REPORT TO:	Business Efficiency Board
DATE:	24 September 2014
REPORTING OFFICER:	Strategic Director – Policy & Resources
SUBJECT:	Annual Governance Statement 2013/14
PORTFOLIO:	Resources
WARD(S):	Borough-wide

1.0 PURPOSE OF REPORT

1.1 The Board considered the draft Annual Governance Statement for 2013/14 at its meeting on 11 June 2014. Changes have subsequently been made to the document and the purpose of this report is to enable the Board to further review and approve the updated Annual Governance Statement for 2013/14.

2.0 RECOMMENDATIONS:

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

(i) **Confirm that it accurately reflects the corporate governance arrangements in place at the Council;**

(ii) **Consider the key governance issues identified in the document and endorse the action proposed to address them;**

(iii) **Approve the Annual Governance Statement for 2013/14.**

3.0 SUPPORTING INFORMATION

Background to the Annual Governance Statement

3.1 Under the Accounts and Audit Regulations 2011 the Council must produce an AGS, in a format recommended by CIPFA/SOLACE, to accompany the Statement of Accounts.

3.2 The AGS is intended to identify any areas where the Council's governance arrangements need to be developed and to set out any action that is proposed to strengthen those arrangements.

3.3 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 published on the Council's website.

Preparation of the 2013/14 Annual Governance Statement

3.4 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 - Policy & Resources;
- Operational Director - Finance,
- Operational Director - Legal & Democratic Services,
- Divisional Manager - Audit & Operational Finance.

3.5 The statement is developed by evaluating various sources of assurance over the Council's governance arrangements and identifying any areas where these arrangements require further development. A flowchart summarising the Council's governance framework is shown in Appendix 1.

3.6 In preparing the AGS, assurances have been considered from a number of sources, including:

- Issues raised by the Council's external auditor;
- reports from other inspection bodies;
- The Council's risk and performance management frameworks;
- The work of internal audit;
- The work of the Information Governance Group.

3.7 The draft AGS for 2013/14 is attached at Appendix 2. The document contains a Development Plan that sets out the actions agreed to further develop the Council's governance framework.

4.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS

4.1 The Accounts and Audit Regulations 2011 include a statutory requirement to prepare a statement on internal control in accordance with 'proper practice'. Proper practice is defined by the CIPFA/SOLACE Framework as an Annual Governance Statement.

4.2 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 contains an action plan setting out how the Council intends to strengthen its overall governance arrangements.

4.3   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 and how they are being managed.

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   Under the Accounts and Audit Regulations 2011 the Council is legally required to 'conduct a review at least once a year of the effectiveness of its system of internal control'. Following the review, the Council must approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.

