

Council

A meeting of Council was held on Wednesday, 4th March, 2015.

Present: The Worshipful the Mayor (Cllr Barbara Inman), Cllr Mrs Lynne Apedaile, Cllr Paul Baker, Cllr Jim Beall, Cllr Derrick Brown, Cllr Mark Chatburn, Cllr Julia Cherrett, Cllr Carol Clark, Cllr Michael Clark, Cllr David Coleman, Cllr Robert Cook, Cllr Nigel Cooke, Cllr Evaline Cunningham, Cllr Ian Dalgarno, Cllr Phillip Dennis, Cllr Kevin Faulks, Cllr Robert Gibson, Cllr David Harrington, Cllr Ben Houchen, Cllr Mohammed Javed, Cllr Eileen Johnson, Cllr Elliot Kennedy, Cllr Paul Kirton, Cllr Terry Laing, Cllr Miss Tina Large, Cllr Colin Leckonby, Cllr Alan Lewis, Cllr Ken Lupton, Cllr Ray McCall, Cllr Mrs Ann McCoy, Cllr Mick Moore, Cllr Mrs Kathryn Nelson, Cllr Steve Nelson, Cllr Mrs Jean O'Donnell, Cllr Ross Patterson, Cllr Maurice Perry, Cllr Mrs Maureen Rigg, Cllr Michael Smith, Cllr Norma Stephenson O.B.E, Cllr Mick Stoker, Cllr Tracey Stott, Cllr Steve Walmsley, Cllr Mrs Sylvia Walmsley, Cllr David Wilburn, Cllr Norma Wilburn, Cllr Bill Woodhead and Cllr Barry Woodhouse.

Officers: N Schneider (CE); J Danks, B Brown, L King (R), J Humphreys (CESC); P Dobson (DNS); P Kelly (PH); D E Bond, P K Bell, J McDonald (LD).

Also in attendance: Members of the public.

Apologies: Cllr Gillian Corr, Cllr Ken Dixon, Cllr John Gardner, Cllr Jean Kirby, Cllr David Rose, Cllr Andrew Sherris, Cllr Andrew Stephenson, Cllr Mary Womphrey and Cllr Michael Womphrey.

C Councillor Ken Dixon **99/14**

Members wished Councillor Ken Dixon their best wishes and a good recovery following his recent ill health.

C Declarations of Interest **100/14**

Councillor Cook declared a personal and non-prejudicial interest in respect of agenda item 9 - Combined Authority for the Tees Valley as he was a member of Tees Valley Unlimited.

Councillor Harrington declared a personal and non-prejudicial interest in respect of agenda item 9 - Combined Authority for the Tees Valley as he worked for a local authority named within the report.

Councillor Mrs McCoy declared a personal and non-prejudicial interest in respect of agenda item 8 - Member Learning & Development Strategy 2015 - 2019 and Induction Programme following the Local Government Elections 7th May 2015 as she was a member of NEREO.

C Minutes **101/14**

The minutes of the meeting held on 21st January 2015 (Minutes C 86/14 - C 96/14) were signed by the Worshipful the Mayor as a correct record.

C Public Question Time **102/14**

The Director of Law and Democracy informed the Worshipful the Mayor that no Public Questions had been received.

C Members Policy Seminar Programme **103/14**

Consideration was given to a report that provided Members with an overview of content from the Members Policy Seminars in January and February 2015 that

included presentations on the Troubled Families programme, Town Centres update and phase two rollout of the Council's new web site due for launch at the end of March 2015.

RESOLVED that the report be noted.

C
104/14 **Council Plan 2015-18**

Consideration was given to a report that presented a draft Council Plan for 2015-18, providing details of the approach, development, consultation process and arrangements for target setting and approval. A copy of the Council Plan 2015 – 18 and Policy and Legislative changes were available on agenda.

At the Cabinet meeting on 12th February 2015 members received information on the approach, development, content and consultation arrangements undertaken in support of the development of the Council Plan 2015 -18. Members endorsed the Plan and recommended it for approval at Council.

