

Governance Statement 2016-17**Acknowledgement****Scope of Responsibility**

South Lanarkshire Council has a responsibility for ensuring that business is conducted in accordance with legislation and proper standards and adheres to and works within a framework of internal values and external principles and standards. As part of that responsibility the council ensures that public money is safeguarded, properly accounted for and used economically, efficiently and effectively through the continuous improvement of service provision and delivery.

South Lanarkshire Council is responsible for putting in place proper arrangements for the governance of its activities, facilitating the effective exercise of its functions including clear arrangements for the management of risk.

In April 2016, a new national framework, Delivering Good Governance in Local Government was published. The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

Since the launch of the new framework, the council has updated the procedures and processes relating to the Good Governance Assessment Framework. Further work is being undertaken to develop the Code of Good Governance in line with the principles of Good Governance contained in the national framework.

This statement explains how South Lanarkshire Council has complied with the framework and code during 2016-17 and meets legislative requirements to include the Annual Governance Statement within the Annual Accounts.

The purpose of the Governance Framework

The governance framework comprises of the culture, values, systems and processes by which the council is directed and controlled and how it is accountable to communities. This enables the council to monitor the achievement of strategic objectives and consider whether those objectives have led to the delivery of appropriate services and provided value for money in line with the ethos of achieving Best Value.

The system of internal control is a significant part of that framework and is designed to manage risk at a reasonable level. Internal controls cannot eliminate all risks of failing to achieve policies, aims and objectives and therefore only provides reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of South Lanarkshire Council's aims and objectives by evaluating the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

Information gathered through the annual governance review process informs this statement. A wide range of evidence and supporting information is considered, including internal and external audits, self-assessments and inspections. Areas which are identified as requiring improvement are progressed, where appropriate, through the Good Governance Action Plan. Progress against the action plan is monitored by the Risk and Audit Scrutiny Forum through performance reports at Quarters 1; 2; and 4. Governance improvement actions are also monitored and reported throughout the year by all Resources. Reports are presented to all Resource Committees at Quarters 2 and 4.

The governance framework has been in place at South Lanarkshire Council for the year ended 31 March 2017 and up to the date of approval of the Annual Report and Statement of Accounts.

The Governance Framework

Visions and Aims for the Community

The Council Plan, Connect, sets out the council's vision and key priorities over a five year period from 2012-2017. The council's vision is 'to improve the quality of life of everyone in South Lanarkshire'.

The council has a number of objectives which it aims to achieve over the life of the Council Plan. Of these, some have been identified as priority outcomes and these are outlined below:-

- Improve services for older people;
- Protect vulnerable children, young people and adults;
- Improve road network and influence improvements in public transport;
- Support the local economy by providing the right conditions for growth, improving skills and employability;
- Tackle disadvantage and deprivation;
- Develop a sustainable council and communities;
- Raise educational achievement and attainment;
- Improve the quality, access and availability of housing; and
- Strengthen partnership working, community leadership and engagement.

The council has a Performance Management Framework which ensures that progress against key plans and strategies are monitored regularly so that timely action can be taken to address any performance issues. The analysis and consideration of this management information supports informed decision making. Performance management information can be accessed on the council's website at www.southlanarkshire.gov.uk. An overview of the framework is given below:-

- Single Outcome Agreement;
- Connect – Council Plan;
- Resource Plans;
- Service and Team Plans; and
- Performance and Development Review.

Progress against the Council Plan - Connect is reported to the council's Corporate Management Team (CMT); the Performance and Review Scrutiny Forum; and the Executive Committee at Quarters 2 and 4. In addition, red and amber measures from Connect and Resource Plan priorities are reported to the Performance and Review Scrutiny Forum at Quarter 2.

Each Resource sets out their contribution to achieving the objectives in the Council Plan through the Resource Planning process. Resource Plans are reviewed, updated and published annually and these set out the aims and objectives of each Resource. There are five Resource Plans:-

- Community and Enterprise Resources;
- Education Resources;
- Finance and Corporate Resources;

- Housing and Technical Resources; and
- Social Work Resources.

Performance against Resource Plans is monitored and reported regularly throughout the year. All plans are reported to the relevant Resource Committee at Quarters 2 and 4.

Service, team and employee performance and development review plans all link to the Resource Planning process.

The Council Plan, Resource Plans and other key plans and strategies are published and available for download on the council's website at www.southlanarkshire.gov.uk.

Financial Management

South Lanarkshire Council has a proven track record of sound financial management and robust monitoring arrangements to manage its finances within the year. For 2017-18, South Lanarkshire Council agreed savings proposals of £43 million to be delivered across all services. The 2017-18 budget was agreed on 16 February 2017.

As part of the budget setting process, a budget consultation exercise was carried out with face to face sessions with members of groups representing local communities. All members of the public were also invited to comment on the budget and savings proposals through a dedicated email address. As a result of this consultation exercise, the views of the community were reported to and considered by elected members. On the whole, participants agreed that the council's priorities were relevant and there was general support for savings plans.

