North Tyneside Council

DRAFT

Annual Governance Statement

2015/16

May 2016

Contents

Section

2015/16 Annual Governance Statement

1.0   Scope of Responsibility

North Tyneside Council is responsible for ensuring that its business is conducted in accordance with the law and proper accounting standards. It must make sure that public money is safeguarded and properly accounted for, and is used economically, efficiently and effectively. North Tyneside Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

North Tyneside Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE "Framework Delivering Good Governance in Local Government". A copy of the Code can be found on our website or can be obtained from Legal Services. This Statement explains how North Tyneside Council has complied with the code and also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015 in relation to the publication the Annual Governance Statement (AGS).

2.0   The purpose of the governance framework

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

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

An Annual Report is produced by the Chief Internal Auditor, part of which provides an opinion from Internal Audit on the overall adequacy and effectiveness of the Authority's control environment. This Statement includes any control issues that the Chief Internal Auditor has deemed significant and should be included within the AGS. These are identified where appropriate, and referenced to the Annual Audit Report.
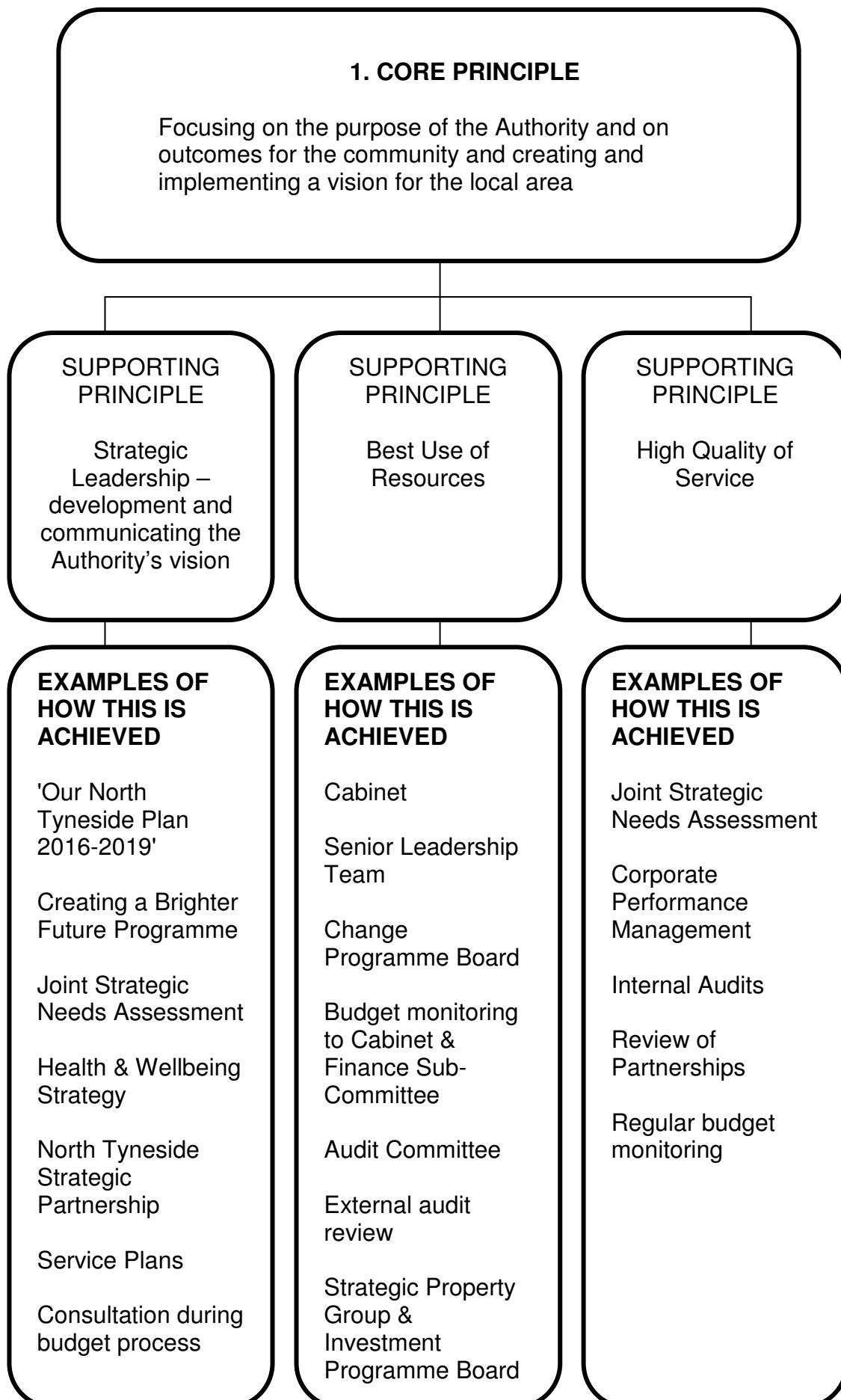
The governance framework has been in place at North Tyneside Council for the year ended 31 March 2016 and up to the date of approval of the Annual Financial Report.