Last year, the Council Plan 2014 – 17 underwent a robust review process prior to approval by Council in March 2014. As a result , it was agreed that the refresh of the plan for 2015- 18 would be light touch, taking into consideration any new legislative and policy changes, rolling forward ongoing actions and removing those completed. Performance measures and targets would also be rolled forward or reviewed as required. A full review would take place next year following the May 2015 local and national elections.

New policy and legislative changes that had emerged since the development of the plan last year were considered and mapped against existing objectives and actions in section 4 of the plan. This identified where existing activity already supported any new policy changes or highlighted potential gaps. A copy of this mapping exercise was available on agenda.

Discussions took place at each Service Group Management Team meeting, providing a challenge to the list of policy and legislative changes and identifying any new objectives and actions for inclusion in the 2015- 18 plan. Discussions also highlighted completed actions and considered arrangements for monitoring outcomes and provisional target setting.

The Council Plan 2015/18 was in 2 parts. The “front end” sections 1 – 3, set out the Council's overall ambition, vision, policy principles and priorities and provided the context in which the Council delivered its services. This was supported by narrative providing information about changing demographics, details of national policy and legislation that had informed the plan, the links to other key strategic plans, consultation activity, both internal and external challenge and inspection regimes that supported the priority setting and improvement programme.

The second part, sections 4 and 5, provided the activity to be undertaken detailed by theme and the agreed policy principles. It set out the desired outcomes, key objectives and related actions to be delivered through the duration of the plan.

The final version of the plan would include a range of indicators and targets on

which progress could be monitored and success measured. Targets were being considered using the latest available outturn data and where available revised targets were included in the plan however for some residual measures where year-end data was required, Council was requested to delegated the decision on approval of these targets to the Corporate Director for Resources in conjunction with the Leader of the Council.

Discussion sessions had been organised for the 10th and 13th February 2015, for elected members to discuss the Council Plan 2015/18 alongside the Medium Term Financial Plan arrangements. Group discussions were also ongoing.

Further work on residual measures and target setting continued as year-end data releases became available.

A summary version of the Council Plan 2015-18 was to be developed following approval of the full version of the plan.

Both the full and summary version of the Council Plan 2015- 18 would be published on the councils Web Site following approval by Council.

Cabinet had considered the item on 12th February 2015 and a copy of the relevant minute extract was attached to the report.

RESOLVED that:-

1. The draft Council Plan be approved.
2. Authority for the agreement of the targets associated with the delivery of the Council Plan be delegated to the Corporate Director for Resources in conjunction with the Leader of the Council.

C
105/14 **Draft Director of Public Health Annual Report 2013-14**

Consideration was given to the Draft Director of Public Health Annual Report 2013/14.

This was the draft Annual Report of the Director of Public Health for Stockton Borough Council for 2013/14. The Report outlined the key health and wellbeing challenges and opportunities in Stockton Borough, particularly around health inequalities. Stockton Borough was the Local Authority with the widest inequality in life expectancy nationally: 16yrs for men and 11.4yrs for women. As set out by Dr McGonigle (Chief Medical Officer 1924-1939), social and economic determinants impacted on health and wellbeing. The Report outlined work over the past year to address these challenges, including service reviews, commissioning, population-wide programmes and work with partners. The Report fitted with the priorities in the Joint Health and Wellbeing Strategy 2012-18 and the Council Plan.

Key areas of work and ongoing challenges were outlined in relation to:-

- Addressing inequalities e.g. NHS Health Checks and Lung Checks, smoking, cancer screening uptake and fuel poverty
- Creating population impact

- Service reviews e.g. weight management and school nursing services
- Specialist Public Health support and advice to the NHS
- Protecting the health of the population e.g. management of outbreaks and immunisations

The Report also outlined progress on three key challenges from last year's Report and endorsed their continued importance:-

- No alcohol in pregnancy
- Fizzy drinks full of added sugars should only be a rare treat, especially for children
- Read to your child every day – a great way to bond with your child and help them develop

RESOLVED that the draft Director of Public Health Annual Report 2013/14 be approved.