As part of the Financial Management of the council's budget, a long term financial strategy is prepared and approved by the Executive Committee. This document looks forwards both to the medium and long term financial outlook for the council, looking at risk around funding and around movement in expenditure over the term of the strategy. This planning document informs the level of savings that the council may be required to make going forwards and is refreshed every year.

The continued key focus of delivering savings is through considered reviews of services, looking to establish more efficient ways of delivering outcomes for our communities, protecting, where possible, front line service delivery.

Value for money and Best Value is vitally important to the council and are key components of the internal and external audit plans that provide assurance to the council regarding the processes that are in place to ensure effective use of resources.

Decision Making, Governance Roles, and Responsibilities

The council plays a lead role in the community and delivers services both directly and through joint working with Community Planning Partners.

There are seven general principles of conduct that underpin public life and these are fundamental requirements of good governance. They are: Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty; and Leadership. The council has an obligation to report, explain and be answerable for its decisions. Local councillors are accountable for local decision-making and are responsible for setting priorities and policies in the context of legislative requirements. This is a key strength of the democratic process.

This section provides an overview of how the council implements and monitors decisions.

The council has rules under which decisions are made with each elected member and Committee being aware of their roles and responsibilities. Decision making powers lie with: the South Lanarkshire Council Committee; Executive Committee; Resource Committees; Area Committees; and Chief Officers of the Corporate Management Team (CMT).

The council's political structure and role profiles have been agreed for all elected members. The cycle of meetings and initial programme of meetings are agreed at the statutory meeting of the council which must be held within 21 days of the Local Government Elections. The council's Decision Making Arrangements and Procedures are regulated by a set of procedural documents which embed sound governance across the council including:-

- Scheme of Delegation;
- Standing Orders on Procedures;
- Standing Orders on Contracts;
- Terms of Reference; and
- Financial Regulations.

These documents are currently under review and will be submitted to the new council for consideration and approval. These documents are supported by a range of other policies and frameworks such as the information management framework, the Corporate Standards Handbook and personnel policies and procedures.

South Lanarkshire Council's full elected membership is as follows:-

Independent	3 representatives
Scottish Conservative and Unionist	4 representatives
Scottish Labour	37 representatives
Scottish Liberal Democrats	1 representative
Scottish National Party	21 representatives
Solidarity Scotland	1 representative

The Local Government Elections will take place on 4 May 2017 and the composition of the council will change. The new council will assume responsibility for finalising the new decision making structure within the council.

The Executive Committee, which currently has 28 members, has the power to make recommendations to the full council on the budget framework and the overall revenue and capital budgets; setting of rent levels for council houses; Council Tax; and key policy initiatives. It also has the power to: establish and appoint elected members to council forums and partnership organisations; to nominate members to represent the council on outside bodies; oversee and monitor the council's relations with outside organisations and the development of joint partnerships including the co-ordination of the council's response to Community Planning; and ensuring satisfactory performance and continuous improvement of services.

The council is responsible for a range of functions which are regulatory (quasi-judicial) for example: licensing; planning; road traffic, etc and these services are discharged through Committees which have been established for that purpose. Full details of memberships and Terms of Reference, where appropriate, are available on the council's website at www.southlanarkshire.gov.uk.

The Executive Committee/council has the power to approve all Good Governance and Risk Management policies, actions and strategies.

The Risk and Audit Scrutiny Forum has the responsibility to monitor the council's Good Governance and Risk Management arrangements.

The Corporate Management Team (CMT) is led by the council's Chief Executive and five Executive Directors (one for each of the 5 Resources (Departments)). The role of the CMT is wide-ranging and includes monitoring governance issues and approving all relevant actions within their remit as outlined in the council's Scheme of Delegation. This ensures that governance is embedded within the council at all levels and across all Resources. During 2016-17, two Executive Directors retired and their posts were advertised outwith the council and filled in accordance with the council's recruitment procedures.

Finance and Corporate Resources have a stewardship role in monitoring and reporting on financial performance, and ensuring public funds are properly accounted for and managed.

The roles and responsibilities of Council Officers are outlined within a structured Performance and Development Review process (PDR) which links to the priorities and objectives of the Single Outcome Agreement; Council Plan; Resource Plans; and Service Action Plans. Executive Directors all have specific corporate responsibilities within this framework.

The Local Government (Scotland) Act 1973 established the role of Chief Financial Officer. The Chief Financial Officer (Section 95 Officer or the Senior Financial Officer) is responsible for the financial affairs of the council. A fundamental duty is to ensure sound financial management through establishing and maintaining internal financial controls and in providing professional advice to elected members on all aspects of the council's finances. South Lanarkshire Council's Chief Financial Officer is a member of the Corporate Management Team, the Executive Director of Finance and Corporate Resources.