3.0   The governance framework

The governance framework is based on the core principles of corporate governance included in the CIPFA/SOLACE Framework. These principles are underpinned by key features that need to be in place to allow an Authority to demonstrate that they comply with these principles. The following diagram sets out the six fundamental principles:

Means focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area

Means members and officers working together to achieve a common purpose with clearly defined functions and roles

Means engaging with local people and other stakeholders to ensure robust local public accountability

Good Governance

Means promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Means developing the capacity and capability of members and officers to be effective

Means taking informed and transparent decisions which are subject to effective scrutiny and managing risk

The key features that underpin each of the core principles, together with examples of how the Authority achieves them are outlined in the following diagrams. The Assurance Statement on Governance Arrangements within the Authority provides further details on each of the supporting principles and examples of how they are achieved within the Authority.
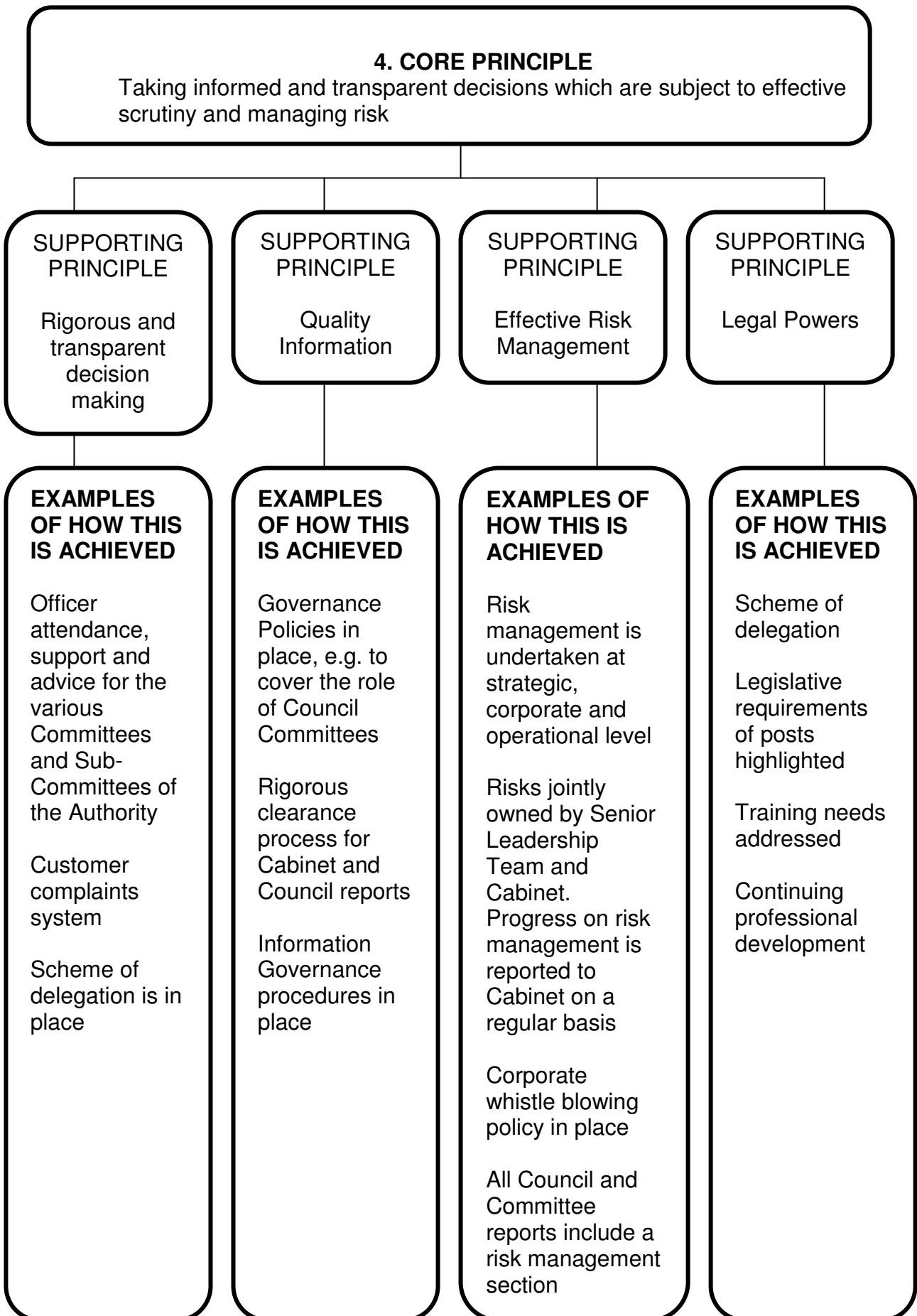
1. CORE PRINCIPLE

Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area

SUPPORTING PRINCIPLE	SUPPORTING PRINCIPLE	SUPPORTING PRINCIPLE
Strategic Leadership – development and communicating the Authority's vision	Best Use of Resources	High Quality of Service

EXAMPLES OF HOW THIS IS ACHIEVED	EXAMPLES OF HOW THIS IS ACHIEVED	EXAMPLES OF HOW THIS IS ACHIEVED
'Our North Tyneside Plan 2016-2019'	Cabinet	Joint Strategic Needs Assessment
Creating a Brighter Future Programme	Senior Leadership Team	Corporate Performance Management
Joint Strategic Needs Assessment	Change Programme Board	Internal Audits
Health & Wellbeing Strategy	Budget monitoring to Cabinet & Finance Sub-Committee	Review of Partnerships
North Tyneside Strategic Partnership	Audit Committee	Regular budget monitoring
Service Plans	External audit review	
Consultation during budget process	Strategic Property Group & Investment Programme Board	

2. CORE PRINCIPLE

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

SUPPORTING PRINCIPLE	SUPPORTING PRINCIPLE	SUPPORTING PRINCIPLE
Effective leadership	Clear relationships with partners and public	Constructive working relationships between elected members and officers

EXAMPLES OF HOW THIS IS ACHIEVED	EXAMPLES OF HOW THIS IS ACHIEVED	EXAMPLES OF HOW THIS IS ACHIEVED
Members Regular meetings between Cabinet Members and Senior Officers The Constitution Overview Scrutiny & Policy Development Committee Leaders for the 21st Century Programme Leadership Forum Releasing the Potential of the Workforce Programme	Strategic and Operational Partnership Boards Health and Wellbeing Board Mayor's Welfare Reform Task Group, Project Board Shared Services Management Board Service & Corporate Performance Reports Employee Code of Conduct Individual Performance Reviews	The Constitution Working with Members training Protocols on Member/Officer Relations Member Development Programme Ward Briefings