C 106/14 Member Learning & Development Strategy 2015 - 2019 and Induction Programme following the Local Government Elections 7th May 2015

Consideration was given to a report on the Learning and Development Strategy 2015 - 2019 and Induction Programme Following the Local Government Elections.

Members were presented with the proposed changes to the Member Learning & Development Strategy and the proposed Induction arrangements in readiness for the next Council elections in 2015.

The proposed Learning & Development Strategy 2015 – 2019 which outlined the Councils support and development priorities for Elected Members was attached to the report.

As noted in the Strategy, Member Development needs would be identified and delivered within the main themes of:-

- Regulatory Committees
- Corporate Training Needs
- Role of Members / Identifying Personal Support Needs
- Community Leadership

The 2015 Induction Programme would be advertised and included in Candidates and Agents packs prior to the May elections.

Elected Members would receive a 'Getting You Started' pack on the day of the Count, which would include key information regarding car parking, Map / Addresses for Council Officers, door codes etc. Full demographic Ward profiles would also be given to all Members and all Members would be offered an opportunity to conduct Ward Walks in the company of relevant officers from each Service Area.

The induction would commence on the first Monday following the elections (11th May 2015). The Induction Programme was attached to the report for Members consideration.

RESOLVED that:-

1. The updated Member Learning & Development Strategy for 2015 – 2019 be endorsed.
2. The 2015 Induction arrangements be endorsed, in particular the proposal that the annual Adults and Children Safeguarding training and the resources development session regarding local government finance be made mandatory for all Members.

C
107/14 **Combined Authority for the Tees Valley**

Consideration was given to a report on a Combined Authority for the Tees Valley.

The report provided information on the outcome of the consultation results, details of the Draft Scheme and an outline of the future timetable.

At the Cabinet meeting of 4 December 2014 a report was received in respect of the potential creation of a Combined Authority for the Tees Valley (including Darlington, Hartlepool, Middlesbrough, Stockton and Redcar & Cleveland). As part of the report it was agreed to undertake consultation as outlined and receive a further report prior to the submission of a draft scheme to the Secretary of State.

The report incorporated a recap on the rationale for the establishment of a Combined Authority (the original report was attached for Members information) and how it would support the achievement of economic goals, the results from the consultation and the draft scheme for submission to the Secretary of State.

A great strength of the area had been its ability to demonstrate its unity of purpose in securing a more prosperous economic future. The five local authorities of the Tees Valley, working together with business as the Local Enterprise Partnership (LEP), had firmly established the sub-region on the national stage. Building on the strengths of the partnership, it was clear that new arrangements and powers would:-

- Combine the strengths of the LEP with new powers afforded by a Combined Authority
- Be non-bureaucratic. A Combined Authority which operated as the LEP would achieve this
- Be cost-effective. The analysis estimated that there was limited additional cost across the Tees Valley to deliver more effective decision-making and delivery of the strategy
- Not re-create the former Cleveland County Council. A Combined Authority would not do this; it would assist decision-making on matters of jointly agreed priorities of economic development, skills and transport across the five Boroughs, and
- Ensure the Authorities would continue to work in harmony with business

The Authorities were hugely ambitious for the Tees Valley and its communities. The existing governance arrangements had served the Tees Valley well but it

was a fast changing world and it was essential that the Tees Valley built on its success. The economy could only grow if the Tees Valley Authorities all worked together, and the speed at which change was occurring warranted an appraisal of options that would help to strengthen decision-making and further develop the partnership.

