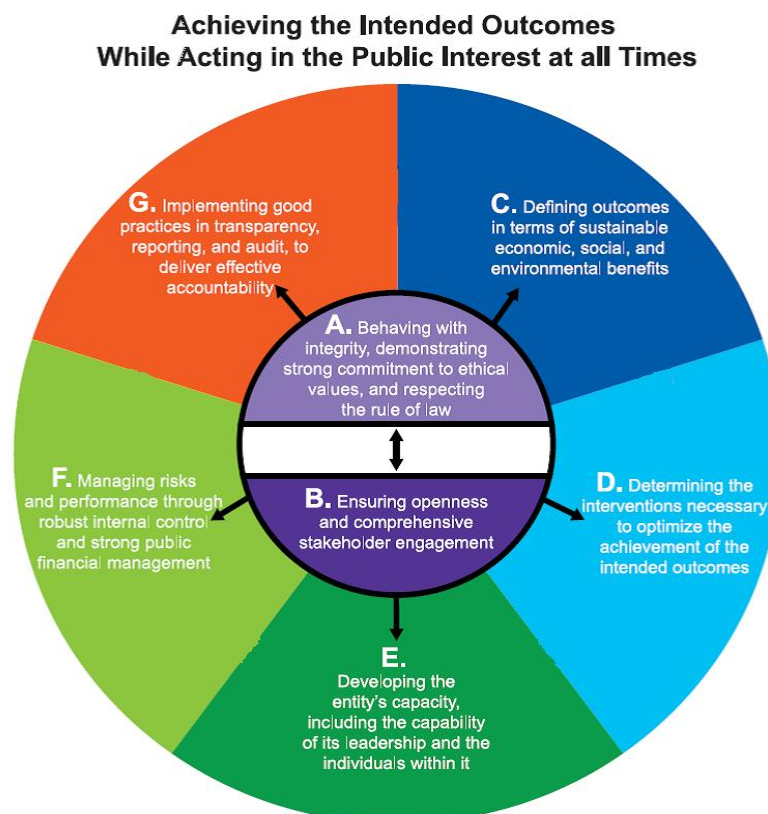
1. Governance is the general description given to the systems, processes, culture and values by which the Council is directed and controlled. CIPFA¹ has developed an International Framework: Good Governance in the Public Sector and defines Governance as follows:

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”

2. In relation to public services, it further states:

“To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for services users and other stakeholders.”

3. The diagram from the International Framework, below, illustrates how the various principles for good governance in the public sector relate to each other. Principles A and B influence the implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.



¹ CIPFA – The Chartered Institute of Public Finance and Accountancy

4. The Accounts & Audit Regulations 2015 require the Council to prepare and publish a governance statement on an annual basis. This statement sets out:
 - the Council's commitment to delivering robust governance arrangements;
 - how the effectiveness of the governance arrangements is reviewed;
 - how the significant risks and issues faced by the Council and identified within last year's statement have been mitigated; and
 - key issues to be addressed in the coming year.
5. The Council has developed a Code of Governance, which is consistent with the principles of the International Framework and supports the Annual Governance Statement.

Scope of Responsibility

6. Redcar & Cleveland Borough Council's purpose is to serve its citizens primarily through the provision of statutory services supported by an ambitious programme of work designed to improve the economic, social and environmental well-being of our communities. It is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty to constantly seek to secure value for money and continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In these challenging economic times, good governance is critical to enable the Council to deliver on its priorities.
7. In discharging its responsibilities, the Council must have in place a sound system of internal control and have proper arrangements for the governance of its affairs. These proper arrangements help the Council to effectively exercise its functions, including the management of its assessed risks.

The Governance Framework

8. The requirement to have a robust governance framework and sound system of internal control covers all Council activities. The internal control environment within the Council operates consists of a number of different key elements which, when taken together, contribute to the overall corporate governance framework enabling the Council to monitor the achievement of its strategic objectives, its key priorities and deliver value for money for the citizens of Redcar & Cleveland.
9. The system of internal control is a significant part of the governance arrangements of the Council and is designed to manage risk to a reasonable and acceptable level. It cannot eliminate all risk and can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise the risks of the Council, to evaluate the likelihood of those risks occurring and the impact they would have, should they occur, and to manage them efficiently, effectively and economically.

10. The overall Governance Framework described in this Statement has been in place within the Council for the year ended 31 March 2021 and up to the date of approval of the Statement of Accounts for 2020/21.