3. CORE PRINCIPLE
Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

SUPPORTING PRINCIPLE

High standards of conduct and effective governance

SUPPORTING PRINCIPLE

Organisational values are put in practice and are effective

EXAMPLES OF HOW THIS IS ACHIEVED

The Constitution

Governance arrangements in place across the Authority

Standards Committee

Member Development Programme

Leadership Forum

Code of Conduct for Members & employees

Regular monitoring of Health and Safety, Equality and Diversity

EXAMPLES OF HOW THIS IS ACHIEVED

Organisation value statement is in place

Service Plans

Workforce Strategy

Job descriptions

Individual Performance Reviews

4. CORE PRINCIPLE

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

SUPPORTING PRINCIPLE	SUPPORTING PRINCIPLE	SUPPORTING PRINCIPLE	SUPPORTING PRINCIPLE
Rigorous and transparent decision making	Quality Information	Effective Risk Management	Legal Powers
EXAMPLES OF HOW THIS IS ACHIEVED	**EXAMPLES OF HOW THIS IS ACHIEVED**	**EXAMPLES OF HOW THIS IS ACHIEVED**	**EXAMPLES OF HOW THIS IS ACHIEVED**
Officer attendance, support and advice for the various Committees and Sub-Committees of the Authority Customer complaints system Scheme of delegation is in place	Governance Policies in place, e.g. to cover the role of Council Committees Rigorous clearance process for Cabinet and Council reports Information Governance procedures in place	Risk management is undertaken at strategic, corporate and operational level Risks jointly owned by Senior Leadership Team and Cabinet. Progress on risk management is reported to Cabinet on a regular basis Corporate whistle blowing policy in place All Council and Committee reports include a risk management section	Scheme of delegation Legislative requirements of posts highlighted Training needs addressed Continuing professional development

5. CORE PRINCIPLE

Developing the capacity and capability of members and officers to be effective

SUPPORTING PRINCIPLE	SUPPORTING PRINCIPLE	SUPPORTING PRINCIPLE
Ensuring members and officers have the appropriate skills, knowledge and experience	Capability of people charged with governance responsibilities	Encouraging new talent

EXAMPLES OF HOW THIS IS ACHIEVED	EXAMPLES OF HOW THIS IS ACHIEVED	EXAMPLES OF HOW THIS IS ACHIEVED
Learning & Development Framework

Member Development Programme

Individual Performance Reviews

Staff Surveys | Governance arrangements

Scheme of Delegation

Working with Members training

Individual Performance Reviews

Appropriate training | Leadership Forum

Recruitment Policy and Procedures

Managers Development Programme

Releasing the Potential of the Workforce Programme

Individual Performance Reviews |

6. CORE PRINCIPLE
Engaging with local people and other stakeholders to ensure robust public accountability

---

SUPPORTING PRINCIPLE

Dialogue with, and accountability, to the public

SUPPORTING PRINCIPLE

Meeting responsibility to staff

SUPPORTING PRINCIPLE

Robust scrutiny function which engages local people and partnerships

---

EXAMPLES OF HOW THIS IS ACHIEVED

Engagement Strategy

Elected Mayor's Listening Events

Community Conversations hosted by local councillors

Wide programme of engagement on full range of services regularly reported to SLT and Cabinet Members

EXAMPLES OF HOW THIS IS ACHIEVED

Gold Award for 'Better Health at Work Award'

Health & Safety Continuing Excellence award

Staff Panel

Staff surveys & associated Action Plan

Engagement with Trade Unions

Health Safety & Wellbeing Framework & Policies. Industrial relations framework

EXAMPLES OF HOW THIS IS ACHIEVED

Overview, Scrutiny & Policy Development arrangements

Public engagement and feedback

Mayor's Listening Events

Tenant & Leaseholder Involvement Strategy

Service Development Groups

Authority's website & use of social media

4.0 Review of effectiveness

North Tyneside Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Chief Executive, Deputy Chief Executive, Director of Public Health and Heads of Service within the Authority who have responsibility for the development and maintenance of the governance environment.