The Tees Valley wanted to be a big player, competing successfully alongside other, often much larger, sub-regions, both in the UK and internationally. The Tees Valley had always been ahead of the competition as illustrated by the establishment of the Enterprise Zone and RGF awards, for example. The Tees Valley had achieved this through being innovative, collaborative and creative. The Tees Valley must remain in the premier league, rather than risk lagging behind. The Tees Valley had a strong track-record of working together, and being recognised nationally, but it had an opportunity to cement the partnership through a Combined Authority and to benefit from the security of approach this would bring for the Tees Valley and its partners.

The funds for which TVU was responsible would increase substantially in size with EU Structural Funds, Local Growth Fund, the schemes approved through the City Deal (e.g. the Business and Skills Hubs) and funds returning from the Enterprise Zones. Future governments may well channel further additional resources through Combined Authorities. The Tees Valley would need to ensure that the decision-making, accountability and claw-back in relation to these funds were effective, efficient and met the requirements of funders.

Part of the rationale for the Combined Authority was to make decision-making more efficient by requiring just one decision instead of five locally. The major prize, however, was the devolution of powers from Government and the opportunities afforded by reversing decades of centralisation in the UK.

As a Combined Authority, the Tees Valley would want to attain the same level of powers on transport as had been held by Integrated Transport Authorities (formerly Passenger Transport Authorities) which had been transferred to every one of the five newly created Combined Authorities. The Tees Valley was unique in that it did not have an Integrated Transport Authority. Attaining the same transport powers as other Combined Authorities would support the ambitions to accelerate economic growth, recognising the need to improve:-

- Connectivity within the Tees Valley, improving access to work, leisure etc,
- Connectivity between the Tees Valley and other regional and national centres to improve both mobility and our logistics industry, a key driver of economic growth, and
- Connectivity internationally, to scale up exports and inward investment

These ambitions covered road, rail, air and sea; for freight, passengers, commuters and visitors.

In relation to economic development the Combined Authority would assume broad well-being powers to promote economic prosperity, would have the power to accept devolved funding for economic development purposes and to manage significant investment in transport and economic infrastructure to boost economic growth.

The creation of a Combined Authority would benefit communities by improving the Tees Valley's ability to:-

- Create employment opportunities;
- Target resources to skills development where they were most needed;
- Attract businesses here to make the most of opportunities especially in new and emerging industries as we diversified our economy; and
- Create the transport infrastructure and strategy that helped people and goods move around the Tees Valley more effectively, and between the Tees Valley and other centres both nationally and internationally.

There had never been a better time to establish a Combined Authority.

As was highlighted in the last report the Combined Authority would consist of a representative Member appointed by each of the five Tees Valley Authorities, with the intention being that this would be either the Authority's Leader or directly elected Mayor, each with one vote.

Members on the Combined Authority could co-opt others (e.g. business representatives) in line with the TVU Leadership Board. The Chair and Vice-Chair would be appointed annually for a one year term by the Combined Authority from amongst the representative Members of the constituent Local Authorities and the positions would rotate between the constituent Councils each year.

Part 6 of the Local Democracy, Economic Development and Construction Act 2009 stated that every Combined Authority must put into place arrangements for the review and scrutiny of the discharge of its functions. The proposed scrutiny arrangements for the Tees Valley Combined Authority were based upon and incorporated CLG guidance and it was proposed that there be a Scrutiny Panel of 3 Councillors from each of the Tees Valley constituent councils. This was consistent with a number of Combined Authorities already set up and would produce a sensible number of Councillors to be a Panel for the Tees Valley. Membership of the Scrutiny Panel would have to be politically proportionate.

As agreed as part of the report in December 2014 a consultation process had been running across all five local authorities. Attached to the report were the results of the consultation which provided more detail than was included in the report.

The consultation ran from 10 December 2014 to 31 January 2015 and was publicised through press releases, inclusion on authority websites, social media and direct contact across the five boroughs.

In total there were over 1900 responses (of which 1638 were residents) which was a significant return. It was important that the numbers of responses were maximised (hence the promotion around the consultation). As context, when the consultation was undertaken in the north of the region in respect of the establishment of their Combined authority there were a total of 650 responses to the consultation (of which 450 were residents).

