

REPORT TO: Business Efficiency Board

DATE: 8 June 2016

REPORTING OFFICER: Strategic Director – Community & Resources

SUBJECT: Draft Annual Governance Statement 2015/16

PORTFOLIO: Resources

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

The purpose of this report is to enable Members of the Board to consider and approve the draft Annual Governance Statement for 2015/16.

2.0 RECOMMENDATIONS:

The Board is asked to review the draft Annual Governance Statement (AGS) and:

- (i) Confirm that it accurately reflects the Council's governance arrangements and governance challenges;**
- (ii) Approve the draft Annual Governance Statement.**

3.0 SUPPORTING INFORMATION

Background to the Annual Governance Statement

- 3.1 Under the Accounts and Audit Regulations 2015 the Council must produce an AGS which must be approved by the resolution of a committee or members of the authority meeting as a whole. The AGS must also be approved in advance of the Council approving the statement of accounts.
- 3.2 The Council's Constitution delegates the responsibility to review and approve the AGS to the Business Efficiency Board. Once approved, the AGS is signed by the Council Leader and Chief Executive and is published on the Council's website.
- 3.3 The AGS is intended to identify any areas where the Council's governance arrangements need to be developed and to provide a commitment to addressing the issues identified.
- 3.4 The AGS covers the governance framework in place for 2015/16 and up to the date the accounts are signed off by External Audit. The final version of the document will be presented at the September meeting of the Board.

Preparation of the 2015/16 Annual Governance Statement

- 3.5 The production of the AGS is co-ordinated by a group of officers who have key roles in the maintenance and development of the Council's governance framework:

- Strategic Director - Community & Resources
- Operational Director - Finance
- Operational Director - Legal & Democratic Services
- Divisional Manager - Audit & Operational Finance

3.6 The statement is developed by considering various sources of assurance over the Council's governance arrangements and identifying any areas where these arrangements require further development.

3.7 The draft AGS for 2015/16 is attached to this report. The document identifies two significant governance challenges for the Council:

Funding pressures

There is a need to maintain capacity and robust governance arrangements in a period of continuing funding pressures.

Liverpool City Region Combined Authority

As the governance arrangements for the Combined Authority continue to be developed the Council needs to consider any potential impact on its own governance arrangements. The Council also needs to ensure that it co-ordinates its efforts and various strands of activity in regard to the developing City Region agenda in order to deliver positive outcomes for Halton.

4.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS

4.1 The powers and duties of the Business Efficiency Board include responsibility for considering the Council's corporate governance arrangements and agreeing necessary actions to ensure compliance with best practice. The draft AGS provides a commitment to address the governance challenges faced by the Council.

4.2 There are no direct financial implications arising from this report. However, the AGS does make reference to the key financial challenges faced by the Council.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children and Young People in Halton

Good governance leads to good management, good performance and good stewardship of public money. It therefore enables the Council to implement its vision in accordance with its values and to engage effectively with its citizens and service users and ensure good outcomes for them.

5.2 Employment, Learning and Skills in Halton

See 5.1 above

5.3 A Healthy Halton

See 5.1 above

5.4 **A Safer Halton**

See 5.1 above

5.5 **Halton's Urban Renewal**

See 5.1 above

6.0 **RISK ANALYSIS**

6.1 The AGS provides assurance that the Council has a sound system of risk management, control and governance. The document provides a public statement of how the Council directs and controls its functions and relates to its community.

6.2 There are no risks directly arising from this report. However, good governance helps ensure that risks are properly managed.

7.0 **EQUALITY AND DIVERSITY ISSUES**

7.1 The Council has to have regard to the elimination of unlawful discrimination and harassment and the promotion of equality under the Equalities Act 2010 and related statutes. Proper governance arrangements will ensure that equality and diversity issues are appropriately addressed.

8.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Document	Place of Inspection	Contact
CIPFA / SOLACE – Delivering good governance in Local Government: Framework (2007)	Kingsway House, Widnes	Merv Murphy
CIPFA / SOLACE - Delivering good governance in Local Government: Guidance note for English authorities (2007)		
The Accounts and Audit (England) Regulations 2015		