6.2   The processes followed in reviewing the system of internal control aim to ensure that an accurate statement can be produced in line with the requirements of the Act.   Part of the review process includes consultation with the Business Efficiency Board, which is responsible for ensuring that the Council's governance arrangements comply with best practice.
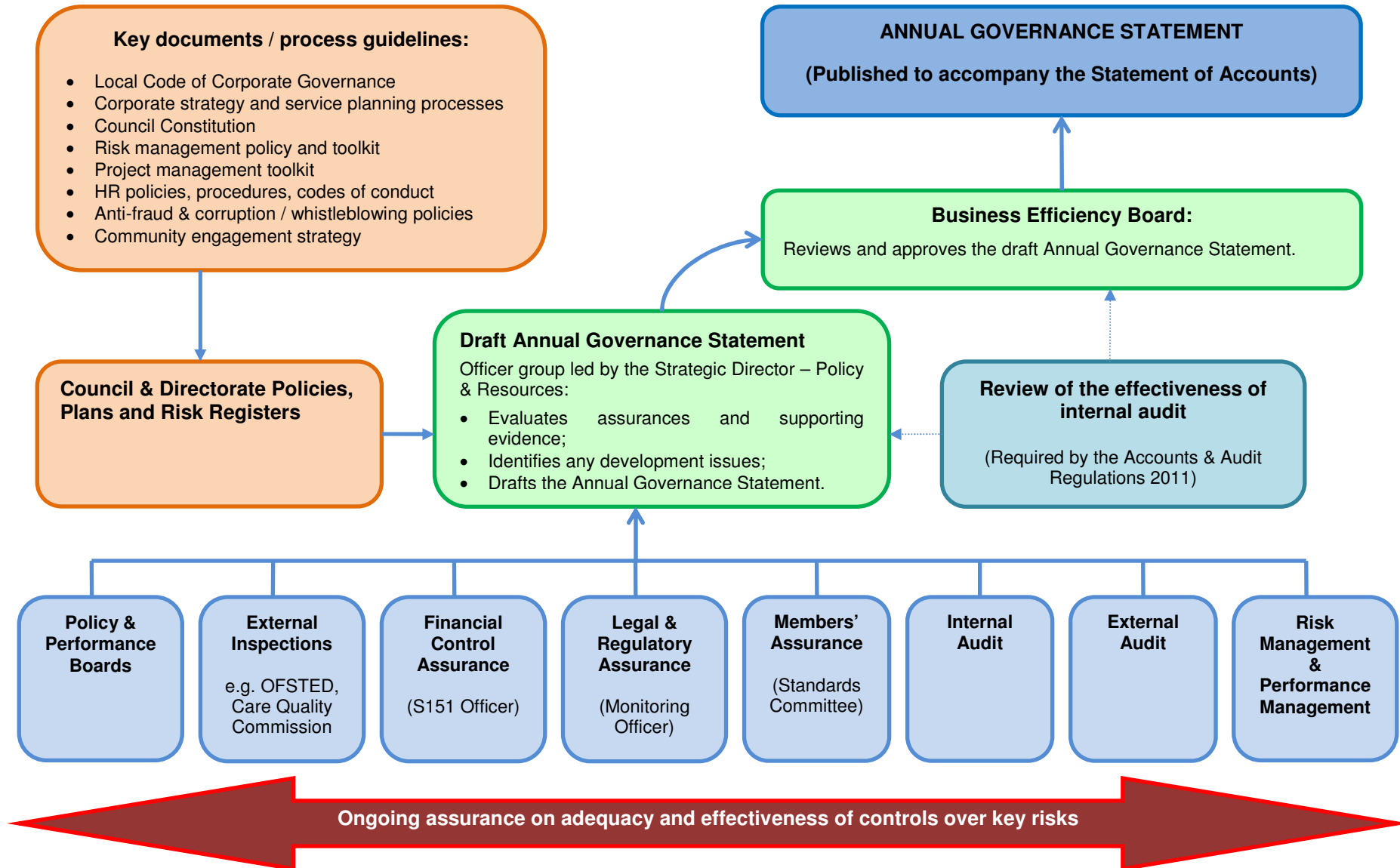
7.0   EQUALITY AND DIVERSITY ISSUES

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 2011		

ANNUAL GOVERNANCE STATEMENT – ASSURANCE FRAMEWORK

Key documents / process guidelines:

- Local Code of Corporate Governance
- Corporate strategy and service planning processes
- Council Constitution
- Risk management policy and toolkit
- Project management toolkit
- HR policies, procedures, codes of conduct
- Anti-fraud & corruption / whistleblowing policies
- Community engagement strategy

Council & Directorate Policies, Plans and Risk Registers

ANNUAL GOVERNANCE STATEMENT

(Published to accompany the Statement of Accounts)

Business Efficiency Board:

Reviews and approves the draft Annual Governance Statement.

Draft Annual Governance Statement

Officer group led by the Strategic Director – Policy & Resources:

- Evaluates assurances and supporting evidence;
- Identifies any development issues;
- Drafts the Annual Governance Statement.