Listed below are the processes that are applied in maintaining and reviewing the effectiveness of the governance framework on a continuing basis:

- **The Full Council** – The Full Council is responsible within the scope of its responsibilities under law, for ensuring that the Authority's business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, effectively and efficiently. All reports to Full Council document the financial, legal and operational implications of the decisions to be made. Reports are reviewed to ensure there are no governance issues identified or, where such an issue is identified, to ensure that it is appropriately addressed. The Elected Mayor, the Chief Executive and Chair of Council have signed this document;

- **The Council's Executive** – The Council's Executive comprising the Elected Mayor and Cabinet is responsible, within the scope of its responsibilities under the law, for ensuring that the Authority's business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, effectively and efficiently. All reports to Cabinet document the financial, legal and operational implications of the decisions to be made. Reports are reviewed to ensure there are no governance issues identified or, where such an issue is identified, to ensure that it is appropriately addressed. The findings of the AGS are reported to, and discussed with, the Elected Mayor;

- **Head of Paid Service** – The Head of Paid Service is responsible for the corporate and overall strategic management of the Authority's staff in accordance with Section 4 of the Local Government and Housing Act 1989;

- **Chief Finance Officer** – The Chief Finance Officer (CFO) has statutory duties in relation to the financial administration and stewardship of the Authority arising from Section 151 of the Local Government Act 1972. The CFO has completed a governance statement which outlines the arrangements that are required to ensure that the CFO duties can be carried out effectively. The statement is based on "The Role of the Chief Finance Officer" published by CIPFA;

- **Monitoring Officer** – The Monitoring Officer has responsibility for promoting and maintaining high standards of conduct and reporting any actual or potential breaches of the law or maladministration to the full Council and/or to the Cabinet as set out in Section 5(2) of the Local Government and Housing Act 1989;

- **The Senior Leadership Team** - The Senior Leadership Team acts as the organisation's overall 'management board', providing strategic direction to

enable the business of the Authority to be undertaken. The Team provides ultimate assurance to the Cabinet and non-executive Members in relation to the governance arrangements in place. The AGS is reviewed by the Senior Leadership Team as part of the production of the Statement;

• **The Audit Committee** - The Audit Committee improves corporate governance by reviewing the stewardship of the Authority's resources. The Audit Committee enhances the profile of audit throughout the Authority and enables it to be strong and effective. The findings of the annual governance review are reported to the Audit Committee. The terms of reference of the Audit Committee state that they receive the information necessary to undertake an annual review of the effectiveness of the Authority's system of internal control, will agree the methodology for the preparation of the AGS and will monitor the action plan prepared to address the issues identified in the AGS;

• **Overview, Scrutiny & Policy Development** - The Overview, Scrutiny & Policy Development Committee is about improving services for the people of North Tyneside by influencing decision makers. This is achieved by: acting as a critical friend to the Elected Mayor and Cabinet, investigating issues of interest and concern to communities within North Tyneside, involving communities in its work and making recommendations to decision makers on how services can be improved. There are currently seven Overview, Scrutiny & Policy Development sub-committees which cover all Authority services:

  ▪ Finance;
  ▪ Adult Social Care, Health and Well Being;
  ▪ Children, Education, and Skills;
  ▪ Environment;
  ▪ Economic Prosperity;
  ▪ Housing; and
  ▪ Culture & Leisure

• **Standards Committee** - The Standards Committee is responsible for the promotion and maintenance of high ethical standards within the Authority, helping to secure adherence to the Members' Code of Conduct, monitoring the operation of the Code within North Tyneside, the provision of training to members in relation to the Code and to requirements for disclosure of interests. The Committee also promotes and reviews the Whistleblowing Policy for Members and conducts hearings following investigation and determines complaints made against Councillors in respect of alleged breaches of the Code of Conduct (including following requests for review);

• **Health & Wellbeing Board** - The Health & Wellbeing Board is in place to ensure that there is an integrated approach to the provision of health and social care services in the area. The Board is responsible for: encouraging the commissioners of health and social care services to work in an integrated manner to improve the health and wellbeing of people in the area, including the making of joint arrangements; preparing a Joint Strategic Needs Assessment, Joint Health and Wellbeing Strategy and Pharmaceutical Needs Assessment; and encouraging the commissioners of health-related services, such as housing, to work closely with the Board and the commissioners of health and social care services. The Council's Director of Public Health and statutory

Director of Adult Social Services and Children's Services form part of the Health & Wellbeing Board;