The council's Monitoring Officer is the Head of Administration and Legal Services whose functions include ensuring standards are maintained and lawfulness of decision making. The Monitoring Officer is also the Chair of the council's internal Good Governance Group.

Information Governance

The council has a commitment to high standards of governance including Information Governance. Responsibility for the council's Information Governance standards lies with the Monitoring Officer who is the Chair of the Information Governance Group. The group has representation across all council Resources and assesses and monitors the required actions to address information governance risk and the roll out of communication and training. An Information Governance Action Plan is in place which is reported regularly to the Corporate Management Team and the Executive Committee. During 2016-17, the council submitted its Records Management Plan to the National Records of Scotland within the required timescale. Once this has been approved, further development work relating to Information Governance will be undertaken.

All Resources have started to implement the actions identified by the Information Governance Group as being required in relation to preparation for the changes to data protection law coming into force on 25 May 2018. Resources will also implement any additional actions identified by the group between this time and 25 May 2018.

Freedom of Information and Transparency – the council has a robust process for responding to Freedom of Information requests that are received. These are reported on a quarterly basis to the Corporate Management Team (CMT) and annually to the Executive Committee. In addition, the outcomes of internal reviews and decisions from the Scottish Information Commissioner (SIC) relating to appeals submitted regarding requests processed by the council are reported to the CMT when the SIC reports are issued.

Internal Audit

The Internal Audit Service plays an essential role in the control environment by providing assurance that internal controls are being applied. The management of internal audit is undertaken through a central Internal Audit function. The Internal Audit Service reports directly to the Executive Director, Finance and Corporate Resources, the Risk and Audit Scrutiny Forum and the Executive Committee. The service is required to comply with a series of standards set out in the Public Sector Internal Audit Standards in the delivery of its role.

Key financial and operational systems are reviewed and assessed through an approved programme of audit work. Recommendations from audits assist management in improving the control environment and prioritise action in areas of greatest risk.

The 2016-17 Audit Plan has delivered a programme of assignments that has tested operational and financial controls across most of the council's top risks and provided assurance around the adequacy and effectiveness of processes and procedures within financial and operational areas. This has been supported by a programme of follow-up work that has provided evidence that agreed actions have, in the main, been implemented in full and on time.

A separate risk register is in place to specifically manage the council's fraud risk. A programme of anti-fraud reviews has been completed in 2016-17 to provide assurance that the risk is being mitigated. This assurance has been supported by a programme of corporate fraud assignments designed to manage fraud in a more proactive manner.

Risk Management

Risk Management is an essential element in the governance control environment by providing assurance that the council is compliant with best practice standards and that work is being undertaken to address the gaps highlighted by ongoing council-wide and Resource-wide risk identification.

Risk Sponsors are required annually to assess their Resource's compliance with the Risk Management Strategy and provide supporting evidence that a high level of compliance is maintained.

A strategic Top Risk Register is in place and updated regularly. The most recent review of the register was undertaken and approved by the Corporate Management Team in October 2016, and thereafter reported to the Risk and Audit Scrutiny forum for noting.

For the period 2016-17 the top five risks were:-

1. Reduction in funding; income generated by the council; and savings difficulties;
2. Failure to tackle poverty, disadvantage and deprivation;
3. Failure to maintain the required pupil/teacher ratio;
4. Failure to develop a sustainable council and communities; and
5. Failure to demonstrate continuous improvement, limited strategic direction and a lack of cohesive change management.

The management of risk is undertaken through a central Risk Management Section.

Interest in other agencies/companies

Members and officers sit on Boards and Committees which are within South Lanarkshire Council's Group Accounts and Arms Length External Organisations (ALEOs). This contributes to the control exercised over these funded bodies.

Following a review of current and potential ALEOs within the area it was agreed by the Corporate Management Team (CMT) that there is only one ALEO in the South Lanarkshire area which is South Lanarkshire Leisure and Culture Ltd (SLLC). However, the scope of the governance assurance process was further extended to include Regen:fx Youth Trust and Routes to Work South (RTWS) due to the level of funding allocated to their organisation by the council. These organisations provided information requested as part of the governance assurance process to 31 March 2017 and it is the opinion of the Good Governance Group that an adequate level of assurance can be placed on the financial control environment and an adequate level of assurance on operational control environments.

Ongoing consideration is taken of any changes in legislation, regulation and guidance which would re-class organisations within South Lanarkshire as ALEOs. Any changes will be reported to and considered by the Corporate Management Team.

Elected members and officers also sit on the following Joint Boards: Clyde Gateway; Clyde Valley Learning and Development Joint Committee; Community Justice Authority; Glasgow City Region – City Deal; Lanarkshire Valuation Joint Board; Scotland Excel; Seemis Group LLP; Regen:fx Youth Trust; Routes to Work South (RTWS); South Lanarkshire Integration Joint Board; and Strathclyde Partnership for Transport (SPT).