Review of the effectiveness of internal audit

(Required by the Accounts & Audit Regulations 2011)

| **Policy & Performance Boards** | **External Inspections** e.g. OFSTED, Care Quality Commission | **Financial Control Assurance** (S151 Officer) | **Legal & Regulatory Assurance** (Monitoring Officer) | **Members' Assurance** (Standards Committee) | **Internal Audit** | **External Audit** | **Risk Management & Performance Management** |

Ongoing assurance on adequacy and effectiveness of controls over key risks

HALTON BOROUGH COUNCIL
2013/14 ANNUAL GOVERNANCE STATEMENT

1.   Scope of Responsibility

1.1   Halton Borough Council is responsible for ensuring that:

- its business is conducted in accordance with the law and proper standards;
- public money is safeguarded and properly accounted for; and
- public money is used economically, efficiently and effectively.

1.2   Halton Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure 'Best Value' in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.3   In meeting this obligation, Halton Borough Council has a responsibility for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.4   The Council has adopted a local code of corporate governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) Framework '*Delivering Good Governance in Local Government'*.

1.5   This Statement explains how Halton Borough Council has complied with the principles of good governance and reviews the effectiveness of these arrangements.   It 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, in relation to the publication of a statement on internal control.

2. The Purpose of the Governance Framework

2.1 The governance framework comprises the systems and processes, and culture and values by which the authority is directed and controlled, and its 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.

2.2 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 therefore can only provide 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 Halton 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.

2.3 The governance framework has been in place at Halton Borough Council for the year ended 31 March 2014 and up to the date of approval of the statement of accounts.

## 3. The Council's Governance Framework

A brief description of the key elements of the Council's governance framework is described below. Documents referred to may be viewed on the Council's website and are available from the Council on request.

3.1 Communicating the Council's vision

a) The long-term vision for Halton is set out in the Sustainable Community Strategy and the Council's own Corporate Plan.

b) The Sustainable Community Strategy outlines how the Halton Strategic Partnership intends to transform Halton.

c) The Council's Corporate Plan sets out how the Council will deliver its contribution to achieving the Sustainable Community Strategy. It sets out the following strategic priorities and key themes that underpin all aspects of the Council's work:

- A Healthy Halton
- Environment & Regeneration in Halton
- Children & Young People in Halton
- Employment, Learning and Skills in Halton

- A Safer Halton
- Corporate Effectiveness & Business Efficiency

d) The Council's Corporate Planning Framework (illustrated opposite), is the primary means by which the Council's activities are developed and monitored. It consists of a hierarchy of plans that are directly aligned to ensure that the corporate priorities and strategic objectives of the Council are cascaded down the organisation through properly outcome-focused targets. Effective risk management forms an integral element of the annual cycle of Business Plan development.
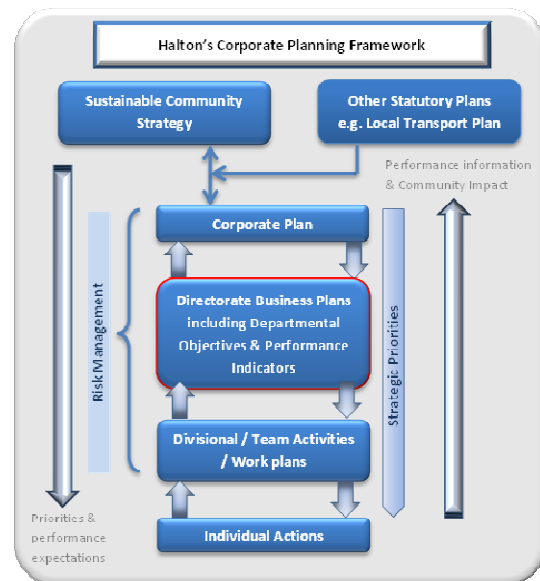
e) The Council has a range of performance indicators used to measure progress against its key priorities in the Corporate Plan. Quarterly performance monitoring reports record progress against key business plan objectives and targets. These are reported to the Management Team, to the Executive Board and to the Policy and Performance Boards.

f)   The Council seeks to use its resources efficiently and obtains value for money via a number of arrangements. These include:

- A medium term financial strategy, capital programme and annual budget process that ensures that financial resources are directed to the Council's priorities;
- A co-ordinated and structured approach to procurement across the Council;
- The delivery of a well-established Efficiency Programme to identify and implement efficiency savings across the organisation in a systematic and considered manner;
- Partnership working with a range of organisations where there are shared objectives and clear economic benefits from joint working.