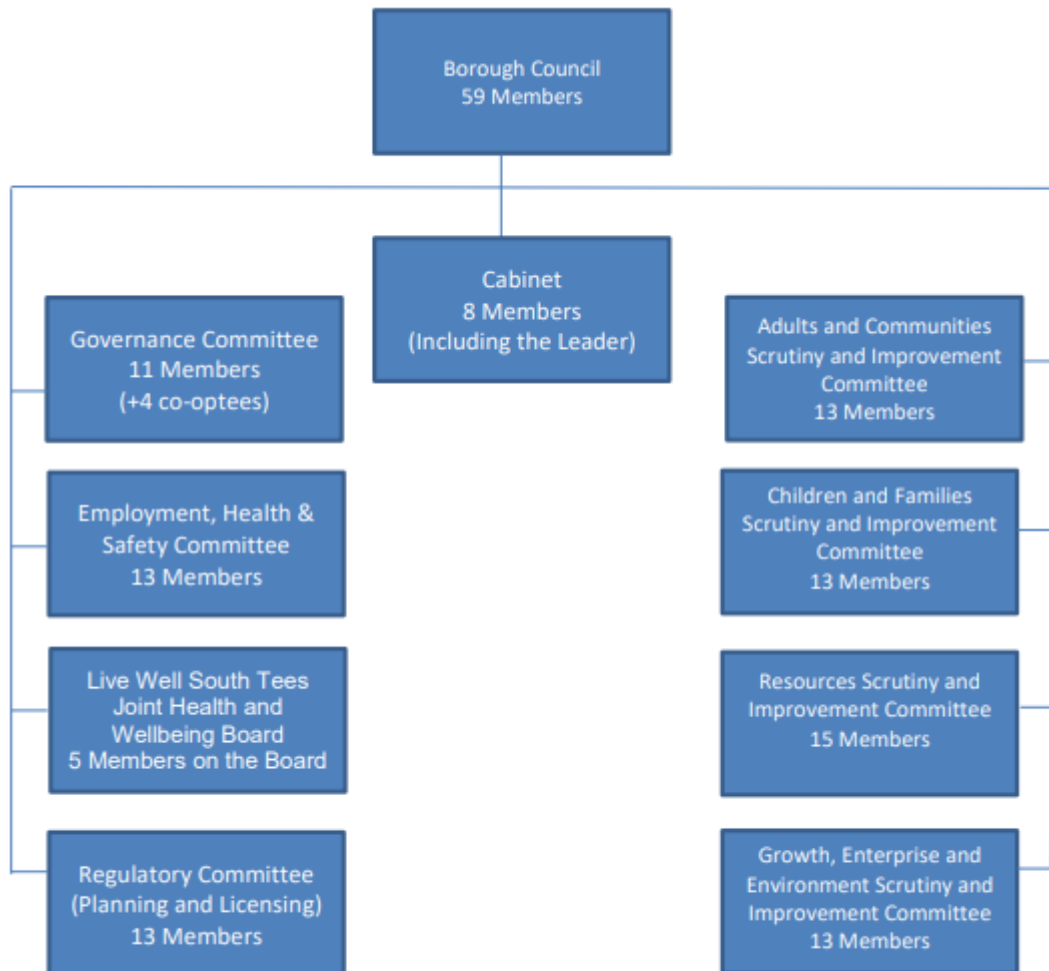
Political Management Arrangements

11. The Council comprises 59 elected members representing the 24 Wards that make up the Borough of Redcar & Cleveland. Elected members are democratically accountable to the residents, and are elected every four years. They have a responsibility to ensure the Council is properly managed, and to maintain proper standards of behaviour.
12. Borough Council is responsible for agreeing the overall policy framework and setting the budget. The Council operates a system of Executive Arrangements with a strong leader and Cabinet model. The current Cabinet comprises nine Members, including the Leader.
 - Leader of the Council – Councillor Mary Lanigan
 - Deputy Leader of the Council and Cabinet Member for Health, Housing and Welfare – Councillor Steve Kay
 - Cabinet Member for Children – Councillor Alison Barnes
 - Cabinet Member for Resources – Councillor Glyn Nightingale
 - Cabinet Member for Climate Change, Environment and Culture – Councillor Louise Westbury
 - Cabinet Member for Adult Social Care – Councillor Mary Ovens
 - Cabinet Member for Economic Growth – Councillor Chris Gallacher
 - Cabinet Member for Highways and Transport – Councillor Julie Craig
 - Cabinet Member for Neighbourhoods – Councillor Barry Hunt
13. The constitution describes the various functions of the Council's decision-making structures, including the scheme of delegation, with Cabinet being the key decision making body.
14. Scrutiny holds the Executive to account through its power of 'call in'. Through Scrutiny & Improvement Committees, elected members review progress against objectives through discussion with Cabinet Members and through quarterly monitoring of financial and performance information. This improves decisions and outcomes. These Committees manage their work to enable them to look in more detail at individual topics, often through cross party task and finish groups, making recommendations to Cabinet or Council as appropriate. Three scrutiny task and finish groups have been progressed during the last year:
 - **Climate Change** – the work of this group supported the development of the Council's approach to tackling Climate Change, in particular, the development and adoption of a Climate Strategy and Action plan
 - **Cyber Attack** – the report findings and recommendations from this group are progressing to Cabinet for consideration and response.
 - **Adverse Weather** – this group is at a very initial stage and has been established to consider the longer-term issues in relation to planning for and responding to adverse weather events.