- **Corporate Assurance Group** – The Corporate Assurance Group consists of the Chief Executive, Deputy Chief Executive, statutory Director of Adult Social Services and Children's Services. The Group not only provides adequate and regular assurance for the statutory functions for Adult and Children's Services, but enables a strategic discussion of trends, pressures, special measures for specific establishments/service areas or client groups. It also enables the performance, engagement and resource commitment of partners to be kept under review, as well as providing a regular link with the Safeguarding Board Chairs. A primary function of the Group is to provide the evidence by which the Chief Executive, Elected Mayor and Cabinet Members fulfil their statutory responsibilities to adults and children within the borough – in both a retrospective scrutiny of performance and a forward view of pressures and challenges facing the services – which will inform corporate decisions on resources and capacity;

- **Internal Audit** – Internal Audit plays a key role in the assessment of the control environment. Although part of the Authority's overall control framework, Internal Audit is not a substitute for effective internal control. The Chief Internal Auditor provides an annual summary of the results and conclusions of the year's work, this report includes an opinion on areas included within the AGS;

- **Risk Management Groups** – Risk Management is undertaken at operational, strategic and corporate level and is also a main element of managing our key projects and partnerships. The Authority's Senior Leadership Team takes an active part in ensuring that strategic risks are identified and managed taking into consideration the Authority's priorities.   Those strategic risks that are exceptional in nature are managed at corporate level and are jointly owned by the relevant member of the Senior Leadership Team and Cabinet Member.   All risks are reviewed on a regular basis by the relevant risk management group and governing body to ensure that they are being managed effectively, with progress reported to Senior Management, relevant Board, Senior Leadership Team, Cabinet, and the Audit Committee;

- **External Audit** - Officers meet regularly with the External Audit team, who also attend key Council meetings. Action plans are formulated to address any formal recommendations raised by external inspectors. The views of our external auditors are expressed through the Annual Audit Letter and the Annual Governance Report; and

- **Partnerships** - a monthly Operational Partnership Board (OPB) is attended by key officers within the Council and the Partner. The Cabinet Member for Finance and Resources (for ENGIE) and the Cabinet Member for Housing and Transport (for Capita and Kier) also attends the relevant meeting. The OPB is the main interface between North Tyneside Council and ENGIE/Capita/Kier. It provides a forum for the day-to-day management of the Partnership and is responsible for ensuring that performance targets are met, that the payment and performance mechanism operates correctly, that a high-performance relationship and culture is developed and that problems or issues and contract variations are resolved. The OPB reviews performance and budget reports from the relevant Partner and any risks or issues escalated to it by

ENGIE/Capita/Kier or the Commercial Services Team. The OPB escalates risks and issues to full Council, Cabinet or ENGIE/Capita/Kier as appropriate.

All of the above work has been used in compiling this Statement and arriving at an assessment of the internal control arrangements in place within the Authority.

5.0   Overall assessment of Governance Arrangements in place

Any system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, that material errors or irregularities are either prevented or would be detected within a timely period and that significant risks impacting on the achievement of the Authority's objectives have been mitigated.

The annual report produced by the Chief Internal Auditor has been reviewed and there are no significant governance issues that were identified. See section 9 "Annual Governance Statement 2015/16" of the Internal Audit Service report "2015/16 Opinion on the Framework of Governance, Risk Management and Control".

As a result of reviewing the evidence outlined in sections 3 and 4, the Senior Leadership Team has taken the view that as a whole, the governance arrangements in operation during 2015/16 within the Authority were adequate.