3.2 Members and officers working together to achieve a common purpose with clearly defined roles and functions

a) Roles and responsibilities for governance are defined and allocated so that accountability for decisions made and actions taken are clear. The Executive Board is the main decision-making body of the Council and is made up of ten members who have responsibility for particular portfolios.

b) The Council also appoints a number of committees to discharge the Council's regulatory and scrutiny responsibilities. These arrangements, and the delegated responsibilities of officers, are set out in the Council's Constitution.

c) The Constitution also includes a Member/Officer protocol which describes and regulates the way in which members and officers should interact to work effectively together.

d) There is a well-established overview and scrutiny framework with six Policy and Performance Boards (PPBs) aligned to the Council's six corporate plan priorities. They hold the Executive to account, scrutinise performance and develop policy proposals for consideration by the Executive.

e) The Business Efficiency Board is designated as the Council's Audit Committee. Its core functions are consistent with those identified in the CIPFA publication 'Audit Committees – Practical Guidance for Local Authorities'. It provides assurance to the Council on the effectiveness of its governance arrangements, risk management framework and internal control environment. The Board regularly reviews the resourcing of the internal audit function, the internal audit work programme, the results of internal audit work and management's implementation of audit recommendations.

f) The Chief Executive (and Head of Paid Service) is accountable for the delivery of the Council's diverse services, its budget, the work of the Council's employees and the work done for the Council by a variety of agencies and contractors who deliver a wide range of services to the community. The Chief Executive represents the Council and the borough on local and regional partnerships and at regional and national levels. The role of Chief Executive is a permanent appointment, which requires the approval of the full Council following the recommendation of a candidate for the role by the Appointments Committee.

g) The Operational Director – Finance, as the s151 Officer appointed under the 1972 Local Government Act, is the Council's Chief Financial Officer and carries overall responsibility for the financial administration of the Council. The Council's governance arrangements relating to the role of the CFO overall comply with those arrangements set out in the CIPFA statement on the role of the Chief Financial Officer (CFO) in Local Government (2010).

h) Section 5 of the Local Government and Housing Act 1989, as amended by paragraph 24 of schedule 5 Local Government Act 2000, requires the Council to designate one of its senior officers as the Monitoring Officer. This role is undertaken by the Operational Director – Legal and Democratic Services, who is responsible for:

*   Ensuring that the Council acts and operates within the law. He or she has a duty to report to the whole Council if the Council has broken or may have broken the law;

- Maintaining arrangements to support the Council's functions and activities, including regular reviews of the Council's Constitution;

- Supporting the Council's Standards Committee and helping promote and maintain high standards of conduct by Council members, officers, partners and contractors;

- Establishing and maintaining a register of interests (including receipts of gifts and hospitality) for elected and co-opted members;

- Receiving reports and taking action under the Council's Confidential Reporting Code, which supports whistleblowing by staff.

i) The Operational Director – Finance and the Operational Director – Legal and Democratic Services are both members of the Council's Management Team. Both officers also have explicit direct access to the Chief Executive.

j) The Children Act 2004 requires every upper tier local authority to appoint a Director of Children's Services and designate a Lead Member for Children's Services. The Strategic Director – Children and Enterprise is designated as the Council's Director of Children's Services. He or she works together with the Lead Member for Children's Services, who is a member of the Council's Executive Board, to provide strategic leadership for local authority education and social care services for children. The responsibilities of the Director of Children's Services and Lead Member extend to all children receiving services in the borough, irrespective of the type of school they attend, or their home local authority area.

