

**North East Derbyshire District Council**

**Audit Committee**

**8 July 2024**

**Draft Annual Governance Statement 2023/24**

**Report of the Director of Finance and Resources (S151 Officer)**

Classification: This report is public

Report By: Jayne Dethick, Director of Finance and Resources (S151 Officer)

Contact Officer: Jayne Dethick

**PURPOSE/SUMMARY**

To provide an opportunity for the Committee to consider the draft Annual Governance Statement for 2023/24 along with the review of the Code of Corporate Governance.

**RECOMMENDATIONS**

1. That the Audit Committee note the contents of the draft Annual Governance Statement and make any comments that they believe to be appropriate concerning these matters.
2. That the Committee approve the Code of Corporate Governance

**IMPLICATIONS**

**Finance and Risk** **Yes ✓** **No**

The Annual Governance Statement is a key requirement of the published Financial Statements. It is therefore vital that we have a relevant statement, signed off by the Leader and Chief Executive that supports the standards of good governance.

There are no direct financial implications arising from the review of the Local Code of Corporate Governance. However, adequate and effective systems of corporate governance are a key component in the process, intended to help ensure that the Council operates efficiently, cost effectively and with integrity.

On Behalf of the Section 151 Officer

**Legal including Data Protection** **Yes** **No ✓**

The Accounts and Audit Regulations 2015 require councils to undertake an annual review of their governance. The Regulations require that an Annual Governance Statement, prepared to fulfil this requirement, should form part of the Council's Statement of Accounts. The Regulations also state that the Annual Governance Statement should be prepared in accordance with proper practices. Compliance with the CIPFA guidance fulfils this requirement. The format of the Draft AGS reflects the good practice guidance from CIPFA.

A Code of Corporate Governance is recommended by the guidance designated as proper practice by the CIPFA/SOLACE framework, entitled Delivering Good Governance in Local Government. The Council's Code forms part of the governance framework which defines the principles that underpin our governance arrangements.

On Behalf of the Solicitor to the Council

**Staffing**

**Yes**

**No ✓**

There are no staffing issues arising directly from this report.

On Behalf of the Head of Paid Service

**DECISION INFORMATION**

<b>Decision Information</b>	
<p><b>Is the decision a Key Decision?</b>            A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p><b>NEDDC:</b>  <b>Revenue - £100,000</b> <input type="checkbox"/> <b>Capital - £250,000</b> <input type="checkbox"/>  <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p><b>Is the decision subject to Call-In?</b>            (Only Key Decisions are subject to Call-In)</p>	No
<p><b>District Wards Significantly Affected</b></p>	None
<p><b>Consultation:</b>  <b>Leader / Deputy Leader</b> <input type="checkbox"/> <b>Cabinet</b> <input type="checkbox"/>  <b>SMT</b> <input checked="" type="checkbox"/> <b>Relevant Service Manager</b> <input checked="" type="checkbox"/>  <b>Members</b> <input type="checkbox"/> <b>Public</b> <input type="checkbox"/> <b>Other</b> <input type="checkbox"/></p>	Yes  Details:

<p><b>Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.</b></p>
<p>All</p>

---

## **REPORT DETAILS**

### **1 Annual Governance Statement**

- 1.1 The CIPFA/SOLACE framework 'Delivering Good Governance in Local Government' encourages local authorities to review the effectiveness of their existing governance arrangements against their Code of Corporate Governance and prepare an annual governance statement that reports publicly on their compliance, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.
- 1.2 The Annual Governance Statement (AGS) should provide assurance that the Council operates in accordance with the law and has due regard to proper standards of behaviour and that it safeguards the public purse.
- 1.3 The Council's AGS largely follows the requirements of the CIPFA/SOLACE framework 'Delivering Good Governance in Local Government'. It reports each year on the governance arrangements and assurance in place, compliance with CIPFA's Financial Management Code, performance management and continuous improvement and risk management. The AGS also reports on the role of the Audit Committee and its importance in providing oversight of governance and accountability arrangements.
- 1.4 The draft AGS 2023/24 (**Appendix 1**) is published alongside the Statement of Accounts each year. The Council's Statutory Officers have reviewed this year's AGS and have formed the view that the overall governance arrangements of the Council are sound. The Head of the Internal Audit Consortium also provides an audit opinion each year in the AGS on the overall adequacy and effectiveness of the Council's framework for governance, risk management and control.
- 1.5 The AGS reports on progress made against prior year governance issues and details those identified during the year that will become the focus for the forthcoming year. Progress will be reviewed as part of the risk management process each quarter.

### **2. Code of Corporate Governance**

- 2.1 In addition to the AGS, the Council has in place a Code of Corporate Governance (the Code). This also reflects the main components set out in the CIPFA and SOLACE guidance "Delivering Good Governance in Local Government: Framework". The Code is a public statement of the arrangements the Council has in place to ensure it conducts its business in a way that upholds the highest standards. **Appendix 2** contains the Code.
- 2.2 The Code is therefore an important part of the Council's public accountability. It is important it remains fit for purpose, and each year the Council's Monitoring Officer and S151 Officer conduct a review of compliance with the Code. The outcome of this year's review can be found at **Appendix 3**

### **3 Reasons for Recommendation**

- 3.1 To provide the Audit Committee with an opportunity to review the governance arrangements as detailed in the AGS and the Code.

#### **4 Alternative Options and Reasons for Rejection**

4.1 None, it is a requirement to make such arrangements.

---

#### **DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
1	Annual Governance Statement 2023/24
2	Code of Corporate Governance
3	Self Assessment of the Code
<b>Background Papers</b>	



# North East Derbyshire District Council

## **Annual Governance Statement 2023/24**

# Introduction

We approved our Council Plan 2023 – 2027 in July 2023:



Throughout the plan we demonstrate our commitment to the residents of our district and give examples of some of the work we will be doing to meet our pledges.

We will deliver this evolving and ambitious plan in an inclusive and transparent way, with a spirit of effective collaboration for the benefit of our residents.



This Annual Governance Statement reviews arrangements in place for the financial year 2023/24. The services and projects delivered during the year are linked to our strategic objectives and plans, alongside monitoring current performance and risks.

## **The Annual Governance Statement**

The 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 Framework 2016 edition*.

This Statement explains how we have complied with the code for the year ended 31 March 2024 which also meets the requirements of Accounts and Audit Regulations 2015 (as amended).

In addition, this Statement is used as an improvement document, identifying how we are delivering improvements.

## **The Scope of the Council's Responsibility**

North East Derbyshire District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We have 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, we are responsible for putting in place proper arrangements for the governance of its affairs, and for facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

## **The Purpose of the Governance Framework**

The governance framework comprises the systems and processes, culture and values, by which a local authority is directed and controlled, together with those activities through which it accounts to, engages with and leads the local community. It enables the local 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 Governance Framework

Our Governance Framework identifies the assurance needed to meet our strategic objectives and how this assurance is achieved. It also identifies areas that require improvement. These are detailed below in **Significant Governance Issues**.

### Assurance Required:

- Delivery of Council Plan
- Communication of Performance
- Financial Management including compliance with CIPFA's Financial Management Code
- Value for Money
- Effective action against service failure
- Members and Officers working effectively together
- High standards
- Transparency
- Risk Management
- Public Accountability
- High ethical standards from members and officers
- Financial Resilience

### Source of Assurance:

- Constitution
- Senior Management Team
- MTFP
- Annual financial resilience reviews
- Financial Regulations
- Procurement rules
- Organisational Development Strategy
- Information Management Strategy
- ICT & Digital Strategy
- Health & Safety Policy
- Risk Management Policy
- Internal and External Audit
- Audit/Scrutiny Committees
- Standards Committees
- Member and Officer Codes of Conduct and Member/Officer Code of Conduct

### Assurance Received:

- Statement of Accounts
- External Audit
- Internal Audit
- Risk Registers
- Scrutiny Reviews
- Annual Review of Constitution
- Audit Committee reviews
- Service reviews
- External Assurance and advice
- Standards Committee monitoring and review and advice



## Performance Management

We have reviewed our performance management processes during 2023/24 to ensure that we remain transparent, and that outcomes and measures effectively define our performance against the plan for all our stakeholders. We monitor and report delivery performance on a quarterly basis culminating in our Annual Report.