5.1   Outlook

As a result of reviewing the evidence outlined in sections 3 and 4, together with the Authority's assurance statement, some issues were identified that will need to be monitored during 2016/17. These issues relate to the changing nature of the Authority and local government as a whole. If the Authority failed to address these challenges properly it may result in future governance issues. Outlined below is a summary of these key challenges:

Potential Governance Issue	Current Controls
Housing Revenue Account (HRA) - there is a risk that the Authority will be unable to protect its housing asset and services to tenants as a consequence of reduced income to the HRA. Government policy on Welfare Reform is resulting in a number of direct challenges to rent collection; the Spare Room Subsidy and the Benefit Cap have already had an impact. Further Welfare Reform changes, including the implementation of Universal Credit and its revised payment period, and changes proposed in the Housing & Planning Bill, reducing social housing rents by 1% each year for the next 4 years, mean there will be less income and that income will be harder to collect.	• Budget Setting Process - this will incorporate the review of the existing HRA business plan to reflect the changes. • Redesign of Housing Management Structure - reduce the resource requirement for managing the service. • Kier NT Review - working with Kier NT to identify where savings can be made. • Revised 30 year Capital Investment Plan - the cost and quantity of work within the 30 year Investment Plan has been revised to help mitigate the impact of changes. It takes into

Potential Governance Issue	Current Controls
	consideration the 1% reduction and was approved by Cabinet on 14 January 2016.
Creating a Brighter Future Programme (CBF) has been rolled out across the Authority and represents a new plan for delivery in addition to major culture change and new ways of working. To enable the objectives of the Programme to be met it is important that the current monitoring processes that are in place will enable robust financial and service challenges to continue during the year. There is a risk that if the CBF programme is not successfully implemented the Authority may be unable to deliver improved services and meet the increased demand on Council services within reducing resources.	• Governance Framework - there are monthly Programme Board meetings via Senior Leadership Team (SLT). This helps to ensure that there is visibility and accountability. It also enables reporting of progress against the plans. Additionally the Enabling Project Board has been established, this and meetings for the Redesign Board are being programmed and will oversee the delivery of CBF and TOM (Target Operating Model). • Regular updates reported to Lead Member Briefings. This ensures that Cabinet Members are kept informed of progress and of any issues. • CBF Programme risk register. Highlights and reports key risks attached to the strategic aims of the CBF programme to the CBF Board enabling informed decisions to be made.
Section 75 Agreement - the Authority has a s75 Agreement in place with North Tyneside Clinical Commissioning Group (CCG) which sets out a comprehensive set of financial and performance metrics which the Better Care Fund (BCF) Partnership Board uses to monitor the implementation of BCF schemes, including the risk of overspends. The NHS in totality is under financial pressure and the CCG has a forecast deficit of £19.0m in 2015/16 which could have financial implications for the Authority's revenue budget in the current and future years. The CCG has a financial recovery plan in place based on the delivery of QIPP (Quality, Innovation, Productivity and Prevention) programmes, managing demand, whole system change and commissioning external	• Established governance arrangements for the Better Care Fund. Financial and performance information will be monitored and any variation will be easily identified. • Progress updates reported to Lead Member Briefings. This will ensure that Cabinet Members are informed of progress and any issues. • Section 75 Agreement has been established. This establishes the legal framework to manage the progress. • Turnaround Board. The Turnaround Board consists of

Potential Governance Issue	Current Controls
support to challenge and test the plans in place and the ability to deliver those plans. The delivery of this plan could have implications for both Adults and Children's Social Care services and could impact on the assumptions included in the Authority's current and future year's budget and financial plans with regard to financial transactions with the CCG.	the Chief Executive and representatives from CCG, it has been established to manage the CCG deficit and look at finances across Health and Social Care.
Business Rates - the Chancellor of the Exchequer recently announced that local authorities will be able to keep all the business rates that they collect from local businesses. The original business rate retention scheme gave local authorities the potential to retain 50% of business rate income and up to half of any growth in business rates revenue from new assessments added to the rating list. The remainder was returned to central government and redistributed. Full retention will potentially give local authorities greater ability to plan for the long term, more financial independence and an increased incentive to generate growth as 100% of business rates will be retained. There are a number of risks with the new proposals which the Authority will need to address. For example, a lack of business growth or the shutting of a business will impact on the Authority's revenues. The Authority will also have to bear 100% of business rates appeals, this was previously 50%. The current business rates system has a safety net in place for those local authorities that see a reduction in business rate income by more than 7.5%. It is anticipated that this will stay in place, but this hasn't been confirmed. The Authority will need to assess and plan for this potential risk. In addition resource implications will need to be taken into account to manage the change in the administration of business rates.	• Highly effective engagement with businesses. Ensures effective high level relationship between Council, key strategic companies and developers; facilitating timely support and the opportunity to mitigate threats. • National working groups established – Systems Design Working Group and Responsibilities Working Group. The Systems Design Working Group is a forum through which local government representatives and other interested bodies will provide information and expert advice to support the Local Government Association and Department of Communities and Local Government in advising Ministers on setting up the most appropriate system to deliver 100% business rates retention. The Responsibilities Working Group will develop options for the devolution of responsibilities and funding. • Regional (former Association of North East Council's area) Task & Finish Group, Business Rates Retention, set-up to influence central government direction on the proposed Business Rates Retention system.