k) All local authorities with social services responsibility in England are required to appoint an officer as the Director of Adult Social Services. This role has been designated to The Strategic Director – Communities. This statutory role is accountable for the delivery of local authority social services functions listed in Schedule 1 of the Local Authority Social Services Act 1970 (as amended) in respect of adults (other than those services for which the Director of Children's Services is responsible).

l) The Strategic Director – Policy and Resources is designated as the Council's Statutory Scrutiny Officer as required under Section 31 of the Local Democracy, Economic Development and Construction Act 2009. The functions of the Statutory Scrutiny Officer are to:

- Promote the role of the authority's Overview & Scrutiny Committees;

- Provide support to the authority's Overview & Scrutiny Committees and the members of those committees;

- Provide support and guidance to Members of the authority, members of the Executive and officers in relation to the functions of the authority's Overview & Scrutiny Committees.

m) The role of Head of Internal Audit is assigned to the post of the Divisional Manager – Audit & Operational Finance. This role is responsible for the

Council's internal audit service, including drawing up the internal audit strategy and annual plan and giving the annual audit opinion. The Council's arrangements substantially comply with the CIPFA Statement on the role of the Head of Internal Audit in public service organisations (2010). The post of Divisional Manager – Audit & Operational Finance does however have operational responsibilities assigned to it. To address this issue, alternative assurance and reporting arrangements have been agreed with the Operational Director – Finance for those non-audit functions for which the Divisional Manager – Audit & Operational Finance has managerial responsibility.

n) All employees have clear conditions of employment and job descriptions which set out their roles and responsibilities.

o) The Council has clearly set out terms and conditions for the remuneration of members and officers and there is an effective structure for managing the process. A Scheme of Members' Allowances has been set by the Council having regard to a report of an Independent Panel made up of non-Councillors. The Council published its first 'Pay Policy Statement' in March 2012, which provides transparency with regard to the Council's approach to setting the pay of its employees. The 'Pay Policy Statement' is reviewed annually.

3.3 Promoting values and upholding high standards of conduct and behaviour

a) The Council has a Standards Committee to promote high standards of member conduct. Elected members have to agree to follow a Code of Conduct to ensure high standards in the way they undertake their duties. The Standards Committee trains and advises them on the Code of Conduct.

b) Officer behaviour is governed by the Employees' Code of Conduct. The Code has been formulated to provide a set of standards of conduct expected of employees at work and the link between that work and their private lives.

c) The Council takes fraud, corruption and maladministration seriously and has established policies and processes which aim to prevent or deal with such occurrences. These include:

- Anti-Fraud and Anti-Corruption Strategy;
- Fraud Response Plan;
- Confidential Reporting Code (Whistleblowing Policy);
- HR policies regarding discipline of staff involved in such incidents.

d) The Business Efficiency Board is assigned with responsibility to monitor and review the adequacy of the Council's anti-fraud and corruption policies and arrangements. This responsibility is met by the Board receiving regular

reports providing details of developments relating to the Council's counter fraud and corruption arrangements.

e)   A corporate complaints procedure exists to receive and respond to any complaints received.

f)   Arrangements exist to ensure that members and employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. These include:

- Registers of disclosable pecuniary interests and disclosable other interests;
- Declarations of disclosable pecuniary interests and disclosable other interests at the start of each meeting in which discussions involve a matter in which a member has an interest;
- Registers of gifts and hospitality, which are available for public inspection;
- Equal opportunities policy.

