Delivering Good Governance in Newcastle under Lyme Borough Council Local Code 2016

Introduction

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

In order for Members and Officers of Newcastle-under-Lyme Borough Council to deliver good governance they must whilst working to achieve the organisations objectives act in the public interest at all times.

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

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

B: Ensuring openness and comprehensive stakeholder engagement

Achieving good governance also requires a commitment to and effective arrangements for:

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

D: Determining and planning the actions necessary to optimise the achievement of the intended outcomes

E: Developing the Council's capacity, including the capability of its leaders and the individuals within it. This includes ensuring effective relationships and a clear understanding of the roles and responsibilities of Members and officers.

F: Managing risks, performance and data through robust internal control and strong public financial management.

G: Implementing good practices in transparency, reporting, and assurance (including audit) to deliver effective accountability.

Newcastle under Lyme Borough Council is committed to ensuring that the principles of good governance set out on A - G above flow from a shared ethos or culture, as well as from sound management systems, structures, and processes that are transparent to all its stakeholders. A hallmark of good governance is the development of shared values, which become part of the organisation's culture, underpinning policy and behaviour throughout the organisation, from the governing body to all staff. By making explicit our high standards of self-governance we aim to provide a lead to potential partners, to the public, private or voluntary sectors and to our citizens. This local code will set out how we aim to achieve this under the seven principles A – G as set out in Appendix A attached.

Appendix A – Local Code

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

This will include:

(a)   Behaving with integrity:

We will demonstrate this by;
- 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 organisation,
- 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 (Nolan Principles)
- Leading by example and using the above standard operating principles or values as a framework for decision making and other actions,
- Communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure they are operating effectively.

(b)   Demonstrating strong commitment to ethical values:

We will demonstrate this by;
- Seeking to establish, monitor and maintain the organisations ethical standards and performance,
- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisations culture and operation,
- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values
- Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.

(c)   Respecting the rule of law;

We will demonstrate this by;
- Ensuring members and staff demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations
- Creating the condition 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,
- Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders,
- Dealing with breaches of legal and regulatory provisions effectively,
- Ensuring corruption and misuse of power are dealt with effectively.

PRINCIPLE B:	Ensuring openness and comprehensive stakeholder engagement

This will include:

(a)   Openness:

We will demonstrate this by;
- Ensuring an open culture through demonstrating, documenting and communicating the organisations commitment to openness,
- Making decisions that are open about actions, plans, resource use, forecast, outputs and outcomes. The presumption is for openness, if this is not the case then the reason for keeping the decision confidential will be given,
- Providing clear reasons and evidence for decisions in both public records and explanations to stakeholders and being explicit about criteria, rationale and considerations used. In due course ensuring that the impact and consequences of those decisions are clear,
- Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action.

(b)   Engaging comprehensively with institutional stakeholders:

We will demonstrate this by;
- 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,
- Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively,
- Ensuring that partnerships are based on;
    - Trust
    - A shared commitment to change, and
    - A culture that promotes and accepts challenge among partners

(c)   Engaging with individual citizens and service users effectively:

We will demonstrate this by;
- 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 provision is contributing towards the achievement of intended outcomes,
- Ensuring that communication methods are effective and that members and officers are clear about their role with regards to community engagement,
- Encouraging and collecting the views and experiences of communities and citizens, service users and organisations of different backgrounds including reference to future needs,
- Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account,
- Balancing feedback from more active stakeholder groups to ensure inclusivity,

- Taking account of the impact of decisions on future generations of tax payers and service users.

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

This will include:

(a)   Defining outcomes:

We will demonstrate this by;
- 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 organisations overall strategy, planning and other decisions,
- 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,
- Delivering defined outcomes on a sustainable basis within the resources that are available,
- Identifying and managing risks to the achievement of outcomes,
- Managing service user's expectations effectively with regard to determining priorities and making the best use of the resources available.

(b)   Sustainable economic, social and environmental benefits:

We will demonstrate this by;
- Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision,
- Taking a longer term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisations intended outcomes and short-term factors such as the political cycle or financial constraints,
- Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, in order to ensure appropriate trade offs
- Ensuring fair access to services

PRINCIPLE D:	Determining and planning the actions necessary to optimise the achievement of the intended outcomes

This will include:

(a)   Determining Interventions:

We will demonstrate this by;
- Ensuring decision makers receive 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,
- 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.