The results were supportive of the creation of a Combined Authority. A number

of people did not answer the question. Of the 1828 responses almost 65% were in favour of the creation of a Combined Authority (with 27% against and 8% didn't know).

In addition to the responses to the questions posed there had been a number of comments made. These had been both in favour and against the creation of a Combined Authority and a range of them were reflected in the attached report. The results of the consultation were clearly in favour of the creation of a Combined Authority and a strong endorsement of the proposals.

The Authorities were required to submit a draft scheme for the operation of the Combined Authority to the Secretary of State to lay the appropriate orders in Parliament.

A draft Terms of Reference was submitted to Cabinet in December. Attached to the report was the proposed Draft Scheme for submission to the Secretary of State for the Combined Authority. There were no significant differences between the draft scheme and the draft Terms of Reference previously submitted. It set out a comprehensive list of its functions in relation to each of the functional areas. It also set out the decisions that the Combined Authority would take, alongside the decisions to be taken by the local authorities.

Based on this, the principal functions of the Combined Authority would be to:-

(i) Set the strategic economic vision, key priorities and outcomes for the Tees Valley area, in relation to:-

- Economic Development;
- Strategic Transport and Infrastructure
- Employment and Skills
- Business Investment
- Low Carbon; and to

(ii) Fulfil other duties and responsibilities including to:-

- determine the use of funding received for joint purposes;
- approve the commissioning of capital projects; and
- consider funding agreements and joint venture arrangements

There were a number of stages to the process of becoming a Combined Authority as defined by Government, and this dictated, in part, the timescale for securing this status.

Following consideration of the matter by respective Cabinets / Finance and Policy Committees officers from each of the five councils had been working on the drawing up of the "scheme"; what the Combined Authority was, what its powers were intended to be, who was on it, and how it would operate. It was expected that there would have been consultation locally on a Tees Valley scheme before submitting it to Government.

Following consideration by each of the Finance and Policy Committees / Cabinets the proposals included in the report required consideration and endorsement by each of the respective Councils before submission to the Secretary of State.

The next stage involved Government itself engaging and consulting on the Tees

Valley scheme. The Tees Valley had consulted locally already, effectively warming up the partners, business and stakeholders to the benefits of the proposals and providing the opportunity for any comments and views to be expressed. If Government concluded that the proposals were supported and met statutory criteria of improving the efficiency and effectiveness of transport and economic development and delivering economic growth, then Government would move to the final stages.

The final stage involved the laying of an Order before both Houses of Parliament. Once approved by both Houses, the Order was made and then would come into force on a specified, pre-agreed date.

In broad terms the Tees Valley would be ready to submit the scheme to Government in early April 2015.

The General Election would take place in May 2015 and there would undoubtedly be a delay in proceedings within Government for several weeks afterwards. There was a need for the Order to be debated in both houses of Parliament so the most likely conclusion was that the earliest the Combined Authority could come into being was October 2015 or during the winter of 2015/16.

RESOLVED that:-

1. The positive nature of the consultation results be noted.
2. The Draft Scheme be referred to Council for consideration and endorsed and submitted to the Secretary of State.
3. Authority be delegated to the Chief Executive in conjunction with the Leader of the Council to make any minor changes which may be required to the draft scheme through the negotiation process with the Department for Communities and Local Government and that
4. It be noted that further reports may be forthcoming to Cabinet as required following the DCLG's processes.

C 108/14 Recording and Web Broadcasting of Council Meetings

Consideration was given to a report on the Recording and Web Broadcasting of Council Meetings.

The report updated Members regarding the outcome of the meeting of the Members' Advisory Panel ("the Panel") on the 7 January 2015.

The Panel had previously met on 5 September 2014 and had agreed that:-

- (i) Subject to both a technical and financial appraisal being carried out and reported to Members (of the Panel) initially, and thereafter to Cabinet / Council, agreement in principle be given to this Council recording / web - broadcasting the following meetings, being meetings most likely to engage members of the public:-

- Council
- Cabinet
- Planning Committee

(ii) A further report on the results of the appraisals be reported to a future meeting following consideration by Cabinet and Council of the proposed approach.