15. Joint Scrutiny Committee arrangements are also in place with neighbouring authorities to provide oversight and accountability reflecting more collaborative approaches to service design and delivery, particularly in relation to health matters, and the key functions of the Tees Valley Combined Authority.
16. The Governance Committee is tasked with ensuring, amongst other things, good stewardship of the Council's resources and promoting proper internal control by reviewing the Council's control systems and monitoring its compliance with legislation, relevant standards, codes of practice and policies. Best practice recommendations arising out of the Committee on Standards in Public Life with respect Members' conduct have been adopted during the year pending the adoption of revised Code of Conduct based on the new Model Code produced by the Local Government Association.
17. In addition to Elected Members, the Governance Committee includes two co-opted Independent Members who are not Councillors or Officers of the Council or any other body having a committee undertaking a standards function and two co-opted members of the parish Councils in the Council's area.
18. Independent Members work alongside the other members of the Governance Committee and provide a non-political perspective on governance and audit matters. Independent Members also provide an objective and impartial view on issues relating to Councillor behaviour and corporate complaints. The Council also has an Independent Person who is not an Elected Member, co-opted Member or Officer of the Council, who may be consulted on conduct matters.
19. The Regulatory Committee has delegated powers to discharge some of the statutory functions of the Council, including planning and licensing.
20. The Employment Health and Safety Committee deals with employment and human resources matters and all functions relating to health and safety under any statutory provision relevant to the Council as an employer. It also acts as the Committee to deal with any matters reserved for full Council in the Constitution, but for which by reason of urgency, commercial sensitivity or other relevant reason it is not desirable to call a meeting of the full Council.
21. This provision was used in August 2020 following the resignation of a number of Councillors from Lockwood Parish Council rendering it inquorate and unable to conduct business. Sitting in its capacity as General Purposes Committee, it authorised the temporary appointment of four Borough Councillors to Lockwood Parish Council, to make it quorate and enable it to act lawfully, until sufficient vacancies were filled by the way of co-option.
22. Live Well South Tees is the Health and Wellbeing Board which operates across both Redcar and Cleveland and Middlesbrough to discharge the functions required by the Health and Social Care Act 2012 and promote the health and wellbeing of local communities.

23. There is a range of outside bodies on which one or more Councillors sit to represent the Borough's interests, seeking to exert influence to implement local priorities.

Political Management Arrangements



Management and Decision-Making Processes

24. The Managing Director is the Head of Paid Service. He is assisted by chief officers (Corporate Directors) who lead the Council's Directorates. Collectively, they form an Executive Management Team (EMT). Each Directorate has a number of teams within it with the heads of those teams (Assistant Directors) reporting directly to the Corporate Director. Officers provide help and advice to elected Members and residents, and they implement decisions of the Council, managing the day to day delivery of its services.
25. Following adoption of a new corporate plan in November 2020, the senior management team has been reorganised to support the implementation of the new plan with strong leadership as the Council emerges from the pandemic and moves forward into a brighter and vibrant future.



26. The Council currently operates within three directorates: Adult and Communities, led by the Corporate Director for Adult and Communities; Children and Families, led by the Corporate Director for Children and Families; and a newly combined directorate of Resources and Growth, led by the Managing Director.
27. The previous position of Corporate Director for Growth, Enterprise and environment remains vacant. This will be reviewed towards the end of the current corporate plan implementation plan in 2024.
28. The Council's constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that governance arrangements are efficient, transparent and accountable to local people.
29. The Council publishes two Forward Plans on its website giving notice of key decisions to be taken by Cabinet and Council and key decisions to be taken using delegated powers. All decision-making reports consider legal, financial, equality, environmental, health & safety and social value implications and a comprehensive corporate clearance process is in place to manage the quality of decision-making documentation.
30. Records of all decisions taken under delegated powers are published on the website and included in regular updates to all Members. Records of significant decisions taken through this process are also included in the Cabinet papers for information and transparency. Agendas, reports and minutes of all key Council meetings are published on the Council website and meetings are open to the public except when personal and/or confidential matters are being discussed. Any use of special urgency provisions and disapplication of the call-in procedures where the usual Forward Plan notice requirements cannot be met are reported to Full Council.

Strategic Planning

31. The Council refreshed its Corporate Plan in November 2020 making clear the top priorities of the current administration supporting its vision for the Borough:

'Redcar & Cleveland Borough will be zero carbon, safer and more prosperous and attractive. People will live longer, more fulfilling and independent lives and will have access to the means of support when they need it.'

32. Building on the previous plan which was established from contributions from Members, Officers, partners and local people, the refreshed plan defines the outcomes which the Council considers to be the most important for delivering sustainable improvement in the Borough.