[Annual Performance Report 2023-2024 \(ne-derbyshire.gov.uk\)](https://ne-derbyshire.gov.uk)

The successful achievement of the Council's agreed objectives is key to both ensuring effective delivery of services to residents and providing a sustainable future for the Council.

We also monitor the performance of the companies that we own and/or have an interest in. Until November 2023, the Council had a 50% stakeholder interest in Northwood Group Limited, who build residential properties for sale in the district. Our interests were sold in November. The Council also has a wholly owned company, Rykneld Homes Ltd, who manage the Council's housing stock under a management agreement. Again regular monitoring meetings are held, attended by senior officers from both organisations as well as the Chair of Rykneld Homes' board and representatives from the Council's Cabinet.

## Risk

The longer-term sustainability of both our service delivery and the Council's financial position are protected by the Council Plan, and the Financial Plan both of which cover a four-year period. These are supported by a Risk Management Strategy and a robust risk management framework which identifies and mitigates both strategic and operational risks which could hinder or prevent our plans being achieved.

The key objectives of the Strategy and framework:

- To operate in line with best practice and update our approach to reflect evolving best practice
- To protect service delivery arrangements, the reputation, and the financial position of the Council by managing risk effectively
- To maintain and strengthen robust managerial and governance arrangements within the Council
- To promote risk awareness, risk intelligence and risk management throughout the Council
- To ensure programme, project and partnership risk is effectively managed
- To ensure there are clear roles, responsibility, and accountability for risk management within the Council
- To ensure the effective identification of risks relating to service delivery, a new project, new initiative, external origins, or circumstance to ensure fully informed decisions are made and measures to mitigate or exploit are in place
- To ensure that the Council has a fully informed level of awareness of its overall risk exposure

Our organisation is risk aware rather than risk averse as the decision whether to accept risk has to be taken in light of the potential benefits of a proposed course of action. The extent to which the Council is risk averse, will undoubtedly impact on its potential to progress available opportunities to secure benefits for local residents.

The Risk Management approach, both in the identification of risks and the action taken to address the risks, is flexible and can respond to change. National policies, service delivery arrangements, national and local circumstances, together with Council priorities have and will continue to change and evolve over time. The Council's Risk Management focus and arrangements can adjust in order to ensure that current threats and opportunities are effectively addressed and not stifled by inappropriate risk management arrangements.

A comprehensive review of the Council's risk management framework now takes place every two years following which the Risk Management Strategy for the two years ahead will be set. During the autumn of 2023, the Council undertook an external assessment in relation to its Risk Management Strategy and arrangements to help inform the 'then' upcoming strategic review. Across a range of themes and out of a maximum score of 5 the Council were assessed at level 4 overall (public sector score expected to be at level 2) with the Council scoring level 5 for its Culture and Leadership, the highest score possible - this is classed as Transformational.

Although the Council can do much to manage the risks it faces, it does need to be recognised that some of the major Strategic Risks are only partially within its direct influence. Key risks included in the Strategic Risk Register at the end of the reporting period (31 March 2024) are:

- *National Funding, Priorities, Policy or Regulatory change which affects the Council area and impacts upon the business of the Council negatively.*
- *Failure to deliver a balanced budget.*
- *Operational service failure which has a major impact upon the Council as a whole or significant impact upon the local community*
- *Emergency Planning and Business Continuity arrangements fail to meet required standards when tested by incidents such as pandemic, natural disaster, a loss of data / systems which results in the inability to provide core services and potential reputational damage.*
- *Difficulty in recruiting to key posts or in replacing key staff who leave.*
- *Delivery of major initiatives and key projects whilst implementing a range of new government reforms against a backdrop of challenging financial targets and maintaining service quality*

- *Ineffective engagement with local communities and stakeholders including Parish Councils and other local partners*
- *Ineffective 'Good Governance' arrangements including; Performance, Finance and Risk Management.*
- *Staff morale / sickness levels adversely affected as a result of the pace of change, tightening financial circumstances or external circumstances.*
- *Failure to have in place robust, comprehensive and up to date policies and procedures for safeguarding children and vulnerable adults.*
- *Cyber security attack which severely impacts ICT systems and data. E.g. Ransomware attack rendering access to ICT unavailable for some time.*
- *Meeting the challenge and impact upon the organisation in its environment of Climate Change.*
- *Impact on the organisation and its communities of rising cost of living.*
- *Impact of Asylum Dispersal Area Status now it is no longer voluntary for LA's to decide.*
- *Devolution and County Deals*
- *Refusals of planning consent being issued based on non-evidenced decisions*
- *Risks associated with the Company's development joint venture, Northwood Group Ltd, following the collapse of the main contractor.*

## **Decision making**

Our Council consists of 53 elected members with a Cabinet of lead members who are supported by scrutiny committees. We have a formal constitution in place which sets out how we operate, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules that govern the day to day business and a section on responsibility for functions which may be exercised by officers. It also contains the rules, protocols and codes of practice under which the Council, its members and officers operate. We have an experienced senior management team who adopt a collaborative leadership and "one team" ethos throughout.

Our Constitution is available on the our website and is reviewed annually through the Standards Committee and Annual Council. The Constitution sets out the functions of key governance officers, including statutory posts of *Head of Paid Service* (Managing Director), *Monitoring Officer* (Assistant Director of Corporate

Governance and Solicitor to the Council) and *Section 151 Officer* (Director of Finance and Resources) and explains the role of these officers in ensuring that processes are in place for enabling us to meet our statutory obligations and also for providing advice to members, officers and committees on staff management, financial, legal and ethical governance issues.

We are also the Accountable Body for the Clay Cross Town Deal. The Clay Cross Town Board has been awarded £24.1m to shape and deliver a programme of investment in the Town due for completion by 2026.

## **Compliance with the Financial Management Code**

CIPFA's Financial Management Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The code focuses on value for money, governance and financial management styles, financial resilience and financial sustainability. It identifies the risks to financial sustainability and introduces an overarching framework of assurance which builds on existing financial management good practice. The Code is structured around seven areas of focus:

- The Responsibilities of the Chief Finance Officer and Leadership team
- Governance and Financial Management style
- Medium to Long-term Financial Management
- The Annual Budget
- Stakeholder Engagement and Business Cases
- Financial Performance Monitoring
- External Financial Reporting

Demonstrating compliance with the Code is a collective responsibility of the Elected Members, the Chief Finance Officer and the Senior Management Team. In doing this the statutory role of the Section 151 Officer will not only be recognised but also supported, to achieve the combination of leadership roles essential for good financial management.

The Internal Audit team regularly audit compliance and in the most recent audit concluded that the Council has substantial compliance with the Code requirements. Benchmarking with peers helps demonstrate our financial resilience which we report to scrutiny at least annually. Current benchmarking results show that our revenue and capital health remains healthy, with sufficient revenue reserves to cover net expenditure requirements and a CFR that is in proportion to asset values. The real risk to financial resilience comes from the national funding assessment and how proposed changes will impact. Also, whilst business rates growth generates income to assist, our low taxbase limits the ability to generate additional income through council tax which is a major income source in the current funding regime.

The Chief Financial Officer remains responsible for the proper administration of the Council's financial affairs, as required by Section 151 of the Local Government Act 1972. Our financial management arrangements are compliant with the

governance requirements set out in the Chartered Institute of Public Finance and Accountancy's "*Statement on the Role of the Chief Financial Officer in Local Government (2016)*" The Council's Chief Financial Officer is a qualified finance professional, a full member of the Senior Management Team and is supported by appropriately qualified and experienced staff.