Potential Governance Issue	Current Controls
Information Governance - there is a risk in relation to information governance that unless there are robust policies and systems in place and implemented there is a possibility that sensitive data may be lost. Some information held by the Authority is extremely sensitive in nature which requires robust policies and systems to be in place to ensure that it is as secure as possible, and that staff are fully aware of the procedures that they need to follow when dealing with such information. If the Authority fails to have robust policies in place there is a risk that the Data Protection Act could be breached leading to fines and compensation claims.	• Senior Information Risk Officer (SIRO). This ensures that there is someone within the Council that has ultimate responsibility for ensuring that information and attached risks are managed effectively. • Information Security Group. The membership of the group is from services across the Council. Its remit is to support the SIRO and inform policy and procedures to manage information. • Information Governance Improvement Plan. This helps ensure that policies and procedures are adequate, up to date and implemented by staff. This is an ongoing process which will be supported by the implementation of the Electronic Document Record Management System (EDRMS). The end result will be improved practices across the Council. The plan is currently in the process of being reviewed and strengthened. This will also include reference to new ICT collaboration tooling and how it will work with EDRMS. • Strategic Information Governance Officer. Providing a corporate approach working with day to day managers of the information governance processes and procedures, ensuring a training plan is in place and implemented.
Partnerships - the Authority needs to continue to embed and review governance arrangements that are in place in respect of all partnerships to ensure required services are delivered satisfactorily, whilst also achieving and sustaining value for money. In addition the Authority needs to ensure that boundaries and responsibilities remain clear	• The Governance Structure. The governance structure has been operating since 1 November 2012. It helps ensure that the governance to manage the partnerships is in place i.e. Strategic Partnering Boards, Operational Partnering Boards, Senior Client Groups and a

Potential Governance Issue	Current Controls
and are robustly managed, recognising that operations and staffing in both partner organisations and the Authority change over time.	Commercial Group. • Delivery of Key Performance Indicators (KPIs) has been agreed. KPIs are reviewed, updated and agreed on an annual basis. They form the basis of performance management against the contract, ensuring that the Council's ambitions and objectives are being delivered.
The White Paper '**Education Excellence Everywhere**' published in March 2016 signalled a fundamental change in local authority relationship with schools, requiring most schools to form or join multi-academy trusts by 2022. However, Government has now abandoned plans for new laws to make all schools convert into an academy. It will be replaced by legislation enabling the Government to force schools to convert when local authorities have consistently poor results across their schools. The Government will also step in when there are so few schools under local authority control that a council can "no longer support its remaining schools".	• Despite this change the Authority will continue to keep a watching brief on how Government deal with the question of academies.

5.0 Signatures

We, the undersigned, propose to ensure the areas identified above are monitored during the coming year in order that the governance arrangements within the Authority remain effective. These will be reviewed throughout the year.

Signed:

………………………………………………   …………………………………………………

Elected Mayor   **Chief Executive**

Date: ………………………………………   **Date:** …………………………………….

…………………………………………………..

Chair of Council

Date: …………………………………………

I confirm that the Audit Committee (at its meeting 25 May 2016) was satisfied on the basis of the information available to it, that the Annual Governance Statement 2015/16, which is required, under the Regulations governing the audit of local government accounts, has been prepared and approved after due and careful enquiry.

………………………………………….

Chair of the Audit Committee

Date:…………………………………………