New Partnerships

Health and Care Integration

The Public Bodies (Joint Working) (Scotland) Act 2014 places a duty on the Integrated Joint Board (IJB) to prepare a Strategic Commissioning Plan (SCP). The Strategic Commissioning Plan was approved in March 2016 and sets out the commissioning intentions of the partnership. A copy of the plan can be downloaded from the NHS Lanarkshire website at www.nhslanarkshire.org.uk.

The IJB is also required to confirm the Strategic Direction and intended use of integrated budgets under their control pertaining to the delegated functions outlined within Integration Schemes. The mechanism which allows the IJB to action the intentions outlined in the SCP is provided in the Act and takes the form of binding Directions to be issued by the IJB to South Lanarkshire Council and Lanarkshire Health Board.

Following approval of the Strategic Commissioning Plan, the IJB is required to issue Directions for each financial year. In 2016-17, the first set of Directions was issued and these broadly followed the content of the SCP and statutory requirements. Directions need to be approved and in place for the beginning of a new financial year.

The South Lanarkshire IJB has directed that from 1 April 2017, all services related to the functions that have been delegated to the IJB by virtue of the Integration Scheme from South Lanarkshire Council and the Lanarkshire Health Board shall continue to be delivered by the council and the Health Board respectively.

Community Justice

The Community Justice Partnership (CJP) was established in 2016 and has worked to produce the Community Justice Plan for the period 2017 to 2022. This was presented to

the Community Planning Partnership Board in February 2017 and the Safer South Lanarkshire Board in March 2017. The membership of the CJP includes:

- South Lanarkshire Council; Social Work (Justice); Housing; and Learning and Development;
- South Lanarkshire Health and Social Care Integration Joint Board;
- Police Scotland;
- NHS Lanarkshire;
- Victim Support Scotland;
- Skills Development Scotland;
- Scottish Prison Services;
- Scottish Fire and Rescue Service;
- Lanarkshire Alcohol and Drug Partnership (LADP);
- Third Sector Interface (VASLAN); and
- Crown Office and Procurator Fiscal Service (COPFS) and the Scottish Court and Tribunal Service are building on the existing range of meetings between this sector and partners to ensure engagement and participation.

The Community Justice (Scotland) Act 2016 places a duty on partners to have regard to the National Performance Framework for community justice when developing their plans. The Outcomes, Performance and Improvement Framework sets out the national community justice outcomes to achieve the vision presented in the National Strategy for Community Justice. The CJP are currently working together to capture key information from services to report on current activities and identify areas for improvement.

The South Lanarkshire Community Justice Local Outcome Improvement Plan was published on 31 March 2017 and a copy was submitted to the Scottish Government.

Syrian Vulnerable Person Resettlement Scheme (SVPRS)

The council is also the lead partner in South Lanarkshire for developing and implementing the Syrian Vulnerable Person Resettlement Scheme (SVPRS) in partnership with South Lanarkshire Community Planning Partners, the Scottish and UK Governments and the United Nations High Commission for Refugees (UNHCR). The local Resettlement Scheme is governed via the South Lanarkshire Partnership Group and relocation of Syrian families which commenced December 2015, progressed through 2016 and will continue during 2017.

Glasgow City Region City Deal

The Glasgow City Region City Deal is an agreement between the UK Government, the Scottish Government and eight local authorities across Glasgow and the Clyde Valley. £1.13 billion has been secured through the City Deal and this will be used for infrastructure investment in the Glasgow and the Clyde Valley area over the next 20 years.

Within South Lanarkshire, significant projects to improve transport links and connectivity are being funded via the City Deal. Major roads projects are being undertaken to boost South Lanarkshire's access to the rest of Scotland, with work focusing on the Rutherglen/Cambuslang and East Kilbride areas. Cathkin Relief Road (in the Rutherglen/Cambuslang area) is now complete and open, with the bulk of the remaining roads projects taking place between 2017 and 2021.

A further project, the Community Growth Areas, seeks to promote private sector house building in four key locations within South Lanarkshire: Newton; East Kilbride; Hamilton; and Larkhall. Work has already commenced in Newton, with outline business cases being progressed for the other areas.

To build on the success of the City Deal project, a new Regional Economic Strategy has also been developed. This sets out a clear and coherent vision for the economic future of the region over the period 2017 to 2035.