3.4   Taking informed and transparent decisions and managing risk

a)   The Council's decision-making processes are clear, open and transparent. The Council's Constitution sets out how the Council operates and the processes for policy and decision-making. Key decisions are published in the Council's Forward Plan. Agendas and minutes of all meetings are published on the Council's website.

b)   The Council provides decision-makers with full and timely access to relevant information.   The executive report template requires information to be provided explaining the legal, financial and risk implications of decisions, as well as implications for each of the corporate priorities and any equality and diversity implications.

c)   The Council has a Risk Management Policy and Toolkit and regularly reviews its corporate and directorate risk registers.   The management of risk is monitored by each of the Council's three Directorates and through the provision of a mid-year monitoring report for all high risks.   The Business Efficiency Board also reviews the risk management process and corporate risk register twice yearly. The directorate and corporate risk registers outline the key risks faced by the Council, including their impact and likelihood, along with the relevant mitigating controls and actions, and they form the basis of the internal audit planning process.

d)   The Business Efficiency Board approves and reviews the internal audit work programme and oversees management's implementation of audit recommendations.

3.5   Developing the capacity and capability of Members and Officers

a)   The Council recognises that the success of its business is built upon the knowledge, expertise and commitment of its workforce. Development and retention of staff therefore remains a priority for the Council.

b)   The Council has developed a People Plan (2012-2015) to assist the organisation in addressing leadership, skills development and recruitment and retention, in a structured and coordinated way. This will also help the Council plan for the future by providing a framework to assess its current workforce and people management activity and to identify any gaps that need to be filled.

c)   The Council's training and development programme stretches right across the organisation to include members and employees. The Council holds the NW Charter for Elected Member Development Exemplar Level status.

d)   Newly elected members attend a three-day induction programme with follow-up mentoring and all members are offered a personal development interview.

e)   All new employees attend an induction programme with a more detailed programme for new managers.

f)   The Council has an annual Employee Development Review (EDR) process to identify key tasks and personal development needs linked to delivering our priorities. Training needs identified in this way are used to design the corporate training programme. They are also used to identify specialised professional training needs.

3.6   Engagement with local people and other stakeholders to ensure robust public accountability

a)   The Council's planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people.

b)   Arrangements for consultation and for gauging local views include both formal and informal arrangements:

- Formal arrangements include the Halton 2000 Citizens' Panel, the seven Area Forums, and the Youth Forums;
- Informal arrangements include contact via our website, Halton Direct Link and magazine based customer surveys.

c)   The Executive Board has adopted an approach to locality working, which each Local Area Forum is using to encourage greater participation and involvement.

d)   Information on the democratic running of the Council is routinely published via the Council's website and includes

- The Council's Constitution and agendas and minutes of Council meetings;
- Allowances and expenses paid to elected members;
- The Council's senior officer structure including post titles and salary ranges;
- Council contracts and tenders awarded over £50,000;
- All financial payments made by the Council that are equal to or greater than £500;
- Copies of Council contracts and tenders in line with Procurement Standing Order Value thresholds;
- Quarterly Directorate and Priority Based Performance Reports through Executive and Policy and Performance Board agendas.

e)   The community and voluntary sector are represented on the Halton Strategic Partnership Board and on all its Specialist Strategic Partnerships (SSPs).

f)   The Halton Strategic Partnership Board (HSPB) brings together key partners to develop and deliver Halton's Sustainable Community Strategy. The Board is supported by five SSPs each of which takes responsibility for delivering on one of the strategic priority areas that comprise the Sustainable Community Strategy. Each SSP manages and monitors progress against key actions and performance measures for their specific area. Each SSP Chair is a Board Member and provides regular feedback on progress during Board meetings.

g)   An annual Performance Report which tracks progress against key performance measures is provided to the Board and wider partners is published via the Halton Strategic Partnership website.

4.   Review of Effectiveness

4.1   Halton Borough Council annually reviews the effectiveness of its governance framework including the system of internal control.   The review of effectiveness is informed by managers within the Council who have responsibility for the development and maintenance of the governance environment, the work of internal audit and by comments made by the external auditors and other inspection agencies.