Cabinet endorsed this approach at its meeting on 6 November 2014.

Council also agreed with the approach at its meeting on the 19 November 2014.

In accordance with these decisions, the Panel considered a report on 7 January 2015 regarding a technical and financial appraisal relating to a particular proposal for the recording and web broadcasting of Council, Cabinet and Planning Committee meetings.

A copy of the relevant report to the Panel was attached.

The Panel agreed with the approach and proposal set out in paragraphs 9-11 inclusively of the report, including that filming first be introduced at the Annual Meeting on the 3 June 2015.

The Panel also agreed that a review of the recording and web broadcasting of meetings should be carried out 6 months after the first film of a meeting had been published and that before the first meeting to be filmed took place there should be an appropriate level of publicity about what was proposed.

At its meeting on 12th February 2015 Cabinet endorsed the Panel's proposals and recommended them to Council.

RESOLVED that:-

1. The approach and proposal set out in paragraphs 9-11 inclusively of the Panel report, including that filming first be introduced at the Annual Meeting on the 3 June 2015 be adopted.
2. A review of the recording and web broadcasting of meetings be carried out 6 months after the first film of a meeting has been published and that before the first meeting to be filmed takes place there be an appropriate level of publicity about what is being proposed.

C
109/14 **Annual Report of the Audit Committee**

Consideration was given to the Annual Report of the Audit Committee.

The Chartered Institute of Public Finance & Administration (CIPFA) stated that an effective Audit Committee should produce annual reports on its work and findings.

The report was to inform members of the work of the Audit Committee during the past year and the sources of information upon which the enclosed Audit Committee opinion statement was based.

Members were reminded of the role of the Audit Committee which was:

- (a) Reviewing and monitoring the Council's approach to risk management and corporate governance including the approval of the Statement of Internal Control.
- (b) Monitoring the integrity of the Council's financial statements and approving the Statement of Accounts.
- (c) Reviewing any proposed changes to accounting policies and promoting discussion around these.
- (d) Considering budget reports and the effect of government announcements on the Council's finances.
- (e) Reviewing Financial Update reports identifying the impact on the Medium Term Financial Plan.
- (f) Approving the role and responsibilities of the Internal Audit Service
- (g) Considering the reports of External Audit, as far as the Audit Commission's rules permitted and monitoring the effectiveness of auditor's performance
- (h) Approving the internal and external audit plans
- (i) Reviewing Internal Audit work on a quarterly basis; internal and external annual reports together with any management response and receiving details of specific significant issues highlighted via audit work and referring to the Executive Scrutiny Committee; the Select Committees; Cabinet or Council, as appropriate, any issues arising which were key in nature
- (j) Since the demise of the Standards Committee the Audit Committee had maintained an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour, and considering the Council's compliance with its own and other published standards and controls
- (k) Consider details of key ethical and wider corporate governance issues

The Terms of Reference for the Audit Committee were approved by Council, at its meeting held on 25 January 2006, and formed part of the Council's Constitution. At its meeting in January 2011, Council also approved a Statement of Purpose for the committee:-

The purpose of the Audit Committee was to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non financial performance to the extent that it affected the authority's exposure to risk and weakened the control environment, and to oversee the financial reporting process.

The report covered the period from 1st October, 2013 to 30th September, 2014.

As many other reports gave opinions or results at the end of the financial year, the timing of the report was to show that the review / appraisal of the control environment within this Council were on-going.

The Audit Committee was in the final year of operation of this administration, and although there had been less changes in financial legislation than in previous years there had continued to be detailed and in depth questioning from members appointed to the committee all of whom had grasped the ethos of Audit work. They had ensured a continuance of the review / appraisal process across the period of reporting and had made a valuable and much appreciated contribution to the functions of the Committee.