Governance Arrangements

The key structures, strategies, processes and systems which are included in the council's good governance arrangements include:-

- **“Connect”** the council's strategic plan which provides the vision, values, ambitions and objectives for service delivery. The plan has been refreshed and a draft plan was presented to the Executive Committee on 8 March 2017. The new plan covers the period from 2017 to 2022 and will be submitted to the new council for consideration and approval following the Local Government Elections on 4 May 2017.
- **The Community Planning Single Outcome Agreement (SOA).** This provides the focus of the strategic work undertaken by the council and partners to progress national and local outcomes. The 10 year SOA covers the period 2013 to 2023 and will be replaced on 1 October 2017 by the Local Outcomes Improvement Plan. Community Planning Partners undertake an annual review of outcomes through the Partnership Improvement Plan process.
- **The Community Plan** sets out the joint vision and aims of the Community Planning Partnership for South Lanarkshire. A mid-term review of the Community Plan was undertaken during 2010-11. Following development of the Local Outcomes Improvement Plan due on 1 October 2017, the Community Plan will be reviewed in light of the Community Empowerment (Scotland) Act 2015.
- **Performance Management** and monitoring of performance indicators and service delivery is demonstrated through a variety of processes. Some of the key plans that are monitored via the council's performance management system (IMPROVe) are: The Council Plan, Connect; Resource and Service Plans; Local Government Benchmarking Framework; Governance; Sustainability; Single Outcome Agreement; Partnership Improvement Plans; and Health and Social Care Plans. Performance is monitored and reported by Resource Management Teams and Committees; the Corporate Management Team; the Risk and Audit Scrutiny Forum; the Performance and Review Scrutiny Forum; and the Executive Committee. Committee reports are available to the public and can be accessed via the council website.
- The council produces an **Annual Performance Report (APR)** to ensure that customers and residents are kept informed about how council services are performing and the areas of improvement which will be undertaken in the years ahead. The APR is supplemented by a suite of public performance reports – these short, summary reports cover the main service delivery areas and corporate services which help shape the development and improvement of the council.
- **Public Performance Reporting.** The council's public performance reports have been reviewed and the 2015-16 reports were available on the council's website by the statutory deadline of 31 March 2017. The reports were modified with a view to moving wholly towards the Accounts Commission's 2015 Direction, which sets out a streamlined and more flexible approach to the information required for the 2016-17 financial year and each year through to the financial year ending March 2019. Consultations are being undertaken with various groups to establish what kind of 'performance' information the public and partner groups are interested in. The council continues to assess/update the performance pages on the website, to ensure that customers and residents can simply and easily access the information they need or want.
- **Local Government Benchmarking Framework (LGBF)** is based on seven overall service groupings which cover the major public facing services provided to local communities and the services necessary to support them. Services include:

Children's; Corporate; Economic Development; Environmental; Housing; Leisure and Culture; and Social Work. The core purpose is benchmarking: making comparisons on spending, performance and customer satisfaction to help councils to better understand current performance levels; identify their strengths and weaknesses; why and where performance varies; and promote learning through the sharing of good practice across all Local Authorities. The council participates in the cross-council benchmarking learning forums. The council's LGBF results for 2015-16 can be found on the council's website at www.southlanarkshire.gov.uk.

- **External audits** and inspections are outlined in a separate section in this statement.
- The council operates within an established procedural framework that includes the **Scheme of Delegation; Standing Orders; Standing Orders on Procedures; Financial Regulations; and Committee Terms of Reference**. This is supported by other policies and frameworks such as the council's Information Management Framework; the Corporate Standards Handbook; and Personnel Policies and Procedures. A review of the Corporate Standards Handbook has now concluded and arrangements will be made for this to be rolled out across the council.
- **Reporting** through senior management to **Committee** for decision making and to **Forums** for scrutiny in the areas of finance, performance, risk and audit.
- **Codes of Conduct** are in place for both elected members and council employees together with the induction process and a range of policies, procedures and corporate standards which are all supported by the employee performance appraisal system. The performance appraisal system has been reviewed and will be rebranded as the Behaviours Framework. It is anticipated that this will be rolled out across the council by 31 March 2018.
- **Legal Services** work in partnership with Resources to ensure compliance with relevant laws and regulations.
- **Internal Audit** tests and reports regularly on operational and financial controls.
- The council operates within a well-developed **financial planning framework**. This includes the preparation of an efficiency statement demonstrating that the council is achieving Best Value and making the best use of limited resources within the current economic climate.
- A **Risk Management Strategy** and framework is in place. This process identifies, reviews, evaluates and manages risks associated with the delivery of the council's objectives.
- Members and officers are supported by appropriate ongoing **Learning and Development**.
- **Effective and timely communication**. The council actively uses a wide range of mechanisms to promote consultation with local stakeholders i.e. residents, community councils, businesses, partners, etc. The internet is used to promote resources and dedicated web pages for consultation to raise awareness of what engagement and involvement activity is taking place.
<http://www.southlanarkshire.gov.uk/directory/47/consultations/category/82>
- The council also communicates with communities through its Community Partners and their websites, press coverage and the council wide circulation of the South Lanarkshire Reporter. Further publications include the Housing and Technical Resources "Tenants News" newsletter for all tenants and the Seniors Together Chronicle for all members and partner organisations.
- For employees there is a range of communications such as the "Works" magazine, intranet and circulars for example personnel circulars. There are also regular team briefings; toolbox talks; and employee network group meetings. The biannual employee survey is conducted to raise awareness of council policy and procedures as well as gauging employee satisfaction with current practice.
- The council also carries out a wide range of customer satisfaction, engagement and consultation exercises through the Citizens' Panel; various forums and working groups.