4.2   The processes applied in maintaining and reviewing the effectiveness of the system of governance include:

- The work of the Business Efficiency Board as the Council's Audit Committee;

- The work of the Standards Committee;

- The role of the Policy and Performance Boards in holding the Executive to account;

- The operation of the Council's risk management and performance management frameworks;

- The work of internal audit as an assurance function that provides an independent and objective opinion to the Council on its control environment;

- The external auditor's opinion report on the Council's financial statements and conclusion on whether the Council has put in place proper arrangements to secure efficiency and effectiveness in its use of resources (the Value for Money conclusion);

- The corporate complaints procedure;

- The roles of the Council's Statutory Officers;

- The work of the Information Governance Group, which provides overall strategic guidance and direction to information governance, security, risks and incidents;

- The anti-fraud and corruption and whistleblowing framework;

- The results of inspections by independent review bodies, including the Corporate Peer Challenge by the Local Government Association, which included a review of the Council's governance arrangements.

4.3 The Council has implemented the actions agreed in the 2012/13 Annual Governance Statement. A summary of action taken is listed below:

- Funding pressures

  Engagement of elected Members to facilitate early budget planning in order to provide additional time to develop budget proposals and ensure delivery of a balanced budget for 2013/14. Spending in year was contained within budget.

- Resilience

  The Efficiency Programme continues to be important in examining new ways of working and coupled with the Council's continuing investment in ICT both are helping the Council to reduce its costs.

  The budget process and its involvement of elected members has again provided the opportunity for the Council to continually review its priorities based on the resources available to it. This inevitably means that, over time, it will have to concentrate its resources on the things it has to do.

Corporate and directorate risk registers and business continuity plans have been reviewed during the year providing further focus to the direction of resources to the Council's priorities. These are important tools in ensuring the Council's continued resilience.

The Council's corporate training programme continues to provide training opportunities for managers to help identify stress in the workplace and also provided courses to help staff cope with the changes the organisation is facing and will continue to face over the coming years.

- Information Governance

  The Council continues to strengthen its information governance arrangements:

  - A corporate roll out of an E-learning training module was undertaken in 2013 to raise employee awareness of information governance and security issues. The training module is to be reviewed and the exercise repeated.

  - A Data and Quality Strategy is being developed to set out the Council's approach to managing data quality. The strategy will be designed to help secure improvement in the way the Council collects, collates, reports and uses data, maintaining the highest possible standards throughout.

  - The Electronic Social Record Project went live in 2014 in respect of the children's records. This will be extended to adults later this year.

  - The annual NHS Information Governance Toolkit exercise has been undertaken and approved.

  - The corporate Freedom of Information Act request tracking system has been reviewed and now incorporates Subject Access Requests and Section 29 Third Party Data Protection Requests.

  - An awareness week for information governance and IT Security took place to further raise employee awareness of the importance of safeguarding personal data.

  - All current information sharing agreements across the Council have been reviewed.

- Complex Care Pooled Budget

  The Council and Halton Clinical Commissioning Group (HCCG) have continued to work in collaboration to provide an integrated approach to the delivery of health and adult care related services. A Complex Care Pooled Budget of over £30m has been in operation since April 2013.

  The Operational Director - Integration has been in post since the inception of the Complex Care Pooled Budget to drive the development of an integrated approach to the delivery of health and adult care services across the Borough.

Governance arrangements have been agreed between the partners to address the issues of clinical governance, public accountability and probity as well as satisfy the Council's and HCCG's Standing Orders and Standing Financial Instructions. The Executive Commissioning Board discharges these duties on behalf of the Partners and reports to the Executive Boards of the respective partners

- Mersey Gateway Crossings Board (MGCB)

  In 2013/14, the MCGB structure was established and a governance agreement between the Council and the MGCB was finalised prior to Financial Close being reached. The agreement sets out the rights, obligations, payment terms and approval processes in regard to the Mersey Gateway Project. The agreement also provides for the Council to appoint executive and non-executive directors to MGCB.