The opinions of the Audit Committee expressed in the report were based on information supplied by the following specialist risk assessment services.

- The Council's Monitoring officer,
- The Chief Accountant,
- The External and Internal Audit services,
- Health & Safety
- Risk Management and Insurance.
- A number of Corporate Governance reports.

The main thrust of all the specialist reports was to ensure risks were identified, managed appropriately and the resulting control environment was reliable. In receiving and challenging these reports the Audit Committee was well placed to form an independent over-view of the complete control environment including the Authorities Anti fraud Strategy as influenced by the Audit Commission report Protecting the Public Purse 2011 Fighting Fraud Against Local Government.

The membership of the committee had marginally changed from the previous municipal year and therefore ensured work in progress was continued with members continuing to pose searching questions alongside the in depth probing of existing members. Alongside this it was ensured that any substitute member was experienced in the function and operations of the committee. If the Audit Committee membership were to change dramatically and members be required to report on a year of which they had no personal knowledge or experience (and therefore be reliant on the Officers over whom they were supposed to exercise oversight), the previous Chair suggested that the Committee's report cover the work on the Authority's control environment for the year ending 30th September.

The members of the Committee had shown a strong commitment to the work for which they had been given responsibility and the committee had functioned well. The members had studied agendas and asked searching questions of officers not only presenting reports but also requesting further investigation of issues and explanation by the Chair, Vice chair and supporting officers of the committee.

The Committee were fortunate insofar as the make up of the Audit Committee membership was diverse not only geographically but also in experience and expertise. Members represented not only the North and South of the Borough but also the major conurbations and communities giving a broad spectrum of geographical and electoral knowledge.

This overview coupled with long serving members with experience of Cabinet and Charing Scrutiny Committees and members elected more recently indicated a searching and enquiring membership with a varied and extensive knowledge capable of ensuring sound and ethical governance.

As well as looking at the Internal Audit Report, Corporate Risk Register and the Health and Safety Report at each meeting the Committee had, and would continue to include in its deliberations and debates External Audit Updates, Constitutional Updates (as required), The Monitoring Officer's Report. And last but certainly not least The Role of Internal Audit and its compliance with The Accounts and Audit Regulations 2011.

Outsourcing the Audit Commission's in-house audit practice continued providing an external overview of the Councils operations. In essence there had been no change from the previous situation although this had resulted in a substantial saving in audit fees for the Council year on year. The Accounts and Audit Regulations 2011 required an assessment of the Internal Audit service to be carried out annually against specific criteria set out in the CIPFA 'Code of Practice for Internal Audit' (the Code). A revised standards checklist had been introduced since the last review and the assessment had therefore been carried out against that check list. The review had again been undertaken by two designated members of the Corporate Governance Group

The financial statements were once again produced under International Financial Reporting Standards. The Council had prepared well for the introduction of IFRS and had produced the draft financial statements in time for the new statutory deadline of 30th September.

In Conclusion:-

The Audit Committee was now well established with comprehensive terms of reference. The Audit Committee had responsibility for risk management, internal control and financial reporting. The Chair of the Audit Committee prepared an annual report on the Committee's work for presentation to Cabinet. Effective corporate and ethical governance was critical to an authority's performance and to demonstrating continuous improvement and it was therefore, a fundamental element of the modernization agenda. Probity and high standards were an inherent part of corporate/ethical governance. They were also priorities in Law and Democracy's Service Plan and in the Council Plan.

Reductions in staffing, the retirement of a valued long serving officers and reorganisation of duties seemed to have been carried out in a seamless manner and the officers taking on extra duties and responsibilities had assured the Committee that the effects would not be to the detriment of the service or their personal performance.

The Council was still facing increasing budget pressures around children's and Adult social care spending and this was to be closely monitored as part of ongoing budgetary control.

In addition there were several other issues and developments that had impacted on Council budgets going forward, including devolving responsibility for Council Tax Benefit, transfer of public health budgets from primary care trusts,

localisation of business rates and distribution of revenue funding to academies.