- While the duty of Best Value encourages councils to achieve **continuous improvement** in performance, financial constraints provide an additional incentive to find better ways of working and improving service delivery. As part of the ongoing continuous improvement and self-assessment process, the council continues to promote the use of Empower (South Lanarkshire's version of the Public Sector Improvement Framework toolkit (PSIF)) for self-assessment. However, a new approach was proposed from April 2016 which introduced a more strategic focus, with a lighter touch. The council's new approach to Empower is more proportionate, flexible and risk-based, designed to direct self-assessment activity to where it is likely to deliver the greatest benefits.
- The South Lanarkshire **Community Planning Partnership** provides the mechanism by which public services are jointly planned. Part 2 of the Community Empowerment (Scotland) Act 2015 came into force on 20 December 2016. The purpose of community planning is defined by the Act as an "improvement in the achievement of outcomes resulting from, or contributed to by, the provision of [public] services." It is now a legal requirement that local authorities and their partners participate in Community Planning Partnerships, and they must also contribute resources (staff and funds) as required. Community Planning Partnerships must develop and publish a Local Outcomes Improvement Plan and Locality Plans by 1 October 2017.
- The standard **Committee Report template** contains specific sections on Financial Implications, Equality Impact Assessment and Consultation Arrangements and Other Implications, which should include reference to risk management and sustainability issues as appropriate.

Review of Effectiveness

A review of South Lanarkshire Council's governance arrangements is undertaken annually. Assurance for 2016-17 has been developed and informed through a wide range of sources including:-

- Individual internal statements of assurance and self-assessments from Executive Directors using the principles of the Delivering Good Governance in Local Government Framework;
- Internal and external audits and inspections;
- Internal review and improvement plans, including the use of Empower (the council's version of the Public Service Improvement Framework (PSIF));
- Extent of delivery of Resource and Service Plans incorporating the delivery of 'Connect', the Council Plan; and
- Good Governance Action Plan.

External Regulatory Inspection Results

During 2016-17 a number of external inspections were undertaken by Regulatory Authorities. Details outlined below provide an overview of the results from a few of the larger inspections undertaken:-

The **Care Inspectorate** regulates the performance, inspection, and public reporting of the Care Services registered with them. Inspection reports can be found on the Care Inspectorate website at www.careinspectorate.com.

The **Housing Support and Sheltered Housing Support Services** were inspected by the Care Inspectorate between September and November 2016. The inspection covered the council's Housing Support Service and the Sheltered Housing Support Service in the Clydesdale area. The outcome of these inspections were very positive with all areas inspected being graded as very good and there were no requirements or recommendations made by the Inspectorate. Some areas for improvement were identified and these have been incorporated into internal operational improvement processes.

The inspection gradings are listed below:-

South Lanarkshire Council Housing Support Service	
Quality of care and support	5 – Very Good
Quality of staffing	not assessed
Quality of management and leadership	5 – Very Good

Sheltered Housing – Clydesdale (includes developments at seven locations in Carluke; Douglas; Forth, Lanark and Lesmahagow)	
Quality of care and support	5 – Very Good
Quality of staffing	5 – Very Good
Quality of management and leadership	5 – Very Good

During 2016-17, Social Work Resources had 45 registered services and 29 of these were inspected.

This year saw the Care Inspectorate announcing changes to their methodology for scrutiny and improvement. The focus of inspection is on outcomes for people, proportionate, intelligence-led and risk based. The Care Inspectorate has introduced three inspection types: more proportionate inspections on high performing services; follow up inspections looking at requirements and recommendations; and validation inspections which assure high standards are being maintained. Recording systems will be updated to capture the type of inspection being undertaken.

Services are inspected across four themes for building based services and three themes for support services with service users in the community. These themes are: Quality of Care and Support; Quality of Staffing; Quality of Management and Leadership; and Quality of the Environment.

The grading matrix followed by the Care Inspectorate is based on a 6 point scale, with 6 - equating to excellent, 5 - very good, 4 - good, 3 - adequate, 2 - weak and 1 - unsatisfactory. The grade range detailed in the table below focuses on the theme of "Quality of Care and Support". Detailed grades for each service can be found on the Care Inspectorate website at www.careinspectorate.com.

The performance of our services continues to remain of a high standard with 90% of services within the good, very good, excellent grade and 10% in the adequate, weak grade. One of our care homes is adequate in the theme of Care and Support but good for Staff. Home Care is a centrally managed service with standard policy and procedures, the services are registered by locality. Two of our Home Care Services performance is below expected standards and remedial action has been taken.