## **Continuous Improvement:**

We regularly seek the views and opinions of external parties to improve our operations. In 2023/24, this has included:

- External Audit
- External assessment of our approach to Risk Management
- Continuous Improvement Tool for leisure facilities
- Treasury management and economic advice/updates
- Financial resilience advice/updates including benchmarking
- Financial Planning and benchmarking

We have also conducted 21 consultation surveys during the year, including a district wide residents' survey, engaging with over 6886 residents and customers.

In addition, benchmarking data is reviewed including:

- Oflog's Local Authority Data Explorer
- Derbyshire Observatory
- Nationally recognised performance networks
- Financial Resilience
- Financial Planning

We have developed and progressed recommendations and improvements identified through this process through 'You said We Did' responses to customer satisfaction surveys, Strategy Development and associated action plans and incremental changes to meet the expected standards.

There has and continues to be a strong drive towards data-based decision making with creation of a Management Dashboard and a centralised key metrics hub being reviewed frequently by our Senior Management Team.

In 2024/25 we will be developing this further. The Engagement and Improvement Strategy which will pull together all the above into one, clear strategy focused on continuous improvement of services is a key driver for this.

We recognise that not everything goes to plan, and failure is an opportunity to improve. In our 2023/24 Annual Report, we outline our progress towards delivery of the Council Plan, including areas that haven't progressed as we would like. These areas have been identified for the relevant Scrutiny Committee to consider when considering areas for review so that where appropriate they can make recommendations to improve.

## **Managing Information**

Information is central to the Council and we recognise that we have a responsibility to safeguard the information we hold and to manage it with care and accountability.

The Council complies with the Transparency Agenda, Freedom of Information obligations and the requirements of the General Data Protection Regulations (GDPR) regarding the collection, use and transfer of personal data with an appropriately qualified and experienced Data Protection Officer in post.

## **Assurance from Audit**

Our external auditor is Mazars LLP. In accordance with their statutory requirements, their annual audit includes examining and certifying whether the financial statements are “true and fair” and assessing our arrangements for securing value for money in the use of resources. In their Annual Audit Report for year ended 31 March 2023, Mazars LLP gave an unqualified audit opinion on the financial statements and didn’t identify any evidence of significant weakness in the Council’s value for money arrangements.

The Internal Audit function is provided on a consortium basis and is independently managed by the Head of the Internal Audit Consortium. Internal Audit Service is a key means of assurance. It is responsible for reviewing the adequacy of the controls throughout all areas of the Council and is compliant with the Public Sector Internal Audit Standards. The Internal Audit function meets the requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019).

The Head of the Internal Audit Consortium is responsible for the delivery of an annual audit opinion that can be used by the Council to inform its governance system. The annual opinion concludes on the overall adequacy and effectiveness of the organisation’s framework of Governance, risk management and control.

The Head of the Internal Audit Consortium concludes:

*“In my opinion reasonable assurance can be provided on the overall adequacy and effectiveness of the council’s framework for governance, risk management and control for the year ended 2023/24. Sufficient work has been completed and assurances ascertained to be able to provide an unlimited opinion on the systems of governance, risk management and control in place. This year 16 reports have been issued 9 with substantial, 4 with reasonable and 3 with Limited Assurance. Action plans have been agreed and managers are in the process of implementing the audit recommendations made.*

*Assurance can never be absolute. In this context “reasonable assurance” means that arrangements are in place to manage key risks and to meet good governance principles, but there are some areas where improvements are required.*

*The opinion does not imply that Internal Audit have reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans. An internal audit plan for 2023/24 was developed with the intention of being able to provide independent assurance*

*on the adequacy and effectiveness of systems of governance, risk and control across a range of financial and organisational areas.*

*As well as internal audit work assurance has also been gained from previous years' work, the work of the risk management group, PSN compliance, external audit and compliance with the Code of Corporate Governance.*

*Overall, 81% of the areas audited received Substantial or Reasonable Assurance demonstrating that there are effective systems of governance, risk management and control in place."*

## **The Role of the Audit Committee**

The Audit Committee complies with the recommendations of the Chartered Institute of Public Finance (CIPFA) that effective governance and internal control arrangements should be in place. The primary role of the Audit Committee is to provide oversight of a range of core governance and accountability arrangements and ensure robust arrangements are maintained. The Committee will provide oversight of a range of core governance and accountability arrangements and ensure robust arrangements are maintained.

The specific responsibilities of the Audit Committee are:

- Supporting a comprehensive understanding of governance across the Council and among those charged with governance, fulfilling the principles of good governance.
- Considering the effectiveness of the Council's risk management arrangements. The committee should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk related issues, for both the Council and its collaborators/partners. This will include monitoring and reviewing of the Council's treasury management arrangements.
- Monitoring the effectiveness of the system of internal control, including arrangements for value for money, supporting standards and ethics and managing the Council's exposure to the risks of fraud and corruption.
- Being satisfied that the Council's statutory statements of account and any reports that accompany them, including the Annual Governance Statement, properly reflect the risk environment, and any actions required to improve it.
- Considering the audit arrangements in place to secure adequate assurance across all operations and where appropriate partners and collaborators.
- Overseeing the independence, objectivity, performance and conformance to professions standards of the internal audit function.
- Supporting effective arrangements for internal audit
- Promoting the effective use of internal audit within the assurance framework

- Considering the opinion, reports and recommendations of external audit and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contributing to the operation of efficient and effective external audit arrangements supporting the independence of auditors and promoting audit quality
- Supporting effective relationships between all providers of assurance, audits and inspections and the Council, encouraging openness to challenge, review and accountability.
- Reporting annually on how the committee discharged its responsibilities and include an assessment of its performance. This report will be presented to Full Council and be available to the public on the Council's website.

The Committee meets at least four times a year and comprises of five members.

## **Conduct**

Our codes of conduct for members and employees clearly set out the standards and behaviour required. They are regularly reviewed and updated as required and both members and staff are periodically reminded of the requirements.

These include the need for members to register personal interests and the requirements for employees and members concerning gifts and hospitality, outside commitments and personal interests.

## **Whistleblowing**

People who work for or with the Council are often the first to realise that there may be something wrong within. However, they may feel unable to express their concerns for various reasons, including the fear of victimisation. We have a Whistleblowing Policy that advises staff and others who work for us how to raise concerns about activities in the workplace. This is reviewed annually by the Standards Committee who also consider any entries on the whistleblowing register for the preceding 12 months. A copy of the policy can be found on our website.

## **Anti-Fraud and Corruption**

We recognise that as well as causing financial loss, fraud and corruption also detrimentally impact on service provision and morale and undermine confidence in the Council's governance arrangements and that of public bodies generally.

There is little evidence that the incidence of fraud is a major issue for the Council but the risk is increasing nationally. We have a zero tolerance approach to Anti-Fraud and Corruption.

## **Significant Governance Issues**



The progress made during 2023/24 on the significant issues identified in the 2022/23 Annual Governance Statement is shown below:

<b>Issue Identified</b>	<b>Mitigation</b>
<p><b>Pressure on the Council’s Budget.</b></p> <p>Efficiencies of £4.5m need to be identified by March 2027 as identified in the Medium-Term Financial Plan (MTFP). Changes to the national funding settlement will have a significant bearing on the MTFP in the future.</p>	<p>The Council continues to have effective financial management in place to ensure budget arrangements are robust and appropriate managerial arrangements and a culture in place to manage any necessary change. The S151 Officer is experienced, sufficiently senior and knows the organisation well. The Statutory Officers have a close working relationship and meet frequently to discuss and review governance arrangements and matters arising.</p> <p>The 203/24 budget was subject to scrutiny by the Audit Committee before Cabinet considered then recommend to Council for approval. The shortfall in the budget at the time of approval was £0.784m, funded from reserves. At the half year review savings of £0.452m had been found reducing the call on reserves to £0.331m. The outturn position for 2023/24 shows a surplus of £0.244m so there is no call on reserves and the surplus will be placed in reserves to provide future resilience.</p> <p>Effective financial resilience monitoring remains in place that reflects the requirement of the CIPFA Financial Management Code and is presented to the Services Scrutiny Committee at least annually.</p> <p>In their Annual Audit Report for year ended 31 March 2023, Mazars LLP gave an unqualified audit opinion on the financial statements and didn’t identify any evidence of significant weakness in the Council’s value for money arrangements.</p> <p>The Council continues to commission external advice for highly specialist areas including treasury management, financial planning, and financial health/resilience.</p>
<p><b>Planning Approvals</b></p>	