The Council had taken prompt and effective action to move towards the reduction of £11.3 million in 2013/14 and onwards these had been built into the medium term financial plan and the ongoing efficiency, improvement and transformation programme set out how the Council would review services and deliver more savings in the future with actions such as the “Big Ticket”.

The Council's robust and prudent investment regime had avoided issues similar to the collapse of the Icelandic Banks however difficult times had been faced due to a very low interest rate in the market. The continual monitoring of information on any changes in the investment sector being paramount both for internal control and the stability of the Authorities forward financial planning and officers had worked diligently to ensure maximum returns were achieved.

The Accounts and Audit Regulations 2011 changed the requirements regarding the completion and approval of the Annual Financial Statements. From 2010/11, annual Financial Statements had to be prepared by 30th June and to then pass them to external auditors for review. Authorities were now required to present audited accounts for approval by those charged with governance by 30th September which had been completed again this year.

The financial statements were produced under International Financial Reporting Standards as required.

RESOLVED that the work of the Audit Committee be noted.

C
110/14 **Members' Question Time**

The Director of Law and Democracy informed the Worshipful the Mayor that no Member Questions had been received.

C
111/14 **Forward Plan and Leader's Statement**

The Leader of the Council gave his Forward Plan and Leaders Statement.

As this was the last meeting of Council before the election the Leader of the Council did not deliver his normal Forward Plan. Instead he reflected back on the last 4 years.

It had been Councillor Cook's honour to serve as Leader of the Authority throughout the Administration and he was proud of what the Council had collectively achieved for Stockton on Tees and its people.

In looking back at the last 4 years the Leader of the Council recognised the huge challenges the Council had faced as a result of the combined effect of:-

- increased demand for Council services,
- the rising costs the Council faced
- the ever reducing budget that the Council had to provide the wide range of services the Council delivered

Inevitably this meant that the Council had to take some really tough decisions,

many of which were unpopular. The Council had never taken these decisions lightly and the Council had always made them within a managed programme of reviews. Throughout it all the Council had always aimed to:-

- protect those who were most vulnerable,
- to promote equality of opportunity
- to continue to develop strong and healthy communities
- and to create economic prosperity

Life had been very challenging for many people in the Borough over the past 4 years, as they had experienced the effects of the government's changes to housing and welfare benefits and the tough economic climate. The Leader of the Council thought the Council could look back and say that the Council had done all it could to provide support through these difficult times.

The Leader of the Council was also proud that the Council had maintained the ambition for the Borough. The Council had achieved major transformation in the Borough over the last 4 years. The developments were too many to list, however the progress at Northshore, the new customer service centre and library at Billingham, the completion of the £18.5 million redevelopment of Billingham Forum, the £7million renovation of Preston Hall Museum, the redevelopment of the White Water Course, the huge progress across all the housing regeneration schemes, the successful development of TVU and the development of all the town centres, including the transformation of Stockton Town Centre which would be celebrated on the 21st March, were just some highlights which the Council could be proud of.

It was also a credit to all Members and employees that the Council had been consistently and independently recognised as a customer-focused Council that delivered value for money and made effective use of its resources. The Customer Service Excellence, APSE and Investor in People awards, as well as recognition from the Audit Commission and strong Resident Survey approval, were all a measure of a great deal of hard work and dedication.

The Leader took the opportunity to remember again those former Councillors who had died during the last 4 years. The Council had recognised the contribution and loss of:-

Hilary Aggio
Mick Eddy
Maurice Frankland
Brian Hodgson

And it was fitting that the Council recalled again the contribution of these dedicated Councillors.

And finally, there were some Members who had announced that they would not be standing for re-election and of course Members did not know if they would be coming back after the elections so the Leader of the Council took the opportunity to pass on his best wishes to Members for the future.

The Worshipful the Mayor and other Members wished all the Members that were retiring or who may not be re-elected all the very best for the future.