Outlined below is a summary of the inspection activity relating to the 29 services inspected during 2016-17. Fostering and Adoptions Services were not inspected in this year.

Care Service	Number of Services	Number inspected	Grade range	Total Requirements
Care Homes (Older People)	8	7	Satisfactory, Good, Very Good, Excellent	10
Day Care (Older People)	16 (of which 2 closed 2016-17)	8	Good, Very Good, Excellent	5
Home Care	4	4	Weak, Satisfactory, Good Very Good	14

Care Service	Number of Services	Number inspected	Grade range	Total Requirements
Adult Lifestyles Centres	6	1	Very Good	0
Care and Support (Learning Disability)	2	2	Good, Very Good	0
Care Homes (Children)	6	6	Good, Very Good	0
Supported Carers (Children)	1	1	Very Good	0
Fostering	1	0	N/A	0
Adoption	1	0	N/A	0
Totals	45	29	N/A	29

Other Inspection Activity:-

Joint Inspection of Children's Services – All areas for improvement identified as part of this inspection have been concluded. Children's Services Planning sub groups continue to address continuous improvement across partnership working.

Joint Inspection of Older Peoples Services – The Care Inspectorate Inspection Report was published in June 2016, and the partners have developed an action plan addressing the nine areas for improvement identified.

Validated Self Evaluation of Alcohol and Drugs Partnerships (ADP) - To support effective implementation of the Quality Principles, the Care Inspectorate has undertaken a validated self-evaluation of Lanarkshire Alcohol and Drug Partnerships (ADPs) in early 2016. In the course of the validated self-evaluation process they identified a number of particular strengths which were making a positive difference for individuals and families, as well as areas for improvement within the services.

Education Scotland undertakes inspections of schools and services and publicly publishes their reports which show evaluations against quality indicators, as well as strengths, good practice and areas for improvement. Inspection reports can be found on the Education Scotland website at <https://education.gov.scot>.

Internal Audit and Risk Management Assurance for 2016-17

For 2016-17, Internal Audit's opinion is that a good level of assurance can be placed on the council's financial control environment and an adequate level of assurance can be placed on the council's operational control environment.

For 2016-17, Risk Management's opinion is that a good level of assurance can be placed on the council's strategic risk control environment and a good level of assurance can be placed on the council's operational risk control environment.

Governance Improvements during 2016-17

From the improvement areas identified in the 2015-16 Statement of Governance and internal control, the council is pleased to report improvements in its governance arrangements. Details of the Good Governance control measures; related actions; measures and progress at a Resource level are available on the council's website. See the Good Governance Action Plan on www.southlanarkshire.gov.uk.

An overall summary of the status of the 2016-17 improvement areas is outlined in the table below:-

Ref	Improvement Area	Reporting Status
1	Develop and implement the council's financial situation in the context of local government economic and budgetary control, including preventative and collaborative spend and raise awareness of overall potential impact	Green
2	Identify, implement and maximise council wide efficiency reviews	Green
3	Undertake a review of Governance Assessment Arrangements in line with expected CIPFA guidance and EU Directive on Audit Committees and develop training materials as appropriate	Green
4	Implement changes required by the Welfare Reform Act 2012 and subsequent regulations with a specific focus on the financial impact on the introduction of Universal Credit	Green
5	Implement Strategic Commissioning Plan, Risk Management Strategy and directions required by the Integration Joint Board on Health and Social Care Integration	Green
6	Implement the Self Directed Support Strategy and actions arising from the 2013 Act through the development and finalisation of the support plan and appropriate resource allocation system	Amber
7	Continue to implement duties of the Children and Young People (Scotland) Act 2014	Green
8	Implement all actions in Information Governance Action Plan 2016-17 and implement and monitor progress of the councils Record Management Plan	Green
9	Progress the design, procurement and successful delivery of the council's waste management contracts to meet the requirements of the Waste (Scotland) Regulations 2012	Green
10	Review Resource Contingency Plans, Business Continuity Plans and Action Plan	Amber
11	Implement the new Service Level Agreements and Memorandum of Understandings between the council and third parties, including ALEOs and the Integration Joint Board	Green
12	Progress the design, procurement, monitoring and successful delivery of the council's projects under the City Deal initiative	Green
13	Implement and monitor new Risk Management Strategy Action Plan	Green
14	Prepare for the implementation of the Community Empowerment (Scotland) Act 2015 and subsequent Regulations	Green
15	Continue to make preparations for elections in 2016-17 and new council in 2017	Green
16	Progress the development of a new Council Plan due to be in place by 2017	Green

Overview Control and Governance Improvement areas for 2017-18

The internal review of governance arrangements has highlighted areas of improvement and areas where we wish to retain an overview. In the coming year, we will demonstrate good governance through progressing the actions listed below. 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 operations as part of our next annual review. We will:-