- Priority 1: Tackling Climate Change and Enhancing the Natural Environment
- Priority 2: Meeting Residents' Needs
- Priority 3: Improving the Physical Appearance of the Borough and Enhancing Prosperity
- Priority 4: Investing for the long-term

33. Developed against a backdrop of an exceptionally challenging year which has seen the Council respond to two major crises – the cyber attack and Covid pandemic – the Council has an agreed delivery plan setting out the actions required to deliver these four priorities up to 2024. The ambitious plan includes specific actions, with milestones and dates, intended to improve quality of life and help support the Borough through and beyond the most difficult year in modern times.

34. Aligned to the Corporate Plan, key strategies have been developed or refreshed during the last year.

- **Asset Strategy** (June 2020) – adoption of high-level principles to guide the approach to manage the Council's asset portfolio in a structured way, to achieve maximum value.
- **Digital Strategy** (November 2020) – the use of digital technology in an intelligent way tailored to the needs of specific services and improving the service provided to residents.
- **Climate Change Strategy** (March 2021) – a vision and action plan for achieving a carbon neutral borough by 2030.
- **Workforce Development Strategy** (June 2021) – how the Council will ensure its workforce is fully equipped to deliver its corporate commitments and be an employer of choice where staff feel supported and challenged and have a place to build a career.

35. The Council fosters a culture of behaviour based on shared values, ethical behaviour and good conduct as defined through its values and reflecting the way we work to serve our communities.

- *To keep communities central to what we do*
- *To be caring and respectful*
- *To be bold, ambitious and aspirational*
- *To promote equality of opportunity*
- *To always aim to get the job done, to the best of our ability within available resources*

Financial Management

36. The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2014), and the Accounts & Audit Regulations 2015.
37. The Chief Finance Officer (Section 151 Officer) leads the annual development of the Council's Medium Term Financial Strategy. The Chief Finance Officer takes responsibility for co-ordinating annual budgets with all Directors of the Council before their formal agreement and adoption by Cabinet and Council. This ensures resources are appropriately allocated through a balanced and fully-funded budget.
38. There are clearly established capital expenditure guidelines and formal project management disciplines in place for investment projects. The capital programme is a major source of investment in the Council's services. The programme is clustered into individual spending themes which support the Council's priorities. The Capital Programme is managed by the Council's Programme Management Group, who ensure that projects are commissioned and resourced where the expected outcomes link clearly to the Council's priorities and to the service planning process. All capital projects need to have a robust business case in place which can be scrutinised to ensure the project represents value for money and delivers key project outcomes. The Programme Management Group also seeks to ensure that the revenue costs of any additional borrowing are factored into the medium-term financial planning process, and where possible, additional costs of borrowing are offset by revenue budget savings or efficiencies.
39. Comprehensive and robust budgeting and reporting systems are in operation. The Executive Management Team and Elected Members are regularly updated with forecasts of expected financial outturn against the budget. This information is provided alongside relevant performance information, including action plans to Cabinet, Scrutiny and Governance Committees. All budgets are risk-assessed, with additional support provided in areas of high financial risk such as children's social care, adult social care, waste management and neighbourhoods.
40. The Council has undertaken an exercise assessing, in detail, the financial impact of the cyber attack suffered in February 2020 to provide Government with the information required to determine the quantum of support eventually agreed. A sum of £3.68m was awarded through an exceptional financial support process, with the funding being subject to certain conditions including an external assurance review to be commissioned by the Ministry of Housing, Communities and Local Government.
41. The Council has also responded to additional emerging financial risks arising from the sudden onset of the Covid-19 global pandemic, including providing financial support to

key suppliers, residents and businesses, irrespective of some direct financial support from Government.

42. Contract Procedure Rules are an integral part of the Council's constitution and relate to the buying of goods, services and works on behalf of the Council. Procuring officers are required to demonstrate value for money and consistency with corporate priorities and ensure that robust monitoring arrangements are in place. The rules are reviewed and approved on an annual basis.

Policies and Guidance

43. A variety of policy and guidance documents exist to support the corporate governance arrangements. The Local Code of Governance aims to bring all these together in a single reference document, published on the website, with readily accessible links to the relevant documentation.

Ensuring Compliance

44. Ongoing monitoring and review of the Council's activities and adherence to the various policies and guidance is undertaken by the following statutory officers to ensure compliance with the relevant policies, procedures, laws and regulations:
 - The Monitoring Officer - who is also a member of the Executive Management team. The Monitoring Officer ensures that decisions are taken in a lawful and fair way, agreed procedures are followed and all applicable statutes, regulations and procedure rules are complied with. Measures are in place for dealing with breaches of legal and regulatory powers.
 - The Section 151 Officer - who is also a member of the Executive Management Team. The Chief Finance Officer ensures that decision making in respect of financial matters is lawful and financially prudent and that all statutory financial reporting duties are complied with.

