

Annual Governance Statement 2018/19

1. ANNUAL GOVERNANCE STATEMENT

1. SCOPE AND PURPOSE

1.1 Scope of responsibility

Rushcliffe Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Rushcliffe Borough 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.

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

Rushcliffe Borough Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2016)*. The seven principles (A-G) are highlighted at various points within the statement. This statement explains how Rushcliffe Borough Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, 2011 and 2015, in relation to the publication of a statement on internal control.

1.2 The purpose of the governance framework

The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Rushcliffe Borough Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Rushcliffe Borough Council for the year ended 31 March 2019 and up to the date of approval of the statement of accounts.

2 THE GOVERNANCE FRAMEWORK

<p>Principles C & D – <i>Defining outcomes in terms of sustainable benefits (economic, social and environmental) and determining interventions to achieve them</i></p>

2.1 Vision and priorities

Long term strategic planning has enabled Rushcliffe to address its immediate financial pressures, develop a medium term financial strategy to 2023/24 and introduce its sixth Corporate Strategy covering the period 2016 to 2020. The three key themes for this strategy are:

- Delivering economic growth to ensure a sustainable, prosperous and thriving local economy;
- Maintaining and enhancing our residents' quality of life; and
- Transforming the Council to enable the delivery of efficient high quality services.

The integration of service and financial planning has continued through the budgets for both 2018/19 and 2019/20, and the financial strategy to 2023/24.

During 2018/19, the Council reviewed its approach to the financial pressures facing all public bodies through the continued development of its Transformation Strategy. This outlines how the Council will meet its financial challenges until 2023/24. The Transformation Strategy focuses upon three key elements – income generation, transformation and business cost reduction. As part of the transformation process, the Council is continuously reviewing the services it provides to identify improved or alternative methods of delivery which will enable it to meet its financial targets without eroding the high quality of service for which Rushcliffe is known.

All key tasks within the current service delivery plans have been linked directly to the Council's strategic objectives.

2.2 Improvement and Efficiency

As with other public bodies, the Council faces unprecedented financial pressures. The impact of the reductions in Revenue Support Grant of around £3.25m (from 2013/14 to 2019/20) has meant the Council has to find significant efficiencies, maximise its income streams and be increasingly innovative and commercial. The Transformation Programme plans for the minimum delivery of £4.8m in efficiencies and the Council's commitment to utilising its own resources to fund commercial property investments, along with other cost constraints and income generation, means the Council has a balanced budget for 2019/20 from what was a projected £0.690m deficit last year. The Council is self-sufficient and not reliant upon Revenue Support Grant. This is subject to the Council continuing to deliver both its Asset Investment Strategy commitment and other areas of the Transformation Programme. There are areas of significant uncertainty going forward; for example, the impact of the 2019 Spending Review, and thereafter changes to government funding mechanisms in relation to Fair Funding and Business Rates reviews (with outcomes expected late in the Autumn of 2019), and any impact on New Homes Bonus. There remains the need to continue to identify savings via the Transformation Strategy in order to meet financial pressures in the medium term – the Transformation Strategy fulfilling the role of the Council's Efficiency Statement, a requirement in accepting the four year settlement from the Government. 2019/20 is the last year of this settlement. The following thematic areas summarise how the budget will be balanced in future years:

- (a) Service Efficiencies – focusing on both the customer and streamlining services;
- (b) Management budget control – challenging base budgets each year;
- (c) Transformational Projects – projects such as moving to the Arena, and commercial asset investment activity ; and
- (d) 'Thinking big' reviews – for example the continued activation of the Leisure Strategy, Depot relocation (including the future use of the site) and crematorium projects.

To secure a medium term financial position, the Council will maintain progress and focus on managing budget reductions where appropriate, managing inflationary pressures on its operational costs, whilst increasing income to deliver balanced budgets annually.

Critical to this is the Council's approach to commercialism, covered in the Transformation Strategy. A combination of capital demands and opportunities within the Borough has meant the Council has strategically decided to take the decision to realign its financial commitments resulting in a reduction in its spend on the Asset Investment Strategy as significant resources are required for investment in the Bingham Leisure Hub, a potential crematorium, and housing and employment at Fairham Pastures. The Council's Capital and Investment Strategy incorporates reporting on commercial investments (complying with professional recommended practice), governing the risk of such investments individually; and collectively in relation to the Council's other income streams. Over the term of the MTFs, the income generated from such investments is estimated to rise from £1.2m (2019/20) to £2.2m (2023/24).