<p>Refusals of planning consent being issued based on non-evidenced decisions and not based on material planning considerations with potential for financial and reputational loss.</p>	<p>A new training programme for 2024 has been agreed with Chair of the Planning Committee. The delivery of the programme will commence in June 2024.</p> <p>Professional planning and legal representatives continue to attend all meetings to offer advice and assistance.</p> <p>A briefing note on the lessons learned from an appeal during the year was presented at the December 2023 Planning Committee meeting by officers.</p>
<p><b>Difficulty in recruiting to key roles</b></p> <p>The Council continues to experience difficulties in recruiting to key posts including senior officer roles, across the organisation potentially leading to deteriorating service delivery, reduction in key controls and increased pressure on existing staff.</p>	<p>More detailed workforce planning has been put in place this year along with the continued development of the Talent Pipeline recruitment scheme. The draft People Strategy detailing the Council's commitment to its people is in draft form and the associated action plan will be implemented over the next 12 months.</p>
<p><b>Cyber Security</b></p> <p>To keep under review the arrangements in place to manage the increased risk of cyber security attacks.</p>	<p>Arrangements remain under review and the service lead (Assistant Director - ICT) regularly reports to Joint ICT partners and the senior management team.</p> <p>Upcoming elections in 2024 potentially increase risks of state actors interfering with the process so additional resilience measures have been identified during the year both locally and nationally to attempt to mitigate this.</p>
<p><b>Governance Arrangements for Council owned companies</b></p> <p>Following the collapse of the main contractor, the risks associated with the Company's development joint venture Northwood Group Ltd need to be kept under scrutiny.</p>	<p>During the year the Council has committed significant time and resource mitigating this impact. Northwood Group Ltd was sold in November 2023. Lessons have been learnt particularly around the desire to drive growth through a development partnership and the increased risk this brings to the public purse.</p>

<p>The expectations of the new regulatory environment for social housing landlords from April 2023 hold the Council directly to account for how tenants' homes are managed, and the governance and assurance systems need review to ensure they robustly demonstrate this.</p>	<p>The Council continues to play a role in regeneration and enabling. A contract risk remains as the sale was on deferred terms, but legal recourse provides mitigation.</p> <p>Considerable work has been undertaken this year in respect of governance arrangements between the Council and its housing delivery partner Rykneld Homes Ltd.</p> <p>Self-assessments against the Consumer Standards have been undertaken, performance data has been collected in line with the Tenant Satisfaction Measures, a new governance and reporting framework has been embedded, a review of contractual arrangements has taken place and a client officer appointed.</p>
--	--

Based on our review of the Governance Framework, the following issues will be addressed in 2024/25:

<b>Issue Identified</b>
<p><b>Pressure on the Council's Budget.</b></p> <p>The Council's budget for 2024/25 is balanced but efficiencies of £4.2m need to be identified by March 2028 in the Medium-Term Financial Plan (MTFP).</p> <p>The impending general election during the next 12 months means the planned funding reforms or changes to funding distribution are delayed further and are now not expected to be implemented until 2026-27 at the very earliest. This lack of certainty makes forecasting for the latter years (from 2026/27) of the financial plan challenging whilst little is known about the next Spending Review and funding reforms.</p>
<p><b>Cyber Security</b></p> <p>Increased risk of cyber security attacks presents a risk both locally and nationally especially considering the General Election due to take place later in 2024.</p>
<p><b>Governance for council owned companies</b></p>

The Regulator of Social Housing is inspecting the Council and its delivery partner Rykneld Homes in May 2024. Lessons learned in respect of governance arrangements will need to be considered and acted upon.

These issues will be monitored during 2024/25 and reported to senior management and to the Audit Committee. No other major changes to the Council's governance framework are planned at this time, but we will continue to review and adapt it to ensure that the Framework remains proportionate to the risks that are faced.

## **Opinion**

*We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Cabinet and the Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas identified for improvement form part of the Annual Governance Statement action plan.*

*We propose over the coming year to take steps to address the above matters to further enhance our 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.*



**Lee Hickin**  
**Managing Director**



**Cllr Nigel Barker**  
**Leader of the Council**



# North East Derbyshire District Council

**NORTH EAST DERBYSHIRE DISTRICT COUNCIL**

**CORPORATE GOVERNANCE CODE**

## NORTH EAST DERBYSHIRE DISTRICT: GOVERNANCE CODE

### INTRODUCTION

1. The purpose of this Code is to state the importance to the Council of good corporate governance and to set out the Council's commitment to the principles involved.
2. The Code is based on guidance to all UK local authorities.
3. The Code is included in the Council's Constitution and therefore applies to all Members and employees of the Council and also to any individuals or bodies authorised to act on its behalf.
4. How the effectiveness of the Code is reviewed is set out in Section 4.
5. The Code will be reviewed in its entirety by no later than 31 March 2025, but minor reviews and updates will be made annually as required.

Approved by:

Director of Finance and Resources and Section 151 Officer  
Assistant Director of Corporate Governance and Monitoring Officer

28 May 2024

## CONTENTS

SECTION 1: THE IMPORTANCE OF GOOD CORPORATE GOVERNANCE...	4
SECTION 2: THE BASIS OF THIS CODE	... 5
SECTION 3: COMMITMENTS TO GOVERNANCE PRINCIPLES	... 6
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.	... 6
Principle B: Ensuring openness and comprehensive stakeholder engagement.	9
Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits	.... 12
Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes	.... 14
Principle E: Developing the Council's capacity, including the capability of its leadership and the individuals within it	... 16
Principle F: Managing risks and performance through robust internal control and strong public financial management.	.... 19
Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability	... 22
SECTION 4: HOW CORPORATE GOVERNANCE IS REVIEWED	... 24
APPENDIX A	... 25

## SECTION 1: THE IMPORTANCE OF GOOD CORPORATE GOVERNANCE

1.1. Corporate Governance refers to the processes by which organisations such as the Council are directed, controlled, led and held to account. It is also about culture and values - the way that Councillors (Members) and employees think and act. In summary, if management is about running the Council, corporate governance is about seeing that it is run properly.

1.2. The Council is a complex organisation which affects all who live and work in North East Derbyshire District Council's area and businesses and organisations that are based here. It is therefore essential that there is confidence in our corporate governance, and the Council must therefore ensure that:

- as a democratic body, we engage with and account to our citizens and stakeholders effectively;
- we conduct our business in accordance with the law and to proper standards;
- public money is properly accounted for and is used economically, efficiently and effectively;
- controls are proportionate to risk so as not to impede performance;
- we continuously improve the way in which we function, in terms of effectiveness, quality, service availability, fairness, sustainability and innovation; and
- we fulfil our purpose and meet our priorities as set out in the Council Plan.

1.3. The Council is therefore committed to good corporate governance and to doing the right things in the right way for the right people in a way which is timely, inclusive, open, honest and accountable. This Code sets out that commitment and how we evidence it.

1.4. This commitment includes improving governance on a continuing basis across the Council as a whole, through a process of evaluation and review. This is detailed further in Section 4.



## SECTION 2: THE BASIS OF THIS CODE

2.1 This Code is based on guidance provided to all UK local authorities which are centred on seven Core Principles, designed to underpin the governance arrangements of all public sector bodies.