Risk Management

45. Risk exists in all forms of public life, especially when trying new things to improve quality of life or managing unforeseen circumstances, such as the Covid pandemic. Managing those risks is a key element of effective corporate governance and supports the maintenance of a robust internal control environment. The Council has in place a Risk Management Framework supported and monitored by a Risk Management Group, chaired by the Governance Director. The Group considers various items of risk with the intention of identifying and seeking proactive remedial action for areas of concern. Risk management is used not only to avoid, or mitigate against risks but to understand risk to enable appropriate opportunities to be taken.
46. The Corporate Risk Register is reviewed, updated and challenged regularly and presented to the Executive Management Team for their consideration and reported to Governance Committee. Directorate and corporate risk registers are reviewed at Directorate and Executive Management Team level and capture the potential risks facing the Council and the Directorates.

47. Formal arrangements are in place for Business Continuity Management to enable critical services to be maintained to citizens in the event of a major incident. These have been reviewed and strengthened further to deal with service disruption due to either a physical or cyber event.

Audit and Counter Fraud Arrangements

48. The Council commissions Internal Audit and Fraud Investigation work from Veritau – Tees Valley, which is a jointly owned company between the Council, Middlesbrough Council and the parent Veritau Group, which provides internal audit and assurance services across a wider geographic area.
49. Veritau provide an independent and impartial audit assurance service which is designed to help clients manage their business and address the public service delivery challenges which have become more onerous with the combination of increasing demand, reduced resources, technological change and an ongoing redesign of services.
50. Since the inception of Veritau – Tees Valley in January 2020, the Council has benefited from increased resilience within the internal audit function and an enhancement of the counter-fraud and investigatory services.
51. Veritau – Tees Valley operates and delivers internal audit and fraud investigatory services which comply with the Accounts and Audit Regulations, the Public Sector Internal Audit Standards and the CIPFA Statement on the Role of the Head of Internal Audit.
52. The Council has adopted an Audit Charter which defines the role and scope of internal audit work delivered by Veritau, setting out the right of access and independence, reporting arrangements and the respective responsibilities of internal audit and management.
53. Veritau's internal audit and counter fraud teams deliver an annual programme of review covering financial and operational systems. These audits include systems, regularity and probity audits designed to give assurance to members and managers on the effectiveness of the governance, risk management and control environment operating within the Council.
54. Through its work, Veritau provides assurance to the Council's Section 151 Officer and the Monitoring Officer in discharging their statutory review and reporting responsibilities. In addition, Veritau – Tees Valley:
 - Provides advice and assistance to managers in the design, implementation and operation of controls;
 - Supports the maintenance of the Council's counter-fraud arrangements; and
 - Supports managers in the prevention and detection of fraud, corruption and other irregularities.

55. Veritau – Tees Valley maintains quality assurance processes to ensure internal audit work is undertaken to appropriate professional standards. Periodic external assessments of audit working practices are undertaken to peer-review these standards.
56. During 2020/21 Veritau – Tees Valley updated the Council’s Counter-fraud, whistle-blowing, anti-fraud & corruption and money-laundering policies, and these were approved by the Governance Committee in November 2020.
57. The Chief Accountant meets with the Veritau – Tees Valley Audit Manager on a regular basis. Throughout the year progress reports are presented to the Council’s Governance Committee. The Audit Manager also provides an annual opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control. Any significant weaknesses in control identified through the internal audit work will also be identified as part of this review.
58. The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating at the Council for 2020/21 was that it provides ‘reasonable assurance’. In reaching that opinion, attention was drawn to a control weakness identified through an audit of staff declarations of interests, gifts and hospitality. The audit found that there had been very few staff declarations of interest in recent years (separate to those matters recorded through the annual related party transaction forms completed by senior officers) and there were some instances where gifts and hospitality forms were not fully completed including an approximate value of donation or justification for the decision to accept or reject. Actions are being taken to address issues identified which are expected to be completed by January 2022 and will be supported through a programme of awareness raising.
59. Governance Committee can request copies of reports by Veritau – Tees Valley as it considers necessary.

Consultation and Communication

60. The Council’s vision, priorities and outcomes are communicated through a variety of media to different audiences to encourage consultation and demonstrate accountability. Examples include:
 - Delivering ‘This is Redcar & Cleveland’ residents’ magazine periodically to all households in the Borough
 - Publishing key documents and strategies on the website, including the Annual Statement of Accounts and financial and performance out-turns
 - Undertaking statutory consultations on issues such as the budget
 - Facilitating attendance at council and committee meetings, including through remote technology where Council meetings took place virtually.
 - Promoting Council services and activities through social media
 - Conducting formal periodic residents’ surveys, the most recent being during the summer and the results of which have been shared with Members.
61. The Council has an agreed communication strategy. It continues to develop its online presence and increase its engagement on social media sites. This improves people’s

ability to interact with the Council online and identify new ways of working with the community through digital communications. Printed communications continue to be reviewed to give residents the information they want in the format they prefer.