2.3 The Constitution

Principle A - *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law*

A comprehensive document detailing the Council's constitution clearly sets out the defined structure for the Council's organisational arrangements based upon a cabinet executive model. In essence, the different roles can be summarised as follows:

- Council decides upon certain policies and other specialist functions that cannot be delegated elsewhere, including the setting of the council tax;
- Cabinet is allocated authority by Council to take executive decisions and approve policies not reserved for consideration by Council. Cabinet and Council works to a Forward Plan of forthcoming decisions for up to three months ahead;
- The work of Cabinet has been supported by four scrutiny groups. There has been a review of Scrutiny and this was reported to Full Council (7 March 2019). From May 2019, revised arrangements will be trialled realigning Scrutiny Groups that will consist of the Corporate Overview Group and supporting Governance, Growth and Communities scrutiny groups;
- The Corporate overview group will oversee the work programme for the review of Council policies in addition to all groups scrutinising the work of the Cabinet. Separate committees exist for Standards, Planning, Employment Appeals, Licensing, and Interviewing; and
- Delegation arrangements to officers are set out in detail within the Constitution.

The constitution also provides detailed guidance on standing orders, financial regulations and the conduct of meetings. In addition, it contains codes of conduct applying to members and officers as well as a protocol for councillor/officer relationships. The codes include reference to the need to declare any interests which may conflict with the individual's role at the Council. The registers for councillors and officers are maintained by the Council's Monitoring Officer and the Strategic Human Resources Manager respectively. The Council has in place a confidential reporting code (whistleblowing policy) and any referrals under the policy are investigated.

The Constitution, as a whole, is reviewed when necessary and appropriate. The last review was undertaken in 2017/18. This was a significant review, overseen by the Corporate Governance Group (CGG) and led by a Member working group, rationalising the document and improving its accessibility and transparency. The Constitution is being updated at Full Council (in July 2019).

2.4 Policies, Procedures, Laws and Regulations

The Council has three statutory officer roles: the Head of Paid Service, the Section 151 Officer and the Monitoring Officer. The Chief Executive is the Head of Paid Service and has overall corporate management and operational responsibility including overall management responsibility for all officers. From 1 July 2019. The Chief Executive has the special responsibility to report if insufficient resources are available for the Council to discharge its legal duties. The Monitoring Officer ensures lawfulness and fairness in decision making and ensures the Constitution is current.

The Section 151 Officer is specifically responsible for the proper discharge of financial arrangements and must advise the Council where any proposal might be unlawful or where expenditure is likely to exceed resources.

The Council's financial management arrangements should conform with the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2010). During 2018/19, the Council's financial management arrangements complied in all respects with the governance requirements of the aforementioned statement, in particular:

- During 2018/19, the Executive Manager (Finance and Corporate Services) held the post of Chief Finance Officer. The post holder is a professionally qualified accountant with direct access to the Chief Executive, Leader of the Council and other Cabinet members. The post holder also has direct access to the CGG and the Council's internal and external auditors.
- The Chief Finance Officer has a line of professional accountability for all finance staff and for ensuring that the finance function is 'fit for purpose'. The Council has established robust arrangements to manage its finances, including a Medium Term Financial Strategy, annual budget process and compliance with CIPFA's Codes and Guidance on the Prudential Framework for Capital Finance, Treasury Management and the management of reserves.
- Internal audit services are provided to the Council by RSM. The effectiveness of this service is monitored by the CGG.
- Executive Managers are responsible for ensuring that legislation and policy relating to service delivery and health and safety are implemented in practice. Oversight of these arrangements is provided by the Executive Manager (Operations and Transformation).

2.5 Risk Management

Principle F – Managing risks and performance through robust internal control and strong public financial management

The Council's risk management arrangements are regularly reviewed. The effectiveness of the overall risk management arrangements is monitored by the CGG throughout the year. As part of

the annual review of Risk Management (November 2018), the CGG considered actions taken to review risk management arrangements, including acknowledging that the previous year's recommendations had been implemented. The 2018/19 Annual Report by Internal Audit acknowledges that the Council has an adequate and effective framework for risk management, governance and internal control with further enhancements required.