1 Delivering Good Governance in Local Government Framework 2016, issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

2 From the International Framework: Good Governance in the Public Sector (CIPFA/International Federation of Accountants, 2014)

2.2 These Core Principles are as follows:

***A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law***

***B Ensuring openness and comprehensive stakeholder engagement***

***C Defining outcomes in terms of sustainable economic, social, and environmental benefits***

***D Determining the interventions necessary to optimise the achievement of the intended outcomes***

***E Developing the entity's capacity, including the capability of its leadership and the individuals within it***

***F Managing risks and performance through robust internal control and strong public financial management***

***G Implementing good practices in transparency, reporting, and audit to deliver effective accountability***

2.3 Core Principles A and B are fundamental to the application of the other principles. Further good governance requires all of the principles to be met and through a dynamic approach good governance can be achieved.

2.4 This Code sets out our commitment to all seven of the Core Principles shown above and to the various elements of our governance framework, the policies, strategies and processes - which help us to ensure that the principles are met (Section 3).

2.6 Since effective Corporate Governance relies on the way that Councillors (Members) and employees think and act, the Code also recognises the importance of the seven "Principles of Public Life" (the Nolan Principles) which are the basis of the ethical standards expected of public office holders (Appendix A). These support the seven Core Principles of this Code which in turn underpin the Council's approach to planning fair, effective and sustainable services and its responsibilities for sustainable development.

**SECTION 3: COMMITMENTS TO GOVERNANCE PRINCIPLES**

**Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

The Council is accountable not only for how much it spends, but also for how we use the resources under our stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes we have achieved. In addition, we have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

**To support Principle A, the Council is committed to:**

<b>Behaving with integrity</b>	<b>What is in place to support this?</b>
<p>A1. Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council</p> <p>A2. Ensuring members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</p> <p>A3. Leading by example and using these standard operating principles or values as a framework for decision making and other actions</p> <p>A4. Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<ul style="list-style-type: none"> <li>• Agreed Values Organisation Development and Workforce Strategy</li> <li>• People Strategy</li> <li>• Codes of Conduct for members and employees</li> <li>• Registers of interests, gifts and hospitality</li> <li>• Induction training for members and employees Members Allowances Scheme</li> <li>• Financial Regulations rules</li> <li>• Contract Procurement rules</li> <li>• Protocol on Planning</li> <li>• Standards and Audit Committees</li> <li>• Anti-Fraud and Corruption Strategy</li> <li>• Anti-Money Laundering Policy</li> <li>• Whistleblowing Policy</li> <li>• Compliments, Comments and Complaints Procedure</li> <li>• Internal Audit Charter</li> <li>• Safeguarding Responsibilities</li> <li>• Health and Safety Policy Single Equality Plan and review</li> <li>• Transparency around decision making</li> <li>• Member Development Plan</li> </ul>



<p><b>Demonstrating strong commitment to ethical values</b></p> <p>A5. Seeking to establish, monitor and maintain the Council's ethical standards and performance</p> <p>A6. Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the Council's culture and operation</p> <p>A7. Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p> <p>A8. Ensuring that external providers of services on behalf of the Council are required to act with integrity and in compliance with high ethical standards expected by the Council</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Agreed Values</li> <li>• Organisation Development and Workforce Strategy</li> <li>• People Strategy</li> <li>• Codes of Conduct for members and employees</li> <li>• Registers of interests, gifts and hospitality</li> <li>• Financial Regulations rules</li> <li>• Contract Procurement rules</li> <li>• Protocol on Planning</li> <li>• Protocol on Gifts and Hospitality</li> <li>• Protocol for Councillors representing the Council on outside bodies.</li> <li>• Induction training for members and employees</li> <li>• Regular governance awareness raising for employees</li> <li>• Planning Principles</li> <li>• Procurement Strategy</li> <li>• Partnership &amp; collaborative working arrangements</li> <li>• Contracts</li> </ul>
---	--

<p><b>Respecting the rule of law</b></p> <p>A9. Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</p> <p>A10. Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p> <p>A11. Striving to optimise the use of the full powers available for the benefit of</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Key statutory responsibilities set out in the Council's Constitution</li> <li>• Compliance with CIPFA Statement of the "Role of the Chief Financial Officer in Local Government)</li> <li>• Protocol on Member/Officer relations (Constitution)</li> <li>• Member and Officer Job Descriptions</li> <li>• Regular governance awareness raising for employees</li> <li>• Standards Committee</li> <li>• Audit Committee</li> </ul>
--	--

<p>citizens, communities and other stakeholders</p> <p>A12. Dealing with breaches of legal and regulatory provisions effectively</p> <p>A13. Ensuring corruption and misuse of power are dealt with effectively</p>	<ul style="list-style-type: none"><li>• Anti-Fraud and Corruption Strategy</li><li>• Anti-Money Laundering Policy</li><li>• Whistleblowing Procedure</li><li>• Complaints Procedure</li><li>• General Data Protection Regulation guidance</li><li>• Governance Codes of Practice</li><li>• Disciplinary Procedures</li><li>• Ombudsman referral process</li></ul>
---	---

**Principle B. Ensuring openness and comprehensive stakeholder engagement**

Local government is run for the public good, and organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

**To support Principle B, the Council is committed to:**

<b>Openness</b>	<b>What is in place to support this?</b>
<p>B1. Ensuring an open culture through demonstrating, documenting and communicating our commitment to openness</p> <p>B2. Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided</p> <p>B3. Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</p> <p>B4. Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</p>	<ul style="list-style-type: none"> <li>• Constitution</li> <li>• Procurement Strategy</li> <li>• Contract Procedure Rules</li> <li>• Whistleblowing Procedure.</li> <li>• Council Plan</li> <li>• External audit and inspection reports</li> <li>• Directory of published information.</li> <li>• Online Council Tax information</li> <li>• Reporting and publishing &amp; distribution timetables</li> <li>• Delegation of Powers Scheme</li> <li>• Meetings open to public</li> <li>• Agendas and Minutes</li> <li>• Webcasting page</li> <li>• Codes of Conduct for members and employees</li> <li>• Public Participation in Council and Planning meetings</li> <li>• Webcasting Meetings and library of Meeting recordings</li> <li>• Publishing of Delegated Decisions</li> <li>• The News and other communications including digital platforms</li> </ul>

<p><b>Engaging comprehensively with institutional stakeholders</b></p> <p>B5. Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</p> <p>B6. Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</p> <p>B7. Ensuring that partnerships are based on trust, a shared commitment to change and a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Consultation and Engagement Strategy</li> <li>• Current consultations</li> <li>• Complaints Procedure</li> <li>• Partnership &amp; collaborative working arrangements</li> <li>• Clear terms of reference for partnerships and other arrangements.</li> <li>• Residents Survey</li> <li>•</li> </ul>
--	---

<p><b>Engaging stakeholders effectively, including individual citizens and service users</b></p> <p>B8. A clear policy on the type of issues that the Council will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service provision is contributing towards the achievement of intended outcomes</p> <p>B9. Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</p> <p>B10. Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Consultation and Engagement Strategy</li> <li>• Residents Survey</li> <li>• Medium Term Financial Plan</li> <li>• Planning Principles</li> <li>• Complaints Procedure (and compliments)</li> <li>• Employee survey</li> <li>• Partnership with partners both public, private and the Community and Voluntary sector infrastructure provider</li> <li>• Partnership with RHL for the management of the Council's social housing</li> <li>• Petition Scheme</li> <li>• Public consultation – for example on regeneration proposals for town centres</li> </ul>
--	---

<p>B11. Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account</p> <p>B12. Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</p> <p>B13. Taking account of the interests of future generations of tax payers and service users</p>	<ul style="list-style-type: none"><li>• Ability for members of the public to ask questions at Council.</li><li>•</li></ul>
--	--



**Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits**

The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

**To support Principle C, the Council is committed to:**

<p><b>Defining outcomes</b></p> <p>C1. Having a clear vision which is an agreed formal statement of the Council’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the Council’s overall strategy, planning and other decisions</p> <p>C2. Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</p> <p>C3. Delivering defined outcomes on a sustainable basis within the resources that will be available</p> <p>C4. Identifying and managing risks to the achievement of outcomes</p> <p>C5. Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available.</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Council Plan</li> <li>• Local Plan</li> <li>• Consultation and Engagement Strategy</li> <li>• Medium Term Financial Plan</li> <li>• Quarterly performance reports to SMT, Scrutiny and Cabinet linked to Council Plan delivery</li> <li>• Annual Report</li> <li>• Risk Management Strategy</li> <li>• Report template for reports to Council meetings</li> </ul>
<p><b>Sustainable economic, social and environmental benefits</b></p> <p>C6. Considering and balancing the combined economic, social and environmental impact of policies, plans</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Medium Term Financial Plan</li> <li>• Budget consultation through Joint Scrutiny Committee</li> <li>• Risk Management Strategy</li> </ul>

<p>and decisions when taking decisions about service provision</p> <p>C7. Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints</p> <p>C8. Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p> <p>C9. Ensuring fair access to services</p>	<ul style="list-style-type: none"> <li>• Council Plan Planning Principles</li> <li>• Local Plan</li> <li>• Procurement Strategy</li> <li>• Member workshops</li> <li>• Strategic Equality Plan</li> <li>• Equality Impact Assessments</li> <li>• Customer Focus Strategy</li> <li>• ICT &amp; Digital Strategy</li> </ul>
--	---

**Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes**

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised

**To support Principle D, the Council is committed to:**

<p><b>Determining necessary interventions</b>  D1. Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.</p> <p>D2. Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Council Plan</li> <li>• Reporting requirements for Full Council and Cabinet in the report template including requirement for statutory officers' input</li> <li>• Decision making Principles (Constitution)</li> <li>• Scrutiny committees and support</li> <li>• Risk Management Strategy</li> <li>• Consultation and Engagement Strategy</li> <li>• Medium Term Financial Plan</li> <li>• Senior Management Structure</li> <li>• Officer Delegation Scheme</li> <li>• Calendar of meetings</li> <li>• Pre-meetings</li> <li>• The Forward Plan</li> <li>• Corporate complaints process</li> </ul>
--	--

<p><b>Planning interventions</b>  D3. Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</p> <p>D4. Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Council Plan</li> <li>• Reporting and publishing &amp; distribution timetables</li> <li>• Consultation and Engagement Strategy</li> <li>• Medium Term Financial Plan</li> <li>• Partnership &amp; collaborative working arrangements</li> <li>• Quarterly performance reports to SMT, Scrutiny and Cabinet linked to Council Plan delivery</li> </ul>
---	--

<p>D5. Considering and monitoring risks facing each partner when working collaboratively including shared risks</p> <p>D6. Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances</p>	<ul style="list-style-type: none"> <li>• Budget and Policy Framework Procedure Rules</li> <li>• Budget Monitoring &amp; Control Procedures</li> <li>• Council Procedure Rules</li> <li>• Financial Regulations</li> <li>• Senior Management Structure</li> <li>• Regular Portfolio Holder meetings linked to Council Plan delivery.</li> </ul>
--	--

**Principle E: Developing the Council's capacity, including the capability of its leadership and the individuals within it**

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity.

**To support Principle E, the Council is committed to:**

<p><b>Developing Capacity</b>  E1. Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.</p> <p>E2. Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness,</p> <p>E3. Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council's resources are allocated so that outcomes are achieved effectively and efficiently,</p> <p>E4. Recognising the benefits</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> <li>• Scrutiny committees and support</li> <li>• Senior Management Structure</li> <li>• Reviews commissioned by Senior Management</li> <li>• External audit and inspection reports</li> <li>• Partnership &amp; collaborative working arrangements</li> <li>• Asset Management Strategy</li> <li>• Employee Celebratory Awards</li> </ul>
<p><b>Developing the capability of the leadership and other individuals</b></p> <p>E5. Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</p> <p>E6. Publishing a statement that specifies the types of decisions that are delegated</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> <li>• Constitution</li> <li>• Protocol on Member/Officer relations (Constitution)</li> <li>• Regular meetings between Strategic Leadership Team and Lead Members</li> <li>• Delegation of Powers Scheme</li> <li>• Financial Regulations</li> <li>• Contract Procurement Rules</li> <li>• Member Job Descriptions</li> </ul>

<p>and those reserved for the collective decision making of the governing body</p> <p>E7. Ensuring the leader and the senior management team have clearly defined and distinctive leadership roles within a structure, whereby the senior management team leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</p> <p>E8. Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged, ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis, ensuring personal, organisation and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses</p> <p>E9. Ensuring that there are structures in place to encourage public participation</p> <p>E10. Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</p> <p>E11. Holding staff to account through regular performance reviews which take account of training or development needs</p>	<ul style="list-style-type: none"> <li>• Regular publication of Forward Plan.</li> <li>• Learning and Development function</li> <li>• People Strategy</li> <li>• Member Development Working Group and programme of training</li> <li>• Performance Review and Development Process</li> <li>• Consultation and Engagement Strategy</li> <li>• Organisation Development and Workforce Strategy</li> <li>• Workforce Policies</li> <li>• Code of Conduct for employees</li> <li>• Internal Communications</li> <li>• Health and Safety Policy</li> <li>• Corporate Health Standard</li> <li>• HR Policies</li> <li>• Appraisals</li> <li>• Member Inductions and mid-term Member Induction refresh</li> <li>• Employee training</li> <li>• Petition Scheme</li> <li>• Consultation events on specific projects</li> </ul>
---	--

**Principle F: Managing risks and performance through robust internal control and strong public financial management**

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

**To support Principle F, the Council is committed to:**

<p><b>Managing Risk</b></p> <p>F1. Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</p> <p>F2. Implementing robust and integrated risk management arrangements and ensuring they are working effectively</p> <p>F3. Ensuring that responsibilities for managing individual risks are clearly allocated</p>	<p><b>What is in place to support this ?</b></p> <ul style="list-style-type: none"> <li>• Risk Management Group</li> <li>• Risk Management Strategy, Risk and Control Registers and Internal / External audit coverage of risk management</li> <li>• Audit Committee</li> <li>• Partnership and Collaborative Working arrangements</li> <li>• Reporting requirements for Full Council and Cabinet</li> <li>• Service Continuity arrangements</li> <li>• Annual review of Constitution</li> </ul>
---	--

<p><b>Managing Performance</b></p> <p>F4. Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review</p> <p>F5. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Council Plan</li> <li>• Service Plans and service planning guidance</li> <li>• Procurement Strategy</li> <li>• Quarterly performance reports to SMT Scrutiny and Cabinet</li> <li>• Forward Work Programmes</li> <li>• Reporting and publishing &amp; distribution timetables</li> <li>• Scrutiny committees and support</li> </ul>
---	--

<p>F6. Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made, thereby enhancing the Council's performance and that of any organisation for which it is responsible</p> <p>F7. Providing members and senior management with regular reports on progress towards outcome achievement.</p> <p>F8. Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)</p>	<ul style="list-style-type: none"> <li>• Scrutiny reviews</li> <li>• Report template</li> <li>• Report screening (Full Council and Cabinet)</li> <li>• Member Development</li> <li>• Financial Regulations</li> <li>• Budget and Policy Framework Procedure Rules</li> <li>• Budget Monitoring &amp; Control Procedures</li> <li>• Budget – Medium Term Financial Plan</li> <li>• Annual Statement of Accounts</li> <li>• Internal and External Audit</li> </ul>
--	--

<p><b>Robust Internal Control</b></p> <p>F9. Aligning the risk management strategy and policies on internal control with achieving objectives</p> <p>F10. Evaluating and monitoring risk management and internal control on a regular basis</p> <p>F11. Ensuring effective counter fraud and anti-corruption arrangements are in place</p> <p>F12. Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p> <p>F13. Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Risk Management Strategy</li> <li>• Principal Risk Register</li> <li>• Heads of Departments Internal Control Assurances</li> <li>• Internal Audit Charter (inc Annual Plan)</li> <li>• Audit Committee Terms of Ref (Constitution)</li> <li>• Audit Committee effectiveness surveys and training</li> <li>• Financial Regulations</li> <li>• Contract Procurement Rules</li> <li>• Counter Fraud Policy &amp; Procedures</li> <li>• Anti-Money Laundering Strategy</li> <li>• Annual Governance Statement &amp; Action Plan</li> <li>• Head of Internal Audit's Annual Report</li> <li>• Audit Committee Chair's Annual Report to Cabinet and Council</li> <li>• Identification of Assurance Gaps</li> <li>• Internal and External Audit</li> </ul>
---	--



<p><b>Managing Data</b></p> <p>F14. Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p> <p>F15. Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</p> <p>F16. Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring</p>	<p><b>What is in place to support this ?</b></p> <ul style="list-style-type: none"> <li>• General Data Protection Regulation guidance</li> <li>• Appointment of qualified Data Protection Officer</li> <li>• GDPR clauses in contracts</li> <li>• Freedom of Information guidance</li> <li>• Information Management Strategy and Action Plan</li> <li>• Acceptable Use of ICT Facilities</li> <li>• ICT Security Policy and Guidelines</li> <li>• Secure Data Transfer Standards and Procedures</li> <li>• Information Security Policy</li> <li>• Records Management Policy</li> <li>• Corporate Records Retention Scheme</li> <li>• Regular data protection training</li> <li>• Appointment and training of Senior Responsible Officer (SRO) and the Senior Risk Information Officer (SIRO)</li> </ul>
--	---

<p><b>Strong public financial management</b></p> <p>F17. Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance</p> <p>F18. Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Regular Budget monitoring reports to SMT, Scrutiny and Cabinet</li> <li>• Annual Governance Statement</li> <li>• External Audit</li> <li>• Internal Audit</li> <li>• Financial Resilience reported at least annually to Scrutiny</li> <li>• Compliance with CIPFA Financial Management Code</li> <li>• External advice for highly specialist areas</li> </ul>
--	--

**Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

**To support Principle G, the Council is committed to:**

<p><b>Implementing good practice in transparency</b></p> <p>G1. Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</p> <p>G2. Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Report template which requires that the statutory officers review the report and the involvement of the Portfolio Holder</li> <li>• Report screening (Full Council and Cabinet)</li> <li>• Website including summary and easy-to-read reports</li> <li>• Compliance with access requirements</li> <li>• Use of Mod. Gov to record all open reports (in advance) and minutes on the website.</li> <li>• Streaming of some meetings</li> </ul>
--	---

<p><b>Implementing good practice in reporting</b></p> <p>G3. Reporting at least annually on performance, value for money and the stewardship of resources</p> <p>G4. Ensuring owners and senior management own the results</p> <p>G5. Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Quarterly reporting of performance to SMT Scrutiny and Cabinet</li> <li>• Annual Report</li> <li>• Annual Governance Statement and Action Plan</li> <li>• Risk Management Strategy</li> <li>• Risk and Control Registers</li> <li>• Annual Statement of Accounts</li> </ul>
---	--

G6. Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	
--	--

<p><b>Assurance and effective accountability</b></p> <p>G8. Ensuring that recommendations for corrective action made by external audit are acted upon</p> <p>G9. Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon</p> <p>G10. Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</p> <p>G11. Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</p> <p>G12. Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met</p>	<p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Audit Committee Terms of Reference (Constitution)</li> <li>• Regular reporting of progress on implementing audit recommendations to Audit Committee and Senior Management Team</li> <li>• External audit and inspection reports</li> <li>• Internal Audit Charter</li> <li>• Head of Internal Audit's Annual Report</li> <li>• Internal Audit self-assessment and compliance with Public Sector Internal Audit Standards</li> <li>• Partnership and collaborative working arrangements</li> <li>• Annual review of Constitution</li> <li>• Governance arrangements in place for key partnerships</li> </ul>
--	--

#### SECTION 4: HOW CORPORATE GOVERNANCE IS REVIEWED

1. The Leader and Senior Management Team are required to ensure that each year, a review is undertaken to measure the extent to which the Council as a whole has met the requirements of this Code.
2. The results of the review are included in the Annual Governance Statement which is published with the Annual Statement of Accounts.
3. Where the review reveals possible gaps or weaknesses, action is agreed to ensure effective governance in future. Agreed action is monitored for implementation.
4. Where necessary, this Code will be amended as a result of the annual review, changes in best practice or statutory changes. Minor amendments to wording, titles and to details of 'what is in place' to support the principles (Section 3 above) may be approved by the Monitoring Officer but any substantive changes to the Code and the principles will require Cabinet approval.
5. This code will be renewed no later than 31<sup>st</sup> March 2025

**Commented [DJ1]:** Sarah - I would think this should be you not me? Happy either way but fits better with MO - what do you think?

## APPENDIX A.

### THE SEVEN PRINCIPLES OF PUBLIC LIFE (THE NOLAN PRINCIPLES)

These apply to anyone who works as a public office-holder. This includes people who are elected or appointed to public office, nationally and locally, and all people appointed to work in:

- the civil service
- local government
- the police
- the courts and probation services
- non-departmental public bodies
- health, education, social and care services.

#### **1. Selflessness**

Holders of public office should act solely in terms of the public interest.

#### **2. Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

#### **3. Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

#### **4. Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

#### **5. Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

#### **6. Honesty**

Holders of public office should be truthful.

#### **7. Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

**ASSURANCE SCHEDULE: EXTRACTED FROM “DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT: FRAMEWORK”  
CHAPTER 6 - The principles of good governance – application.**

This Appendix utilises extracts from key elements of the CIPFA / SOLACE document “Delivering \ Good Governance in Local Government Framework” (2016) in order to show how the council complies with the requirements of good practice and the evidence which is available to support the statements made within the Annual Governance Statement. It should be noted that the revised framework places increased emphasis on culture, values and behaviour where it is more problematic - than in the case of processes and procedures - to provide evidence that appropriate cultures and behaviours are in place. The Committee therefore needs to consider both the specific processes evidenced within this document together with the issue of whether the underlying culture, values and behaviour of the Council remain in line with the standards championed by the CIPFA / SOLACE document.

The annual governance statement should be focused on outcomes and value for money and relate to the authority’s vision for the area. It should provide an assessment of the effectiveness of the authority’s governance arrangements in supporting the planned outcomes – not simply a description of them. Key elements of an authority’s governance arrangements are summarised in the next section.

Extracts from the Code itself are shown in Italics in the section below:

*The annual governance statement should include:*

- *An acknowledgement of responsibility for ensuring that there is a sound system of governance (incorporating the system of internal control) and reference to the authority’s code of governance*

Position at NEDDC: This is set out within the Annual Governance Statement (AGS), with appropriate reference being made to the Code of Governance. The AGS also includes a section on Compliance with the Financial Management Code, designed to support good practice in financial management and financial sustainability.

- *Reference to and assessment of the effectiveness of key elements of the governance framework and the role of those responsible for the development and maintenance of the governance environment, such as the authority, the executive, the audit committee, internal audit and others as appropriate*

Position at NEDDC: The AGS includes a section setting out “The Governance Framework” which address the issues identified above.

- *An opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework*

Position at NEDDC: The AGS highlights the areas of significant weakness which whilst requiring addressing as a matter of priority are not of such a scale as to undermine the view that the Council's Governance Arrangements remain 'fit for purpose'.

- *An agreed action plan showing actions taken, or proposed, to deal with significant governance issues and reference to how issues raised in the previous year's annual governance statement have been resolved*

Position at NEDDC: this is included in the AGS. During 2023/24 the Council has made good progress in addressing issues in respect of 2022/23 and recorded those identified in 2023/24 that will be addressed in the following year. These issues are monitored by the Council's Risk Management Group.

- *A conclusion and a commitment to monitoring implementation as part of the next annual review.*

Position at NEDDC: The AGS includes an opinion and clear statement of commitment from the Leader of the Council and the Managing Director/Head of Paid Service both to address the issues that have been identified and to take action to ensure that further improvements in the Council's Governance arrangements are secured.

- *The annual governance statement should be signed by the leading member (or equivalent) and chief executive (or equivalent) on behalf of the authority.*

Position at NEDDC: The Council is fully compliant with this requirement.

- *The annual governance statement should be approved at a meeting of the authority or delegated committee*

Position at NEDDC: The Council's Constitution sets out the role of the Audit Committee in the approval of the AGS on behalf of the Council.

- *Local authorities are required to include the annual governance statement with their statement of accounts. As the annual governance statement provides a commentary on all aspects of the authority's performance, it is appropriate for it to be published, either in full or as a summary, in the annual report, where one is published. It is important that it is kept up to date at time of publication.*

Position at NEDDC: The AGS is published along with the Statement of Accounts.

The Code also makes reference to a number of areas that aren't specifically related to the Annual Governance Statement but represent good practice:

- *Developing codes of conduct which define standards of behaviour for members and staff, and policies dealing with whistleblowing and conflicts of interest and that these codes and policies are communicated effectively. “*

Position at NEDDC: The Council has both a Members and an Employee Code of Conduct within the Council's Constitution. These are supported by a range of other policies / procedures which reflect best practice across the local government sector.

- *Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.*

Position at NEDDC: The Council has a qualified lawyer supported by an appropriately qualified legal team who undertakes the role of monitoring officer. All other Officers are appropriately qualified, trained and experienced to undertake their role and responsibilities in line with current legislation and recognised good practice. The Council has a formal appraisal process in place, supported by a training plan and appropriate funding to ensure that all officers retain / refresh the necessary levels of expertise in order to discharge their responsibilities effectively. All reports / new initiatives are subject to formal consideration by Council / Cabinet as appropriate and prior to being considered by Members they are reviewed by the Council's three statutory officers (Head of Paid Service, Monitoring Officer, Chief Financial Officer).

- *Documenting a commitment to openness and acting in the public interest.*

Position at NEDDC : This is set out within the Council's Constitution:

“The job of a Councillor is to represent you even if you did not vote for them.....Councillors have a Code of Conduct to make sure they follow high standards in the way they carry out their role. There is a Standards Committee which trains, advises and deals with complaints against Councillors alleging that they have breached the Code of Conduct.”

Article 1 of the Constitution sets out the following core principles

“(a) Mission.

The Council will seek to make a difference by building thriving communities through partnership, community leadership and excellent service delivery.

(b) Values

The Council will follow these values:-

- (i) We are honest, open and accountable.
- (ii) We value people's differences and we will treat everybody fairly and with respect.
- (iii) We listen, involve and respond to all our communities.



- (iv) We always look for new and better ways of working to improve quality and value.

The position as set out within the Constitution is supported by the Code of Corporate Governance which is based upon a clear community focus as set out in the Community Strategy and Corporate Plan which sets out the links between community engagement, service planning and delivery, and the maintenance of appropriate standards of conduct.

- *Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.*

Position at NEDDC: The Council actively encourages consultation with the local community by way of information / opportunities to comment on the website, through postal and on line surveys, access to local Councillors and holding all meetings in public session. The Council has a formal Consultation Policy along with an Engagement Plan which includes a structured plan concerning how the Council will ensure effective engagement with residents, customers and businesses regarding our services and functions.

- *Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning. Translating the vision into courses of action for the authority, its partnerships and collaborations.*

Position at NEDDC: These are set out within the Council Plan which covers the period 2024-2027. This Plan is on the Council's website and is linked to a range of service plans and the Council's Performance Management Framework to help ensure that the agreed strategic direction informs the Council's actions and in particular its service delivery. This is summarised each year in the Council's Annual Report which provides an overview of performance against the plan each year.

- *Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.*

Position at NEDDC: The Council conducts an annual review of its Constitution to ensure that it remains fit for purpose and in line with evolving best practice across the local government sector.

- *Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.*

Position at NEDDC: The Council has a robust performance management framework which helps ensure that service plans and delivery are linked into the Council's wider strategic objectives, whilst delivering services that meet our statutory obligations and the expectations of our residents.

- *Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.*

Position at NEDDC: The roles and responsibilities of Members and senior officers are set out in the Constitution, being further supported by the Member and Officer protocols and for officers by job descriptions and contractual terms. The Constitution which reflects best practice incorporates a scheme of delegation, and sets out the roles, powers and limits upon the power of individual officers and Members.

- *Ensuring that financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015) or CIPFA Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Financial Officer of the Chief Constable (2014) as appropriate and, where they do not, explain why and how they deliver the same impact.*

Position at NEDDC: The Council is fully compliant with the requirements on the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) with a professionally qualified Chief Financial Officer who is a full member of the Senior Management Team and is supported by appropriately qualified and experienced staff.

- *Ensuring effective arrangements are in place for the discharge of the monitoring officer function.*

Position at NEDDC: The Monitoring Officer is a fully qualified solicitor, is a full member of the Senior Management Team and is supported by appropriately qualified and experienced staff.

- *Ensuring effective arrangements are in place for the discharge of the head of paid service function.*

Position at NEDDC: The Head of Paid Service is an appropriately qualified and experienced officer appointed as a result of a competitive selection process.

- *Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.*

Position at NEDDC: There is an induction process for both newly Elected Members and for officer appointments. The Council has a structured Member Development Programme with a Member Development Working Group which meets on a regular basis. All officers are subject to a structured appraisal process which identifies training and development requirements, which are necessary to effectively undertake their role are funded by the Council. Professionally Qualified officers are required / supported to actively participate in the CPD arrangements of their professional body.

- *Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability.*

Position at NEDDC: The Council has in place an established performance management framework and risk management process which regularly report to Cabinet and Audit Committee. These are open reports available on the website. Independent review is provided by Scrutiny and by Internal Audit, with the Annual Governance Statement providing a comprehensive evaluation concerning the Council's compliance with best practice.

- *Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).*

Position at NEDDC: The Council has in place an Anti -Fraud and Corruption Policy updated on a regular basis which has a core principle of zero tolerance. The Audit Committee receives regular updates concerning fraud including an annual report from the Head of Internal Audit which assesses the arrangements against a checklist provided within the Fighting Fraud and Corruption Locally. Where required the Council will take action again those who breach the Council's approach of zero tolerance including reporting concerns to the Police, the Department of Work and Pensions, or directly through its own employee codes of conduct.

- *Ensuring an effective scrutiny function is in place.*

Position at NEDDC: The function of Scrutiny is well established and operating effectively supported by a senior dedicated specialist independent officer. These arrangements and the effective engagement of other Members and Officers of the Council help ensure that Scrutiny's analysis and recommendation are supported by robust evidence, data and critical analysis. Where appropriate Scrutiny reports are referred to Cabinet for its consideration. All Scrutiny meetings have agendas, reports and minutes on the Council's website.

- *Ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact.*

Position at NEDDC: The Council is fully compliant with the requirements of the CIPFA Statement. The Internal Audit Consortium Manager is professionally qualified, suitably experienced, reports on a regular basis to the Audit Committee, with unrestricted access to elected members and management. The Chief Financial Officer prepares on an Annual basis an “Annual Review of the Effectiveness of Internal Audit”.

- *Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013).*

Position at NEDDC: The Audit Committee undertakes a self-assessment of its own performance against best practice covering both the areas of work considered by the Committee, together with its powers in the Constitution and the effectiveness of the Committee in securing improved outcomes.

- *Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.*

Position at NEDDC: All reports of the External Auditor are given appropriate consideration by the Audit Committee, which requires that recommendations are implemented by Council officers. The reports taken by the External Auditor to the Audit Committee continue to acknowledge the active co-operation of Council staff with the work of External Audit.

- *Incorporating good governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures.*

Position at NEDDC: The Council manages its partnerships through the Partnership Team. The partnership with Rykneld Homes is managed through a contract. The Derbyshire and Sheffield economic regions, the East Midlands Combined Authority and other joint working is handled through a range of governance arrangements in which both Elected Members and Officers play an active role. Reports to Cabinet and Council set out progress in each of the key partnerships and help ensure that managerial arrangements remain robust.