(b)   Planning Interventions:

We will demonstrate this by;
- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets,
- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered,
- Considering and monitoring risks facing each partner when working collaboratively, including shared risks,
- Establishing appropriate key performance indicators (KPI's) as part of the planning process in order to identify how the performance of services and projects is to be measured,
- Ensuring capacity exists to generate the information required to review service quality regularly,
- Preparing budgets in accordance with objectives, strategies and the medium term financial plan (MTFS),
- Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.

(c)   .Optimising the achievement of intended outcomes:

We will demonstrate this by;
- Ensuring the MTFS integrates and balances service priorities, affordability and other resource constraints,
- Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term,
- Ensuring that the MTFS sets the context for on-going 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,
- Ensuring the achievement of 'social value' through service planning and commissioning.

PRINCIPLE E: Developing the Council's capacity, including the capability of its leaders and the individuals within it. This includes ensuring effective relationships and a clear understanding of the roles and responsibilities of Members and officers

This will include:

(a) Developing the councils capacity:

We will demonstrate this by;
- Reviewing operations, performance and use of assets on a regular basis to ensure its continuing effectiveness,
- 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,
- Recognising the benefits of partnerships and collaborative working where added value can be achieved,
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources

(b) Developing the capability of the entity's leadership and other individuals:

We will demonstrate this by;
- 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,
- Publishing a statement that specifies the types of decisions that are delegated to those reserved for the collective decision making of the governing body
- Ensuring that the leader and chief executive have clearly defined roles within a structure whereby the chief executive leads in implementing strategy and managing delivery of services and other outputs set by members and each provides a check and a balance for each other's authority,
- 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 on-going training and development matching the individual and organisational requirement 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.
- Ensuring that there are structures in place to encourage public participation,
- Taking steps to consider the leaderships own effectiveness and ensuring leaders are open to constructive feedback from peer reviews and inspections,
- Holding staff to account through regular performance reviews which take account of training or development,

- Ensuring arrangements are in place to maintain the health and well being of the workforce and support individuals on maintaining their own physical and mental well-being.

PRINCIPLE F: Managing risks, performance and data through robust internal control and strong public financial management

This will include:

(a) Managing Risk:

We will demonstrate this by;
- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making
- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively,
- Ensuring that responsibilities for managing individual risks are clearly allocated

(b) Managing Performance:

We will demonstrate this by;
- Monitoring service delivery effectively including planning, specification, execution and independent post implementation review,
- 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,
- Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after the decisions are made thereby enhancing the organisations performance and that of any organisation for which it is responsible,
- Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement
- Ensuring there is consistency between specific stages e.g. budgets and post implementation e.g. financial reporting

(c) Robust internal control:

We will demonstrate this by;
- Aligning the risk management strategy and policies on internal control with achieving objectives,
- Evaluating and monitoring risk management and internal control on a regular basis
- Ensuring effective counter fraud and anti-corruption arrangements are in place,
- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor
- Ensuring the Audit & Risk committee which is independent of the executive and accountable to the governing body;
    - Provides a further source of effective assurance regarding arrangements for manging risk and maintaining an effective control environment,
    - That its recommendations are listened to and acted upon

(d)   Managing Data:

We will demonstrate this by;
- Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data,
- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies,
- Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.

(d)   Strong public financial management:

We will demonstrate this by;
- Ensuring financial management supports both long term achievement of outcomes and short term financial and operational performance,
- Ensuring well-developed financial management is integrated at all levels of planning and control including management of financial risks and controls.

PRINCIPLE G: Implementing good practices in transparency, reporting, and assurance (including audit) to deliver effective accountability

This will include:

(a)   Implementing good practice in transparency:

We will demonstrate this by;
- 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,
- 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.

(b)   Implementing good practice in reporting:

We will demonstrate this by;
- Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way,
- Ensuring members and senior managers own the results reported,
- Ensuring robust arrangements for assessing the extent to which the principles contained in this local code have been applied and publishing the results of this assessment, including an action plan for improvement and evidence to demonstrate good governance.
- Ensuring that this local code is applied to jointly managed or shared services as appropriate,
- Ensuring that performance information that accompanies the financial statements is prepared on a consistent and timely basis and that the statements allow for comparison with other similar organisations.

(c)   Assurance and effective accountability:

We will demonstrate this by;
- Ensuring that recommendations for corrective action made by external audit are acted upon,
- 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,
- Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations,
- Gaining assurances on risks associated with delivering services through third parties and that this is evidenced in the Annual Governance Statement,
- Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.