62. A new corporate web-site has been commissioned which will be easier to use for local people and businesses and enable more services to be delivered on line, at times that are more convenient to residents, although still allowing contact by phone where needed.
63. The Council has focused a great deal on social media to communicate effectively with large numbers of local people during the pandemic. This has been particularly useful in helping vulnerable people to know about the risks they face and the support that is available to them (e.g. food deliveries during the first lockdown and access to services in new ways such as digital books whilst libraries were closed).

Partnership Working Arrangements

64. Working in partnership to deliver the Council's priorities has been the norm for many years. The Council is proud to work with local communities, volunteers, voluntary and community organisations, the NHS, care providers, police, probation, schools, colleges and universities, businesses and many more.
65. The response to the Covid-19 pandemic reinforced the importance, and the strength of partnership working arrangements locally and regionally to mitigate the impact of the virus on health and the economy. The Council maintained oversight of the strategy through regular meeting of the Local Outbreak Control Group and the Strategic Command Group, and was also a key member of the Tees response through Cleveland Local Resilience Forum. Examples of the Council exercising its community leadership responsibilities are set out in the Covid Strategy agreed by Cabinet in June 2020.
66. The overall governance framework contributes to effective partnership and joint working arrangements. Live Well South Tees, the joint Health and Wellbeing Board, sits at the heart of collaborative working with partners to improve health and wellbeing outcomes for citizens across South Tees.
67. Tees Valley Combined Authority is a partnership between five local authorities whose purpose is to drive economic growth and job creation in the area and maximise opportunities available to the Tees Valley through the devolution of significant powers and funding from Government.
68. The corporate planning framework connects the Council's priorities with these partnership priorities to derive maximum benefit for residents from the combined activity of all parties.

Review of Effectiveness

69. The Council has responsibility for reviewing annually the effectiveness of its governance framework including the system of internal control. The review is informed by the work of Scrutiny & Improvement Committees, the Managing Director, Corporate Directors and Assistant Directors within the Council who have responsibility for the development and maintenance of the governance arrangements, the Audit & Assurance Manager's annual report, and also by outcomes from external audit reports and other review agencies and inspectorates.
70. The means by which assurance is sought with respect to the governance framework include:
- The Scrutiny & Improvement Committees recommend updates and changes to the Constitution, and these will be overseen by the Governance committee. The Monitoring Officer reports to the Governance Committee any changes to the Constitution which they have found necessary to make;
 - Scrutiny, through its Resources Scrutiny & Improvement Committee, can "call in" decisions which have been made but not yet implemented, to enable them to consider whether the decision is appropriate and properly made;
 - Through its Governance Committee, and the Cabinet, the Council is able to review the organisation of the Council and its internal structures, and is able to monitor any actions which are identified as being necessary to address any issues;
 - The Council's Governance Committee has delegated responsibility for reviewing the adequacy of internal controls, validating the Internal Audit Annual Plan, monitoring the performance of internal audit, accepting the external audit plan, agreeing the Annual Governance Statement and approving the annual Statement of Accounts;
 - Veritau - Tees Valley is responsible for monitoring and reporting on the quality and effectiveness of internal control. The content of the Annual Audit & Assurance Plan is based on the Council's corporate risk register, consultation with Directorate Management Teams, national and local risks and areas where issues have previously been identified. The Audit & Assurance Plan is subject to consultation with EMT and the Governance Committee.
 - An internal assessment of Veritau – Tees Valley, based on a self-assessment against the Public Service Internal Audit Standards, is conducted each year and an external review of that assessment is carried out every five years;
 - Veritau – Tees Valley prepares an annual report each year which sets out the overall opinion of the Audit and Assurance Manager on the controls operating in the Council. The opinion of the Head of Internal Audit on the framework of

governance, risk management and control operating within the Council for 2020/21 is that it provides 'Reasonable Assurance'.

- Each directorate regularly reviews its own risk registers at team and directorate level. Risks with a high residual value are included within the Corporate Risk Register which is reviewed quarterly by EMT, and monitored by the Risk Management Group;
- Progress and issues arising in relation to all aspects of corporate governance are routinely reported to EMT through performance meetings at directorate and corporate level. These reports are presented quarterly and at other times outside this cycle as necessary. Performance reports for each directorate are also reviewed by Cabinet and Scrutiny & Improvement committees;
- The annual budget is monitored through a quarterly cycle of financial monitoring and reporting, initially to DMTs and then subsequently to EMT before onward transmission to Scrutiny and Cabinet;
- The Chief Finance Officer keeps the financial performance of the Council and each directorate under constant review and if necessary, is able to intervene in the financial affairs of any given directorate, including the placing of temporary finance representatives within a directorate to instil financial probity and address emerging issues.
- Across the Council, capacity building, financial management training and a disciplined approach to budget management have delivered efficiencies. There is rigorous financial management with support from financial services. Budgets are managed more accurately, with frontline managers taking responsibility for service quality and financial delivery;
- The Council strives to manage its business in a legally sound way, this is reflected in the fact there have not been any adverse judicial judgments against the Council in the last year.

Risks identified for 2020/21 and progress

71. The significant risks to the Council, which were identified in last year's Annual Governance Statement, are set out below along with a summary of the actions that have been taken to address those risks.

Progress against risks identified for 2020/21
<p>Risk 1: Impact and response to Covid-19</p> <p>Covid has presented the biggest risk to public health and the economy of Redcar & Cleveland in modern times. As community leaders, the Council has a critical role in protecting life in our communities, including in our workforce. As place leaders, we</p>

have a critical role to support business and the local economy. Without an appropriate response to Covid, there would be a significant risk to:

- Life
- People's physical and mental health and wellbeing
- The economy and future job prospects
- The provision of public services to support the most vulnerable in the community, as well as generic services on which every resident depends, and
- The sustainability of the Council, given Covid's huge impact on finances

Progress Update:

The risk is likely to be with us for several more years, despite the roll out of the vaccination programme and community testing, both symptomatic and asymptomatic.

The "Covid 19 Strategy" was agreed in June 2020 that set out the challenges we face, and the measures we are taking to respond. Cabinet agreed a strategic approach to recovery and the resetting of our service offer at its meeting on 4th August 2020. These priorities and principles have been used in Directorates to steer Directorate Recovery or Resetting Plans over recent months.

Control measures have focused on:

- Implementing Community Asymptomatic Covid Testing, in Redcar, East Cleveland (Loftus) and Greater Eston (South Bank).
- Implementing the Government's plans for home testing kits to be made available to school pupils and their families.
- Supporting the implementation of the Vaccination Programme
- Continuing to monitor all aspects of Covid and respond accordingly.
- The examination with care of guidance in relation to all aspects of the Government's Roadmap which was announced on 22nd February 2021, and subsequent guidance and updates.

The Council maintained oversight of the strategy through regular meeting of the Local Outbreak Control Group and the Strategic Command Group, the Council was also a key member of the Tees response through Cleveland Local Resilience Forum.

Despite the terrible impact that the pandemic has had on the Council and its communities, we have worked in partnership to ensure that we mitigated the impact of the virus the best we could.

We have taken the lead on the recovery and resetting phase across the borough demonstrating system leadership. Activities have included:

- Running a campaign during Mental Health Week (10 – 16 May), to support our residents with mental wellbeing needs
- Reopened services in line with government guidelines
- Providing ongoing information and advice to residents, business and visitors on how to reduce the risk of infection

The Covid Strategy has continued to be implemented as agreed, at a corporate and service level, following Government advice and guidance. Redcar & Cleveland Council has placed significant effort into supporting the vaccination programme and currently has rates of vaccinations higher than the regional and national averages, for first and both vaccinations. Work has been done to roll out vaccines in our communities in innovative ways, including the use of the Boro Bus which has ensured many young people have received at least one dose of a vaccine by taking the jab to them.

Risk 2: Balancing the Medium-Term Financial Plan

The financial position of the Council is not sustainable without a fundamental reduction in spend as income resources plateau. A significant aspect of this will continue to be addressing the financial pressures associated with increasing demand in children's social care.

Progress Update:

Regular budget monitoring continues to be undertaken to measure performance against budget assumptions, and to help inform decision making where necessary to take corrective action to mitigate forecast overspends. The latest reported council position for Quarter 1 of the 2021-22 year is forecasting an underspend of £0.256 million.

The Government launched their 2021 Comprehensive Spending Review (CSR) on 07 September 2021, inviting submissions from stakeholders by 30 September 2021. We have fully engaged with the CSR submitting a response highlighting the key issues needing to be addressed to ensure a fair share of resources for Redcar and Cleveland. The outcome of the CSR was announced on 27 October 2021 alongside the Autumn Budget, setting the financial envelope for Government spending for the three year period 2022-23 to 2024-25.

The provisional Local Government Finance Settlement (LGFS) is due to be announced some time in December 2021. It is unclear at this point if this will be a three year settlement or if there will be a series of one-year settlements across the CSR period. The LGFS will form a key aspect of our financial planning, with the Department for Levelling Up, Housing and Communities (DLUHC) setting out full details of the council tax referendum principles and proposed approach to allocating grant funding. The various elements of the settlement will be incorporated into the development of our new 5-year MTFs due to be approved by Full Council on 24 February 2022.

Risk 3: Children's Social Care Service Pressures

The requirement to effectively safeguard children and young people must take precedence. The available service budget is under pressure due to the demand for

social care resulting in a possible risk of being unable to deliver statutory functions and deliver a balanced budget.

Progress Update:

This risk was initially identified in 2017 at the point of significant financial pressure within the directorate due to an unprecedented rise in demand, specifically around placement costs for children in our care. A council-wide response was initiated, supported by the development of the risk profile to identify mitigating actions to manage the risk at that point.

Evidence was provided to show satisfactory progress in line with the action plan, around the recruitment of additional in-house carers and more robust decision-making mechanisms to scrutinise spend against outcomes for children. Whilst high-cost demands remain within the directorate, it is confident that these are well managed, with strong oversight from Directorate Management Team and finance colleagues.

At its meeting on 26 April, the Governance Committee agreed that this risk should now be merged with the risk on the Medium-Term Financial Plan.

Risk 4: Secondary School Attainment and Performance

Access to good education is critical to young people being able to develop the broad range of skills for adulthood. It underpins our aspirations for growing our local economy and increasing financial sustainability. Lower standards of education could affect the future welfare and prosperity of children in Redcar and Cleveland. High numbers of young people being excluded, for short periods and permanently, risks young people becoming isolated from society and possibly not remaining in education or employment beyond 16.

Progress Update:

Classroom practice across the borough continues to improve. The council has formed a positive relationship with the Educational Endowment Fund (EFF). This organisation provides detailed current research on improving outcomes in education. This has led to large numbers of educators across the borough accessing professional development in key areas of weakness. Beyond this, the achievement team now holds responsibility for the EFF library (currently virtually) from Inspire to Learn. This collection of educational literature will be used in school to inform practice and raise standards. We have regular Education Improvement Partnership meetings with the secondary schools to address the development needs within the schools. Secondary schools have participated in training from National Association Special Educational Needs (NASEN) to help to identify and support these students. More sessions are planned for schools to support each other with SEND audits. Schools have participated in training from Tom Bennett around behaviour support and more intensive work will take place with some of the secondary schools to look at policies, procedures and individual behaviour support plans. Other schools have individual projects on how to make the best use of Teaching Assistants and specific work

around improving departmental practice to secure better outcomes. However, without quantifiable exam data from 2020 and again this year in 2021 the risk must remain as red until we are able to collect validated data on the schools.

Permanent exclusions (PEX) have decreased by 10%. Suspensions (Fixed Term Exclusions) have also decreased but both remain a concern as we return to a more normal school year. Exclusions is a standing agenda item at the Education Improvement Partnership meetings. Schools discuss what is working well for them and what difficulties they have around behaviour and having to issue exclusions. The Inclusion team are available to support any school, pupil, or parent/carer. We are working jointly in Education with Early Help colleagues to obtain the right support at the right time for those that need it.

We have continued to look at the different types of alternative provision that exist across the borough and will discuss with schools other options to an exclusion.

We are focusing on the rate of exclusion in each school moving forward as well and the numbers so that we are actively aiming to be at least in line with National averages and our statistical neighbours.

We also have a very proactive Educational Psychologist who works with families and schools to unpick what the behaviours are showing.

Moving forward we hope to have a Thrive Practitioner in every school and training for all secondary schools on de-escalation techniques and restorative practice.

We are confident that the rates and number will continue to decrease in the new academic year.

Risks and Governance issues identified for 2021/22

72. We continue to monitor risks, which involves careful scrutiny of information provided by each of the Council's Directorates and information provided by the Council's partners. The Council's Corporate Risk Register was inspected and reviewed, and the views of Members, the Managing Director, Corporate Directors, Officers, and Internal Audit were sought.
73. Through careful analysis of our current risk register and consideration of the available intelligence sources, the following risks can be identified as having the broadest and largest impacts across the organisation and our ability to deliver our key priorities. Consequently, we consider the following to be our key risks to address in the coming year:
 - **Risk 1: Balancing the Medium Term Financial Plan**
The Council continue to face a number of financial challenges relating to rising demand and cost pressures in various service areas which will need to be addressed over a five-year timeframe. The Council will seek to focus on

ensuring its financial position remains sustainable, with long term expenditure requirements matched by long-term funding arrangements.

- **Risk 2: IT Disruption due to Attack**

Failure to protect the Council network from external and internal attacks could lead to a loss of service for a period of time to the borough's citizens, potentially resulting in harm to individuals, damage to reputation and financial consequences.

- **Risk 3: Secondary School Attainment and Performance**

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- **Risk 4: Impact and response to Covid-19**

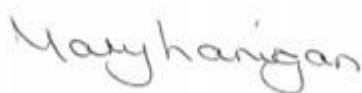
Covid has presented the biggest risk to public health and the economy of Redcar & Cleveland in modern times. As community leaders, the Council has a critical role in protecting life in our communities, including in our workforce. As place leaders, we have a critical role to support business and the local economy. Without an appropriate response to Covid, there would be a significant risk to:

- Life
- People's physical and mental health and wellbeing
- The economy and future job prospects
- The provision of public services to support the most vulnerable in the community, as well as generic services on which every resident depends, and
- The sustainability of the Council, given Covid's huge impact on finances

Statement of assurance

74. We are satisfied that this statement accurately reflects our review of effectiveness and identifies the major issues facing the authority in the coming year. Our effectiveness in addressing these issues will be monitored as part of our next annual review.

Signatures



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Leader of the Council



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Managing Director (Head of Paid Service)