1. Implement a Local Outcomes Improvement Plan as required by Part 2 : Community Planning of the Community Empowerment (Scotland) Act 2015;
2. Consider the potential impact on assets owned/managed by South Lanarkshire Council and South Lanarkshire Leisure in relation to Part 5 : Asset Transfer of the Community Empowerment (Scotland) Act 2015;
3. Ensure that the council has a Strategy and Action Plan that promotes sustainable development within service delivery and compliance with public sector climate change duties;
4. Introduce new waste management initiatives to reduce waste and increase recycling;
5. Glasgow City Region City Deal - Deliver Community Growth Areas City Deal project, development programmes and maximise opportunities to access funding via City Deal Developer Contributions for education, community facilities, roads, infrastructure and housing;
6. Continue to implement the requirements of the Children and Young People (Scotland) Act 2014 in relation to kinship care, continuing care and aftercare;
7. Prepare for the implementation of the Carers (Scotland) Act 2016;
8. Promote high standards of Information Governance including preparation for the introduction of the General Data Protection Regulations (GDPR);
9. Implement the South Lanarkshire Community Justice Outcome Improvement Plan with a focus on preventing and reducing further offending;
10. Monitor the impact of the Pupil Equity Fund to ensure schools deliver activities and interventions aimed at raising attainment for children affected by poverty through school improvement plans;
11. Early Learning and Childcare – take forward proposals to increase early learning and childcare for 3 and 4 year olds and vulnerable two year olds (1140 hours) by 2020;
12. Deliver the Strategic Commissioning Plan and Directions required by the Integration Joint Board on Health and Social Care Integration;
13. Implement changes required by the Welfare Reform Act 2012 and subsequent regulations with a specific focus on the financial and social impact on the introduction of Universal Credit in October 2017;
14. Implement the Self Directed Support Strategy and actions arising from the 2013 Act through the development and finalisation of the support plan and appropriate resource allocation system;
15. Undertake a review of the Housing Services Customer Engagement Strategy;
16. Implement the South Lanarkshire Economic Strategy and Tackling Poverty Programme in conjunction with the Community Planning Partnership and other Partners;
17. Review the council's approach to Public Performance Reporting to meet the requirements of the new Accounts Commission Direction;
18. Promote resilience/emergency preparedness throughout the council;
19. Implement and monitor new Corporate Risk Workplan;
20. Strengthen awareness of good governance across the council; promote key governance policies; and ensure all employees have completed mandatory training;
21. Implement effective Best Value management arrangements to ensure continuous improvement and efficient and effective service delivery;
22. Identify, implement and maximise council wide efficiency reviews;
23. Develop and implement the council's financial situation in the context of local government economic and budgetary control, including preventative and collaborative spend and raise awareness of overall potential impact;
24. Continue the review of the council's online forms to ensure compliance with recommended best practice guidance;
25. Provide elected members with the necessary training and support on an ongoing basis to ensure they are clear about their own roles and responsibilities and how those roles differ from the roles and responsibilities of officers;

26. Council's Code of Conduct to be re-issued to all staff with a revised process in relation to conflicts of interest;
27. Promote the council's values and the new Council Plan to all employees, customers and stakeholders after approval by Committee;
28. Review the content and application of local induction checklist for new staff;
29. Analyse the results and develop an Improvement Plan from the 2016 Employee Survey;
30. Raise staff awareness in relation to Construction Industry Training Board – Community Benefits in Construction and ensure cohesive corporate reporting in relation to sustainable procurement;
31. Manage flooding priorities and deliver prioritised flood protection schemes;
32. Implement the new framework for Care at Home and Housing Support Services for Older People, Adults and Children and Families;
33. Prepare for the implementation of the replacement corporate Electronic Document and Records Management System (EDRMS) and workflow software; and
34. A review of the processes in place for the procurement of goods and services to be undertaken by all Resources to ensure that they continue to apply best practice.

Assurance

The Executive Director of Finance and Corporate Resources is a member of the council's Corporate Management Team and as such, is involved in all major decisions taken by the council's Chief Officers, and in material matters which are submitted to elected members for decision.

This involvement fulfils the expectation of the Chartered Institute of Public Finance and Accountancy (CIPFA) in terms of the role of the Chief Financial Officer.

It is the council's view that the systems for governance and internal control were effective in South Lanarkshire Council and its group during 2016-17 and that there are no significant weaknesses. Addressing the above matters will further enhance our governance arrangements and evidence our commitment to continuous improvement. This assurance is limited, however, to the work undertaken during the year and the evidence available at the time of preparing this statement.

John Ross
Leader of the Council

Signature:

Date:

Lindsay Freeland
Chief Executive

Signature:

Date:

Paul Manning
Executive Director (Finance and Corporate Resources)

Signature:

Date: