

NORTH EAST DERBYSHIRE DISTRICT COUNCIL

LOCAL CODE OF CORPORATE GOVERNANCE

EXECUTIVE SUMMARY

Governance comprises systems and processes for the direction and control of local authorities through which they account to, engage with, and lead their communities. In other words, it is about how local authorities ensure that they are doing the right things, in the right way, for local people in a timely, inclusive, open, honest and accountable manner.

This Local Code of Corporate Governance has been developed to ensure that North East Derbyshire District Council has, and will continue to have, exemplary standards of governance which comply with best practice.

The first part of this document sets out the background to the Code following the publication of the revised Delivering Good Governance Framework issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Council Chief Executives and Senior Managers (SOLACE) in 2016 which replaced the previous guidance of 2012.

The CIPFA/SOLACE Framework (2016) identified seven principles of good corporate governance:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder agreement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit to deliver effective accountability

A key theme in the 2016 framework is that robust governance arrangements are a key factor in maintaining the reputation of both individual local Council's and of the wider reputation of local government as a sector. In short local government needs to ensure that it meets the highest standards and that governance arrangements and behaviour are not only sound but are seen to be sound.

In the Appendix to this document, the Council's progress against each of these principles and their supporting framework is considered and assessed. This assessment helps inform the evaluation of the Council's Governance as set out within the Annual Governance Statement.

Progress against the principles set out in this Code will be monitored and reviewed on an on-going basis, with a formal report brought before Members at least annually as an integral part of the process of preparing the Annual Governance Statement.

INTRODUCTION

1 Background

- 1.1 In 2001, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Council Chief Executives and Senior Managers (SOLACE), together with the support of a number of other key organisations, formed a working party with the aim of drawing together the key principles of corporate governance into a single framework for use in local government.
- 1.2 This followed the work by Lord Cadbury into good governance and Lord Nolan into standards in public life, as well as primary legislation, and culminated in the publication of a governance framework entitled *Corporate Governance in Local Government: A Keystone for Community Governance*.
- 1.3 This Framework recommended that local authorities review their existing governance arrangements against a number of key principles and report annually on their effectiveness in practice. Through the adoption and development of the Framework, authorities were encouraged to meet the standards of the best.
- 1.4 Since the Framework was published, local government has undergone a number of changes designed to improve local accountability and engagement in local government. This has included on-going changes to democratic structures and the ethical framework.
- 1.5 To meet these challenges, the CIPFA and SOLACE Working Party was reformed and the original Framework was revised in 2012. The revised Framework built upon the governance work in both the public and private sectors and, in particular, the principles set out in *Delivering Good Governance in Local Government* publication. The original revisions were then refreshed and updated in the CIPFA / SOLACE publication "Delivering Good Governance in Local Government – Framework" (2016)
- 1.6 In order to achieve good governance, the Framework recommends that each local authority should be able to demonstrate that they are complying with the principles contained within the Framework. This should be done through the development and maintenance of a local code of corporate governance.
- 1.7 This document has been developed to ensure that North East Derbyshire District Council has, and continues to have, exemplary standards of governance which comply with the principles set out in the CIPFA/SOLACE Framework.

2 What Do We Mean By Governance?

- 2.1 The Council has adopted the CIPFA/SOLACE Framework's approach to corporate governance which is as follows:

"The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities."

“The Framework position the attainment of sustainable economic, societal, and environmental outcomes as a key focus of the governance processes and structures. Outcomes give the role of local government its meaning and importance.....Local authorities have responsibilities to more than their current electors as they must take account of the impact of current decisions and actions on future generations.”

2.2 Good governance leads to good management, good performance, proper stewardship of public money, effective public engagement and, ultimately, good outcomes for residents and service users. Good governance enables councils to pursue their vision effectively as well as underpinning that vision with mechanisms for control and management of risk. In line with this approach the format of the Code of Corporate Governance is locally determined.

2.3 One of the main themes of the 2016 arrangements is the increased emphasis on the fact that the code of governance and governance arrangements are locally based. There is also a much greater emphasis on the shared values and the ethos which underpins the governance arrangements, rather than upon the policies and procedures which are the expressions of these values.

3 The Seven Principles

3.1 The CIPFA/SOLACE Framework (2016) defined seven core principles of good governance. These involve:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder agreement.
- 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

It should be noted that Principles A and B permeate the implementation of Principles C to G.

3.2 North East Derbyshire District Council is committed to these seven principles of good governance. This Code sets out how the Council complies with the seven principles to ensure good standards of governance.

4 Monitoring and Review

4.1 Authorities are required to test their governance structures and partnership arrangements against the principles contained in the Framework by:

- Reviewing existing governance arrangements

- Agreeing and keeping up to date the local code of governance, to incorporate measures that will ensure the maintenance of effectiveness
- On an annual basis to report publicly on compliance with their own code, detailing how they have monitored the effectiveness of their governance arrangements in the year together with any changes that are planned to ensure effective ongoing operation.

4.2 In accordance with the Code the Council will undertake an annual review of its governance arrangements to ensure that they are adequate and operating effectively in accordance with best practice. Where gaps are identified, action will be planned and undertaken to ensure improvement in future governance arrangements. The findings of this annual review will be presented to the Council's Audit and Corporate Governance Scrutiny Committee. The outcome of this review will inform and underpin the Council's Annual Governance Statement. The publication of the Annual Governance Statement meets the obligation set out within the Accounts and Audit Regulations 2015 requiring the Council to publish alongside its accounts an Annual Governance Statement.

This Annual Governance Statement will include:

- (i) Identified Councillors and key officers who have responsibility for ensuring that there is good governance including internal control mechanisms;
- (ii) The systems and processes in place to provide good governance and how these are checked and tested;
- (iii) The key elements of the corporate governance arrangements;
- (iv) The process for maintaining and reviewing the effectiveness of governance arrangements;
- (v) Actions taken or actions planned to address significant governance issues;
- (vi) A clear summary of the resources needed to support the corporate governance arrangements.

4.3 The outcome of the Annual Review undertaken in respect of the 2019/20 financial year is set out in Appendix 1 to this Code. The criteria set out in the Appendix were taken from "Delivering Good Governance in Local Government: Framework" (2016 Edition). The Appendix extracts from the guidance a set of tables which set out the key elements of good governance policies and procedures and behaviours. Arrangements at the Council are then benchmarked against these standards. While a limited number of areas have been identified as requiring improvement (generally identified through the work of internal audit) it would seem reasonable to conclude that the Council's arrangements are robust. These issues which have been identified will be addressed either through the Council's Performance Management arrangements, or by way of the Key Issues of Financial Governance report to the Audit and Corporate Governance Scrutiny Committee.

Having been first considered by the Audit and Corporate Governance Scrutiny Committee this Code of Corporate Governance has been signed on behalf of the Council by the Leader of the Council and the Head of Paid Service.

Councillor Alex Dale
Leader of the Council

Lee Hicken
Head of Paid Service

Date September 2020

HOW THE COUNCIL MEETS THE SEVEN PRINCIPLES

The tables given below are again extracted from the CIPFA / SOLACE publication “Delivering Good Governance in Local Government: Framework (2016 Edition), together with the associated guidance manual. The first column of the table sets out the requirements as stated in the Framework. The second column sets out the position at NEDDC and provides a summary of the evidence that supports the general overview position which is that the arrangements currently operating at NEDDC are fit for purpose. Within the guidance notes details are provided of the type of evidence that is considered necessary in order to demonstrate that appropriate arrangements are in place, with consideration given as to whether the arrangements at NEDDC are consistent with those outlined in the Guidance.

PRINCIPLES OF GOOD GOVERNANCE IN LOCAL GOVERNMENT

- 6.4 The core principles and sub-principles of good governance set out in the table below are taken from the International Framework. In turn they have been interpreted for a local government context.

Core principles (shown in bold and denoted A - G)

Acting in the public interest requires a commitment to and effective arrangements for:

Sub-principles (shown in bold)

Behaviours and actions that demonstrate good governance in practice are illustrated in the bullet points.

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

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they 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, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Demonstrating strong commitment to ethical values

Behaving with Integrity

Position at NEDDC

Ensuring members and officers behave with integrity and lead a culture where acting in the public	The Constitution, the Member and Officer Codes of Conduct, the Whistle blowing Policy, Anti-Fraud Strategy, etc. all work
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<p>interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</p>	<p>together to provide an organisational and operational framework, which sets out clear expectations and standards regarding what constitutes acceptable behaviour. The Council's Constitution together with its values clearly establish an overriding requirement that our actions are characterised by openness and accountability.</p> <p>While there is good awareness of the Members and Officers Codes of Conduct it is not considered necessary that individuals sign off that they are compliant with the Code. Inductions cover the standards of behaviour expected.</p> <p>Performance Appraisals are an established routine part of the Council's Performance Management systems.</p>
<p>Ensuring members take the lead in establishing specific standard operating principles or values for the organisation 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>See above. The Council has active Standards and Audit and Corporate Governance Scrutiny Committees, Council meetings, Scrutiny Committees and Member Development Programmes all of which help ensure effective engagement with the values of the Council. Arrangements at Member level are mirrored at Officer level with Codes of Conduct, training and Members and senior officers establishing the tone and standards of the organisation. These standards are expected to apply and are monitored when working with the community and partners.</p>
<p>Leading by example and using the above standard operating principles or values as a framework for decision making and other actions</p>	<p>Decision making protocols and powers are set out in the Council's Constitution. These also establish what record of the decision needs to be maintained. For Cabinet and Council reports the quality assurance process is the Head of Paid Service, Directors, the Monitoring Officer and the Section 151 Officer, while for Delegated Decisions the originating officer and the responsible Director, the Chief Financial Officer and the Monitoring Officer need to ensure that the decision has been appropriately taken, that appropriate advice has been incorporated and consultation undertaken. All decision making Committees are appropriately minuted setting out the criteria, rationale and considerations on which decisions are based. Where appropriate Delegated Decisions are formally recorded and</p>

	<p>published.</p> <p>All meetings include a formal requirement to declare at the outset any interests and a Constitutional requirement to leave the meeting whilst items involving a potential conflict of interest are considered.</p> <p>The Council Plan which was the subject of Consultation / Participation provides shared values which guide decision making. All Committee reports are referenced against Corporate Plan priorities.</p> <p>The Council has an active Standards Committee which meets on a quarterly basis.</p>
<p>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>	<p>The Council has Anti Fraud Bribery and Corruption Policies with the principle of 'zero tolerance' in respect of all forms of fraud. 11</p> <p>The Council maintains up to date registers of interests, gifts and hospitality in respect of both Members and Employees.</p> <p>A Whistle Blowing Policy is in place and actively promoted covering both Members / Employees / third parties.</p> <p>A complaints policy / procedure is in place which records action in respect of both service issues and behaviour. Where appropriate complaints are used to drive service improvement.</p> <p>Codes of Conduct require interests to be registered /declared and these are recorded in Committee minutes.</p>
<p>Demonstrating Strong Commitment to ethical values</p>	
<p>Seeking to establish, monitor and maintain the organisation's ethical standards and performance.</p>	<p>This is covered by the remit of the Standards Committee. The Council has a strong 'ethos' of ethical standards which should help ensure effective ethical compliance at governing body level.</p>
<p>Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.</p>	<p>See above. Expectations regarding behaviour and values are made clear in Committee reports and meetings.</p>
<p>Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p>	<p>The Employee appraisal considers behavioural issues, whilst person specification includes consideration of 'behaviour' as well as 'technical' qualification.</p>
<p>Ensuring that external providers of</p>	<p>The Council has a Procurement Strategy</p>

services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation	<p>which requires that our ethical standards are applied to the procurement of goods and services from third parties. This approach is secured through appropriate clauses within our contracts.</p> <p>One of the criteria that is considered before entering into a partnership would be its consistency with the principles of accountability and governance, which the Council applies to its own internal arrangements. The Council has appropriate staffing and procedures to manage these arrangements effectively, including the new Procurement Team.</p>
Respecting the rule of law	
Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	The culture of the Council is based upon a commitment to operating within the context of the prevailing statutory and regulatory framework. This is set out within the Constitution. All reports contain a section detailing legal implications, the Monitoring Officer is a qualified lawyer, all officers are appropriately selected and trained to undertake their duties in line with the legal and best practice framework.
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	See above
Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	The Council is an outward looking organisation aware of the opportunities open to it in line with the Council Plan. Agreement to objectives, projects, plans and targets is reached with the context of a developed understanding of the legal and best practice framework.
Dealing with breaches of legal and regulatory provisions effectively	The Council has appropriately qualified statutory officers in place supported by suitably qualified and experienced officers. Where necessary external advice is sought. The Council seeks to operate a 'no blame' culture where disclosure of potential error is encouraged.
Ensuring corruption and misuse of power are dealt with effectively	The Council has a range of policies in place which promote positive behaviour whilst also ensure that effective sanctions are

	available to deal with breach effectively. Where necessary the Council will refer issues to external agencies such as the Police / DWP.
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B. Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good, 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.

Openness

Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.	The authority works to minimise the number of decisions taken in private session, complies fully with the Transparency Agenda and provides comprehensive details on the website.
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.	See above. In addition reports to Committee are comprehensive and the Council seeks to provide robust information on which to base every decision.
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	See above. All reports are based upon a pro forma document which covers a range of issues including legal, finance, risk, equalities, HR, Data Protection. All reports are agreed by the three statutory officers to help ensure professional standards are maintained.
Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	The Council has a range of mechanisms for consultation which are set out in our Consultation Policy. Forums for engaging citizens include Public Meetings, Tenants Forums, reviewing individual complaints etc. The Council actively encourages engagement by members of the Community in through the website, by the Engagement Plan and the Single Equalities Scheme.

Engaging comprehensively with institutional stakeholders

Institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable.

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	The Council has a Communications Strategy in place utilising the website, 'The News' Civic newspaper, and encouraging other media coverage.
Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	The Council has in place a well resourced Partnership Team with a robust local network of organisations which helps co-ordinate a range of interventions across the District.
Ensuring that partnerships are based on: – trust – a shared commitment to change – a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit	The Council's representatives on partnerships are required to reflect and champion the Council's values within those partnerships, and the partnerships constitutions must be compatible with the Council's values for the Council to participate.

Engaging with individual citizens and service users effectively

Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcome	The Council has well established Communications and Consultation strategies, with all reports detailing the Consultation that has been undertaken. In addition to structured consultations the Council gives careful consideration to complaints and other feedback to understand whether there are emerging trends which need to be addressed.
Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement	See above.
Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	The Council has in place a wide range of engagement mechanisms including public meetings, Scrutiny Reviews, web based consultation and engaging with difficult to reach groups including young people. These are supported by targeted surveys, questionnaires and focus groups. The Council has in place appropriate policies in respect of Equality and Diversity to help ensure that it adheres to good practice in this area.
Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account	The outcome of consultation exercises is reported appropriately to Members to ensure that consultation informs service delivery and the decision making process.

Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	The Council's Communication and Engagement Strategy are delivered by experienced Officers who work to ensure a balanced and inclusive approach.
Taking account of the impact of decisions on future generations of tax payers and service user	All decisions are reached on the basis of detailed reports which take into account both service delivery issues together with the financial implications of any new initiatives.

In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance also requires a commitment to and effective arrangements for: Behaviours and actions that demonstrate good governance in practice are illustrated in the bullet points.

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 organisation'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

Defining Outcomes	Position at NEDDC
Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions.	The Council has a Council Plan in place covering the period 2019-2023 which sets out the key objective and priorities. Progress in delivering the Plan is managed through the Performance Management Framework, with outcomes reported in the Annual Report.
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	These are set out in the Council Plan and in the individual Service plans. Where appropriate new initiatives are detailed within Committee reports.
Delivering defined outcomes on a sustainable basis within the resources that will be available	See above.
Identifying and managing risks to the achievement of outcomes	The Council has a robust Risk Management Framework in place which is regularly reviewed and covers both Strategic and Service risks and is linked to the Performance Framework. The format of Council, Cabinet and Committee reports ensure that issues of Risk are integral to the

	decision making process.
Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	The Council sets out clear standards within its Service Plans which takes customer expectations into account alongside the availability of resources.

Sustainable economic, social and environmental benefits

Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision	The Council has a balanced approach to considering financial and service delivery issues when planning new initiatives. While the position re financial resources is challenging the Council takes a proactive yet prudential approach in respect of its major investments.
Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraint	Investment and other decisions are taken on the basis of robust reports which cover service delivery, environmental factors, impact on local community and workforce and risk.
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	See above
Ensuring fair access to services	The Council has a firm commitment to equality of access, with the commitment being set out in a range of formal policies.

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

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). 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 frequently to ensure that achievement of outcomes is optimised.

Determining Interventions

Position at NEDDC

Ensuring decision makers receive	Comprehensive reports are provided setting
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objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided	out both recommended options, together with those options which have been considered and rejected. Risk analysis seeks to mitigate against failure to achieve agreed objectives.
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 impact	The Council has appropriate Consultation and Complaints mechanisms, etc. to help ensure that it remains aware of evolving priorities amongst local residents. These inform the Council Plan, Service Plans and the Council's Medium Term Financial Plan.

Planning Interventions

Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	The Council's Performance Management Framework establishes key timescales which reflect statutory and best practice requirements where appropriate.
Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	Communication and Consultation Strategies (see above)
Considering and monitoring risks facing each partner when working collaboratively, including shared risks	Partnership and Risk arrangements are reviewed on a regular basis within the Service, Strategic and Partnership Risk Registers.
Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances	The Performance Management framework ensures services are operated within the context of regular review, so that adaptation can be made to evolving circumstances.
Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	These are set out in Council and Service Plans and monitored through the Performance Management Framework.
Ensuring capacity exists to generate the information required to review service quality regularly	The Council has appropriate staffing structures in place and has maintained the quality of reporting and Performance management.
Preparing budgets in accordance with objectives, strategies and the medium term financial plan	The MTFP is linked to the Council and Service Plans to ensure that service budgets are adequate to deliver agreed service levels.

Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	The Council's MTFP operates on the basis of a 4 year planning period which ensures that the Council is making decisions based upon the longer term availability of funding.
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Optimising achievement of intended outcomes

Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	THE MTFP and the Service Planning process are effectively integrated helping facilitate joined up service and resource planning.
Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	See above. Also the Council has appropriately qualified and experienced officers in both service and finance functions which helps ensure that decisions are taken on the grounds of robust information.
Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	See above
Ensuring the achievement of 'social value' through service planning and commissioning	Service Plans and the Procurement Strategy both give appropriate weight to social value

E. Developing the entity'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 mindset, to operate efficiently and effectively and achieve 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 organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Developing the entity's capacity**Position at NEDDC**

Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness	The Council refreshes its Council and Service Plans together with the Performance Framework on an annual basis. The Council has an up to date Asset Management Plan in place which informs the Capital Programme.
Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently	The Council has continued to secure efficiency savings in its services in order to offset the ongoing reduction in the level of Government Grant. Efficiency savings are targeted from those services which have a relatively high cost base.
Recognising the benefits of partnerships and collaborative working where added value can be achieved	The Council actively enters into and participates in partnerships where these secure cost efficiencies or protect the quality of services e.g. the Strategic Alliance.
Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	The Council has a Staffing Establishment which is reviewed on a regular basis. The Pay Policy, Learning and Development Plan and related strategies ensure that the workforce is effectively managed as part of the strategic allocation of resources.
Developing the capability of the entity's leadership and other individuals	
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	Regular meetings are held between the Council's Leader and the Head of Paid Service/Directors. These are part of a broader framework of appraising the performance of the Senior Leadership Team. Roles and Responsibilities are defined in the Council's Constitution and in Job Descriptions.
Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	This is set out in the Council's Constitution which reflects recognised good practice.
Ensuring the Leader and the Head of Paid Service have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing	Roles and Responsibilities are defined in the Council's Constitution and in Job Descriptions.

<p>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>Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation 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, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</p>	<p>The Council is outward looking and participates in appropriate regional and national meetings / events. Locally it has effective partnership working / discussions across both public and private sector. Members and Officers attend appropriate awareness / training events. This participation ensures that the Council is up to date concerning legislative change, etc.</p> <p>Human Resources have developed a standard corporate induction process for all new members of staff, while at a service level induction is required to cover any service specific induction issues. The appraisal process identifies training needs, and develops a plan to deliver these which is monitored on an ongoing basis. The person specification should ensure that only appropriately qualified individuals are appointed in the first place. A range of corporate awareness training is also provided to managers by means of managers' meetings, Core Brief and other mechanisms. For Members an induction process is provided after District Council elections and by elections, Members have the option of participating in a training needs survey which identifies individual needs and a range of corporate training / awareness /development activities are undertaken on an ongoing basis overseen by the Members Development Working Group.</p>
<p>Ensuring that there are structures in place to encourage public participation</p>	<p>The Council continues to develop its services to customers through effective consultation, communication and establishment of clear service standards. The Council's website and related printed material set out the opportunities for local people seeking to participate.</p>
<p>Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</p>	<p>The Cabinet (Executive) is responsible for overseeing the delivery of Council services and is held to account by the Council by Scrutiny Committees and by Standards Committee. Alongside internal challenge</p>

	there is a wider public challenge including the media, complaints, partner organisations.
Holding staff to account through regular performance reviews which take account of training or development needs	Employees are formally appraised supplemented by 1 to 1s which incorporates an assessment of performance and training requirements. These are developed into a corporate training plan. Members are provided with appropriate training opportunities under the direction of the Member Development Working Group.
Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	The Council has an appropriately staffed and qualified HR team, together with a range of policies to promote employee wellbeing as part of maintaining a productive workforce.

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 are 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 are 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 service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Managing Risk

Position at NEDDC

Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	The Council has in place a Risk Management Strategy, supported by regular reporting, training, etc which support a culture of effective risk management including appropriate consideration of risk in decision making.
Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	The Council's arrangements cover both Strategic and Operational risk. Regular reporting to both Cabinet and Audit and Governance Scrutiny Committee, together with Internal Audit review are designed to ensure and demonstrate effective arrangements are in place.

Ensuring that responsibilities for managing individual risks are clearly allocated	Responsibilities for managing risks has recently been reviewed and strengthened.
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Managing Performance

Position at NEDDC

Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	The Council has a robust performance management system including service and financial targets which is monitored on a regular basis. Where organisational change arises service plans, performance targets and financial provision are amended accordingly. This ensures that organisational change delivers against the identified benefits.
Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	The Council has a robust reporting system which requires that all reports cover relevant issues (risk, legality etc.). These are agreed by the Statutory Officers and relevant Members of the management team before progressing to Council, Cabinet and Committees.
Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible	The function of Scrutiny is well established and operating effectively supported by a specialist independent officer. These arrangements and the effective engagement of other Members and Officers of the Council help ensure that Scrutiny's analysis and recommendations are supported by robust evidence, data and critical analysis. Where appropriate Scrutiny reports are referred to Cabinet for its consideration. All Scrutiny Committees provide an annual report to Council.
Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	The Council's Performance Management Framework covering Performance, Finance and Risk generates formal reports on a quarterly basis, which are discussed with responsible Portfolio Members and senior managers prior to publication.
Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)	The Council has appropriate reporting arrangements in place which are quality assured by the Audit Committee and by Internal and External Audit.

Robust internal control**Position at NEDDC**

Aligning the risk management strategy and policies on internal control with achieving objectives	The Risk Management Strategy is supported by a risk based Internal Audit Plan and working arrangements.
Evaluating and monitoring risk management and internal control on a regular basis	The Risk Management Strategy is subject to regular update, and reporting. The Council ensures that Internal Control arrangements are monitored and amended in the light of changed systems or issues being highlighted. Both are subject to independent review and assurance from Internal Audit.
Ensuring effective counter fraud and anti-corruption arrangements are in place	The Council has up to date policies and arrangements in place to minimise the risk / impact of fraud. These are reviewed by Internal Audit and reported to Audit Committee on a regular basis.
Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	The Council has a well established audit team, which works to an agreed audit plan. The service is independently reviewed to ensure it is fully compliant with professional standards. The work of the Internal Audit team is overseen by the Audit Committee.
Ensuring an audit committee or equivalent group/ 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 that its recommendations are listened to and acted upon	The Council has a well established Audit Committee in place, which includes a number of senior elected members. It reviews its effectiveness on an Annual basis to ensure that it is operating in line with both its remit under the Constitution and with best practice as set out in CIPFA guidance.

Managing data**Position at NEDDC**

Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	The Council has in place robust data protection policies and arrangements including effective reporting of breaches. Appropriately trained staff are in place supported by a designated and suitably qualified data protection officer.
Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	Where data is shared with other authorities it is subject to appropriate formal data sharing / processing arrangements.
Reviewing and auditing regularly	Data is subject to ongoing scrutiny by

the quality and accuracy of data used in decision making and performance monitoring	Elected Members and Senior Management as part of the process of reporting Performance. Independent assurance is provided by Internal Audit as part of the Audit Plan.
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Strong public financial management

Position at NEDDC

Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	The Council has robust financial management arrangements covering financial planning, budget monitoring, project appraisal and financial reporting. The arrangements have ensured that the Council has continued to deliver a balanced budget and have been subject to independent review by internal audit. The Council has continued to receive a positive assessment of its Statement of Accounts from external audit.
Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	See above. The Council's financial management arrangements continue to receive positive assessments from Internal Audit, whilst financial risks are reported as part of the budget development and monitoring process.

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.

Implementing good practice in transparency

Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.	The Council makes all reports available on the website and in paper format upon request. Officers seek to ensure that all reports are comprehensive and understandable to the reader. The Council is fully compliant with the Transparency Agenda.
Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not	The Council provides the full range of information, statements and reports which are required by statute, or recognised good practice. Where

being too onerous to provide and for users to understand.	further information is required this can be requested by local residents.
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Implementing good practices in reporting Position at NEDDC

Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way	The Council produces Annual Accounts. These supplement the range of information provided during the course of the year.
Ensuring members and senior management own the results reported	All reports are provided to Council, to Cabinet and to the Audit and Governance Scrutiny Committee as appropriate.
Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)	The position will be reported to Audit Committee prior to the final publication of the AGS. The report to Audit Committee is considered by Portfolio Members and by senior officers including Scrutiny, Governance, Performance, Finance and Internal Audit.
Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate	The Council's Performance Management Framework and governance principles are applied to all organisations with which the Council has a significant involvement or partnership working arrangements.
Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations	The Council follows best practice guidance which helps ensure that the format and information is readily comparable against that of other organisations.

Assurance and effective accountability Position at NEDDC

Ensuring that recommendations for corrective action made by external audit are acted upon	These are reported to the Audit and Corporate Governance Scrutiny Committee, together with an Action Plan to secure resolution
Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon	The effectiveness of internal audit is assessed on an annual basis with the assessment being subject to the agreement of the Audit and Corporate Governance Committee. The Council is fully compliant with all aspects of the

	CIPFA Statement on “The Role of the Head of Internal Audit.”
Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	The Council has actively supported peer review where appropriate and the outcome of all external inspection will be considered by Council in order to address any agreed deficiencies or improvements.
Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	The Council monitors the risks on delivering services by way of third parties, including such risks within service plans and the corporate report concerned with Risk and Partnership working. Managerial arrangements with partnerships are risk based, and with those where the risk of service disruption is minimal monitoring is of necessity ‘light touch’ with reliance being placed upon the partner organisations governance arrangements.
Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.	The Council only enters into partnerships where the partner organisations shares the Council’s ethos and has appropriate governance arrangements in place to ensure accountability.

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