4.4   The Business Efficiency Board has been advised on the implications of the review of the effectiveness of the governance framework and a plan to further develop the Council's governance framework is in place.

4.5   The Council proposes over the coming year to take the steps identified in the Development Plan at the end of this document to further enhance its 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.

David Parr - Chief Executive

Rob Polhill - Leader of the Council

Governance Arrangements – Development Plan

	Issue	Actions	Responsible Officer
1.	**Funding pressures** Despite the slight improvement beginning to emerge for the UK economy, the financial settlements for local government look likely to remain very challenging for the coming years, particularly given the backdrop of increasing demand for council services. The Council's finances will therefore continue to need to be kept under close review. As reflected in the LGA Peer Review, appropriate action will be taken to ensure that the Council maintains its record of achieving a balanced budget and aligns its resources to corporate objectives and strategic priorities.	• Maintain a robust overview of statutory obligations and prioritise accordingly; • Review the Corporate Priorities/Community Plan; • Communicate priorities to staff/Members/managers to achieve buy-in; • Maintain the Medium Term Financial Strategy; • Link the budget process to service planning; • Maintain a budget risk register; • Utilise procurement practices to generate budget savings; • Continue the Efficiency Programme to drive efficiencies within all services; • Explore the potential for collaboration with neighbouring local authorities and external partners; • Focus upon opportunities for income generation where appropriate • Undertake equality impact assessments	Strategic Director – Policy & Resources
2.	**Combined Authority** The Liverpool City Region Combined Authority was established with effect from 1 April 2014. The Authority comprises the Constituent Councils of Halton, Knowsley, Liverpool, St. Helens, Sefton and Wirral along with Merseytravel and the LEP. It is envisaged that it will deliver transport and economic benefits to the region.	• The Order was made by Parliament to create the Combined Authority with effect from 1 April 2014. • The Constituent Councils and Merseytravel worked together to agree a Constitution and Operating Agreement. • The Constitution was adopted by the new Authority at its first meeting on 1 April 2014, and the Operating Agreement and Protocols have since been agreed and executed. • The Order abolishes the former Merseyside Integrated Transport Authority and its powers and duties transferred to the Combined Authority. • Certain Halton Borough Council transport powers contained in the Transport Act 1985 (Local Passenger Transport Services and Financial Provisions) and the Transport Act 2000 (Local Transport) transferred to the Combined Authority. Halton Council must no later than 1 April 2018 submit to the Secretary of State proposals for making a Scheme to transfer to the Combined Authority specified property rights and liabilities in respect of those statutory functions. The Secretary of State will then make such a	Strategic Director – Policy & Resources

Governance Arrangements – Development Plan

	Issue		Actions	Responsible Officer
			Scheme as he or she sees fit.	
3.	**<u>Development Control</u>** During the year the Development Control Committee were required to make a decision regarding a planning variation in respect of the INEOS/Viridor waste site. Officers recommended approving the planning variation as there were no grounds to refuse the application. However, Members did not accept officers' recommendation which resulted in an appeal to the Secretary of state and a Public enquiry was held. The Planning Inspector overruled the Development Control Committee's decision and awarded full costs to INEOS/Viridor.	•	Whilst it is for Members to ultimately decide upon such matters, further training will be provided for Members of the Development Control Committee regarding their governance responsibilities.	Strategic Director – Policy & Resources
4.	**<u>Local Government Transparency Code 2014</u>** In May 2014 the Government formally issued the Local Government Transparency Code 2014 under section 2 of the Local Government, Planning and Land Act 1980 (the Act). The Code has been issued to meet the Government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. The Code sets out the minimum data that local authorities should be publishing, the frequency it should be published and how it should be published. The Government has also decided to make regulations to make compliance with aspects of the Code a legal requirement for local authorities.	•	The Council will review the information it already publishes against the requirements of the new Code and will make arrangements to address any areas where it is not presently fully compliant.	Strategic Director – Policy and Resources