2.6 Development and training needs

Principle E – *Developing the council's capacity including the capability of council leadership and staff*

The Council achieved Councillor Member Development Charter status in March 2011 and has a cross party Member Development Group (MDG) to oversee development and delivery of Councillor learning and training. This Group meets on a quarterly basis to review the delivery of the annual training programme and extend it in response to councillor requests or identified needs as appropriate. The group also looks at the Councillors' Community Grant Scheme and the Councillors' paperlite initiative as appropriate.

In May 2019 there are whole Council elections for Rushcliffe. To support new and returning Councillors a comprehensive induction programme has been developed by the MDG for delivery after the elections. The delivery of this, between May and July 2019, was overseen by the cross party MDG who will now evaluate its effectiveness based on Councillor feedback and use this as a starting point for the development of a forward looking training programme which will begin in September 2019.

The identification and delivery of appropriate training for officers is overseen by the whole of the Executive management team who ensure that organisational Learning and Development Plans linking to individual annual performance development reviews (PDR) is effectively managed and delivered. The Council recognises the importance of training to its workforce.

2.7 Communication

Principle B - *Ensuring openness and comprehensive stakeholder engagement*

Three editions of Rushcliffe Reports – the Council's newsletter for residents – are printed and circulated to all 48,000 households and these set out details of a number of key service changes, and ask for customer feedback.

The Council has increasingly implemented the use of recognised communication techniques to keep its residents, staff and members informed, including the use of social media. The Council also undertakes consultation to inform decisions relating to policy changes. Over the course of this year, various additional consultations was undertaken, for example on Local Plan 2, Tudor Square improvements and our periodic Residents' Survey.

The Council's resident satisfaction survey was carried out over the summer of 2018. Over 500 residents completed the survey which was available online and through Rushcliffe Reports, and promoted at summer events and in village centres on busy shopping days. 83% of residents responding to the survey are happy with the borough as a place to live, 63% are satisfied with the way the Council runs things, and 47% believe the Council provides value-for-money. An action plan to address areas of concern, mainly highlighted by residents using the open comments section at the end of the survey, has been agreed and will be implemented over the coming year. On-going customer satisfaction surveys were undertaken by several key customer

facing services such as planning, revenues and benefits and customer services. The feedback received from these exercises is used to improve services to all customers.

2.8 Partnerships

The Council has in place a scrutiny group that reviews significant partnerships with which the Council is involved. The Council has put in place strong governance arrangements around the major leisure services, garage services, Streetwise Environmental Ltd (SEL) and car parking contracts. The Cabinet Portfolio Holder also chairs quarterly strategic board meetings with the two main leisure providers, Parkwood and Mitie (note: Carillion formerly held the East Leake Leisure Centre contract prior to going into liquidation). There are also quarterly meetings of the Streetwise Board chaired by the Non-Executive Director and Chairman of Streetwise. Whilst Streetwise brings opportunity there is also risk in terms of how the company develops so it continues to make a financial surplus. The impact of pension accounting on its financial statements is a continuing example of some of the risks it faces. Rushcliffe Enterprises Ltd (REL) has also been set-up as a holding company for the Council which incorporates SEL (Chaired by the Chief Executive); and any other companies that the Council creates in the future, for example the Limited Liability Partnership (LLP) created with Public Sector Partnerships Ltd.

2.9 Transparency

Principle G – *Implementing good practice in transparency, reporting and audit to deliver effective accountability*

All reports to meetings of Council, Cabinet, Scrutiny Groups and other committees are publicly available on the Council's website. Minutes are also published providing a record of the meeting and any decisions taken, and the Council has, this year, started to provide public access to audio recordings of meetings. Other forms of public accountability reporting include the Annual Statement of Accounts, the Council's Annual Report and in-year financial and performance monitoring reports. Reports from the Council's internal (RSM) and external auditors (formerly KPMG now Mazars) are published online, including their annual reports.

The CGG and Performance Management Board monitor performance against targets on a quarterly basis. Internal Audit comply with the requirements of the Public Sector Internal Audit Standards and has direct access to councillors and staff in order to discharge their duties.

The Council publishes information in accordance with the Local Authorities (Data Transparency) Code.

The Council welcomes peer challenge reviews and inspections from regulatory bodies and will act on any recommendations arising as appropriate. As a result of the Peer Review in 2018, a review of Scrutiny was undertaken by the Centre for Public Scrutiny during 2018 and the outcome reported to Full Council. The revised scrutiny structure is due to be in operation from May 2019 (as commented on in section 2.3).

3 REVIEW OF EFFECTIVENESS

3.1 Introduction

Rushcliffe Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have

responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates. This review is considered by the CGG.

3.2 The Council

The Council approves and keeps under regular review all the strategic policies which it reserves for its own consideration, including:

- The Constitution
- The Corporate Strategy
- The Capital Programme and Revenue Budget
- The Housing Strategy
- The Local Development Framework

3.3 The Cabinet

The Cabinet carries out the executive functions of the Council as required by the legislation and the Council's constitution. It accordingly:

- Takes key decisions
- Takes other executive decisions
- Approves policies other than those reserved for Council
- Recommends to Council policies and budgetary decisions

3.4 Scrutiny groups- Corporate Governance Group

The CGG is the group within the Council that is charged with Governance and has a number of responsibilities including:

- Overseeing financial governance arrangements
- Overseeing strategic risk management
- Scrutinising the Annual Governance Statement
- Scrutinising the Statement of Accounts prior to its agreement by Full Council
- Reviewing the plans and work of Internal Audit
- Overseeing the review of the Constitution
- Receiving reports from external audit in relation to the audit arrangements.

3.5 Other Scrutiny Groups

The Performance Management Board reviews the performance of the Council against the approved targets. Other reports are taken to this group and during the last year the group has

considered the equality and diversity plan, the contract with Streetwise Environmental Ltd and the leisure services contracts with Parkwood Leisure, Glendale Golf and Carillion.

In addition to the Performance Management Board, the Council has two other scrutiny groups which were formed during 2007. The first, Community Development, looks at areas that affect the community such as reputational management and the Leisure Strategy. The other group, Partnership Delivery, is tasked with looking at the effectiveness of current and potential partnerships across all areas of the Council.

As stated at Section 2.3, the Council reviewed scrutiny arrangements during 2018/19 with revised arrangements due to be implemented from May 2019.

3.6 **Executive Managers**

Executive Managers are responsible for ensuring proper standards of internal control within their service areas. On-going reviews are undertaken throughout the year. At the end of the financial year, Executive Managers are required to confirm that they have reviewed the system of internal control and identify any areas where improvements are necessary. In December 2015, the Council re-structured the Executive Management Team with there now being four Executive Managers.

3.7 **Internal Audit**

Internal Audit is responsible for the review of the systems of internal control and for giving an opinion on both the corporate and service specific standards in place. Following a joint procurement process with Bassetlaw and Gedling councils in 2015/16, this contract was awarded to RSM until 2019/20. An Audit Strategy has been developed covering all activities of the Council at a level and frequency determined using a risk management methodology. The current Strategy now covers the period from 2017/18 to 2019/20.

An annual audit plan governs each year's activity and at the completion of each audit, a report is produced for management with recommendations for improvement. Regular reports covering internal audit activities are submitted to the CGG for scrutiny.

The Head of Internal Audit is required to provide an annual opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control, together with reasons if the opinion is unfavourable.

A detailed annual review of the effectiveness of the Council's system of internal audit is undertaken every year and reported to the CGG. As mentioned at section 2.5, the Council maintains an adequate and effective framework for risk management, governance and internal control (with enhancements required), as recognised by the Head of Internal Audit.

3.8 **External Audit**

The external auditors, Mazars (previously KPMG until 31 March 2018), review the Council's arrangements for:

- Preparing accounts in compliance with statutory and other relevant requirements;
- Ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice; and
- Managing performance to secure economy, efficiency and effectiveness in the use of resources.

The auditors give an opinion on the Council's accounts, corporate governance and performance management arrangements. The Council takes appropriate action where improvements need to be made. In their annual report for 2018/19, KPMG issued an unqualified audit opinion,

expressing the view that the financial statements give a true and fair reflection of the financial position of the Authority, and of its expenditure and income for the year. In terms of value for money, KPMG concluded that the Authority developed a transformation strategy covering the five years up to 2022/23 which will ensure that the Authority is financially viable going forward.

4 SIGNIFICANT GOVERNANCE ISSUES

4.1 Issues Identified and remedial action

The Council continues to utilise partnership arrangements with other public bodies and private organisations to deliver services. The Council therefore remains committed to meeting the challenge of ensuring that the appropriate governance arrangements are in place for each of the major partnerships that the Council has entered or will enter.

In terms of delivering value for money it is recognised that delivering on-going savings remains a challenge given anticipated future funding reductions. Mitigation regarding this is covered in section 2.2 and within the Transformation Strategy. In July 2016, the Council also introduced the Asset Investment Strategy (AIS) which is subject to continued review (revised in 2017/18) and focuses on both encouraging growth and delivering a financial return.

Cabinet, at its meeting on 13 June 2017, adopted the Leisure Facilities Strategy 2017-2027. Within this strategy, Bingham Leisure Centre, as the largest and oldest of the sites assessed, is identified as requiring the most significant works in the short, medium and long term of the Council's leisure property portfolio. The cost of maintaining Bingham Leisure Centre continues to increase with each five-year period over the fifteen-year strategy. The Bingham Leisure Hub (also including business/industrial units) is now included in the Capital Programme with an overall budget of £20m. Returns will be expected in terms efficiencies with the leisure contractor, and income from business/industrial units to help fund the anticipated £10m in future borrowing.

The Council has included in the capital programme provision for the possibility of investing in a crematorium, the timing and delivery of this is reliant upon the opportunity being presented by external agencies.

During 2019/20, the Council will need to manage a number of challenges arising from the on-going financial pressures as a result of reduction in central government revenue support grant, the movement to funding via business rates, and, in the future, with the anticipated 75% of business rates income being devolved to local government (currently the Council receives 40%). The timing of the Comprehensive Spending Review remains uncertain and the length of time the review will cover is unclear (ie is it for 1, 2, 3 or 4 years?). This is important as it will determine the overall funding available to the local government sector and, ultimately, to Rushcliffe. This complex economic environment is further compounded by the uncertainty that BREXIT creates as the country awaits the outcome of ongoing negotiations.

One of the biggest financial risks to the Council remains power station appeals given the relatively large proportion of the business rates tax base the Radcliffe on Soar power station constitutes and the history of appeals against its business rates valuation. In addition, the likely de-commissioning of the power station, given it accounts for around one quarter of Business Rates income, potentially undermines any benefits the Council may gain in business rates from business growth. The Council is looking at options to mitigate this risk and has actively worked with the management of the site to prepare a long term re-development, which is now proposed to be included within a potential development corporation company. We have also raised concerns with MHCLG as part of the business rates consultation process. The Medium Term Financial Strategy highlights, in the short term, an improving position on business rates, but in the medium term less optimistic or prudent projections, given the systemic uncertainty (as

already stated above) regarding the further devolution of business rates. There are also risks concerning the level, and success, of ongoing Business Rates appeals and currently a lack of clarity on the full impact of the 'Check, Challenge, Appeal' process which the Valuation Office is solely in control of.

Challenges arising from welfare reform and the continued introduction of Universal Credit (which occurred in October 2018 for the majority of Rushcliffe) give further financial and operational risks. The Council also has to address the issue of ensuring there is sufficient housing supply to meet its housing targets within its local plan. Whilst the Core Strategy was approved in 2014, the work is on-going to identify preferred options for Local Plan part 2, which was approved by Full Council on 27 April 2018.

The Cotgrave Masterplan is a significant project which demonstrates the Council's commitment to developing the community and provides affordable housing. The Council has been successful in leveraging external funding for both Bridgford Hall and the 'Growth Deal' for employment and housing sites alongside the A46. This is indicative of the Council's commitment to support housing and business growth. The Council's focus remains on 'growing the Borough'; examples in the Capital Programme include Fairham Pastures, a proposed crematorium and the Bingham Leisure Hub. The Council is therefore re-aligning its Asset Investment Strategy (AIS) priorities particularly with regards to investments outside of the Borough. However, commercial property investment still remains an important part of the Council's armoury in generating income returns and delivering employment and economic development across the Borough. The current direction of travel regarding asset investments could change if, for example, the Council chooses not to deliver a crematorium and income returns are, therefore, required from other sources.

The AIS currently identifies £1.2m in net income being generated from commercial investments expected to rise to £2.2m by 2023/24. The key point is that the Council has a range of such income streams and is not overly reliant on one source of income. It manages such risks proportionately and sensibly.

The Council continues to be involved in various collaboration activities including payroll, green bins, tree advice, ICT provision and Building Control, with further opportunities being considered; for example collaboration with Nottinghamshire County Council in areas such as Trading Standards. In addition, where opportunities arise, consideration is given to the appropriate delivery model and how to involve partners to maximise objectives.

The external auditors have noted a number of risks in reviewing the Council's accounts, namely:

- Appropriate controls are in place to prevent 'management override';
- The completeness and accuracy regarding the Council's valuation of property, plant and equipment;
- The Local Government Pension Scheme and the risk that the data is inaccurate and the impact of these inaccuracies on the financial accounts as well as the accounting treatment of the prepayment;
- The level of minimum revenue provision (MRP) bad debt and business rates appeal provisions are reasonable;
- Financial resilience – the continued delivery of future savings to secure long term financial and operational sustainability remains challenging and therefore poses a risk to financial resilience; and
- Governance over commercialisation activities.

Other challenges and risks for 2019/20 include: identifying the best way forward for the Depot site, and as the Council becomes increasingly innovative the management of alternative service

delivery vehicles. This includes the ongoing development of Rushcliffe Enterprises Ltd and any associated companies.

It is recognised that ICT threats and opportunities continue to evolve, it is imperative that the Borough Council has a clear understanding of how these impact on their day to day operations, particularly in the light of recent global cyber security threats. A review of Data Protection requirements has been undertaken during 2018/19 to ensure compliance with the General Data Protection Regulations, this work will be ongoing.

The Department for Environment, Food and Rural Affairs launched the Resources and Waste Strategy setting out how the country can minimise waste, promote resource efficiency and move towards a circular economy. This potentially could have significant adverse financial implications for the Council in terms of both revenue and capital funding. The Council will, therefore, be making representation to relevant bodies and working with peers on how to mitigate this risk.

In 2019/20, the results of the pensions' triennial review are due and this will dictate pension costs for the next 3 years. Given the current volatility of financial markets and the uncertain international political climate, the Council will pay particular attention to the year-end pensions' position for 2019.

Based on our review of the governance framework, the following significant issues will be addressed in 2019/20:

Issue	Reporting to	Methodology	Timescale
Monitor the delivery of the Transformation Strategy and ongoing budget position	Reports to EMT, CGG and Cabinet	On-going financial reports	Quarterly reporting
Monitor the delivery of the capital programme and significant projects such as the Bingham Leisure Hub	Report to relevant scrutiny group and Cabinet	On-going financial and performance reports	Quarterly
Monitor Business Rates and Fair Funding developments	Report to Cabinet and Full Council	Included as part of the Medium Term Financial Strategy reporting	March 2020
Monitor the potential impact of the Resources and Waste Strategy	Relevant reports to Scrutiny, Cabinet or Full Council	Included as part of the Medium Term Financial Strategy reporting	March 2020
Maximising both the financial and operational realisation of the Depot site	Relevant reports to Scrutiny, Cabinet or Full Council	Included as part of the Medium Term Financial Strategy reporting	March 2020

5 STATEMENT OF THE CHIEF EXECUTIVE AND THE LEADER OF THE COUNCIL

We have been advised of the implications of the result of the review of the effectiveness of the governance framework by the CGG. The arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed, and those to be specifically addressed with new actions planned, are outlined above.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness, and will monitor their implementation and operation as part of our next annual review.

Signed.....

K Marriott (Interim Chief Executive)

Date July 2019

Signed.....

Councillor S Robinson (Leader)

Date July 2019