NEWCASTLE UNDER LYME BOROUGH COUNCIL

CODE OF CORPORATE GOVERNANCE

Introduction

Good Corporate Governance is about how local authorities ensure that they are doing the right things, in the right way, for the right people in a timely inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local authorities are directed and controlled and through which they account to, engage with and where appropriate lead their communities.

There are four key roles that have been identified as being the business of local authorities:-

- To engage in effective partnerships and provide leadership for and with the community.
- To ensure the delivery of high-quality local services whether directly or in partnership or by commissioning.
- To perform a stewardship role which protects the interests of local people and makes the best use of resources.
- To develop citizenship and local democracy.

In order to demonstrate that the business of local authorities is being conducted to the highest possible standard it needs to develop and maintain six core principles throughout the conduct of all elements of its business. These six core principles are listed below;

- Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area.
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- Developing the capacity and capability of members and officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability.

Each of the core principles identified above has a number of supporting principles which are set out in the authorities Code of Corporate Governance, which is shown as Appendix A. The principles are not mutually exclusive, high standards of conduct are expected as part of every aspect of the business.

Newcastle under Lyme Borough Council is committed to ensuring that the principles of good governance 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. In order to meet this commitment we will aim to observe the Code set out at Appendix A.

Appendix A – Code of Corporate Governance

CORE PRINCIPLE 1:	**Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area**

This will include:

(a) **Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users:**

We will demonstrate this by:

- Developing and promoting the authority's purpose and vision.
- Reviewing on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements.
- Ensuring that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners.
- Publishing an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance.

(b) **Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning:**

We will demonstrate this by:

- Deciding how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.
- Putting in place effective arrangements to identify and deal with failure in service delivery.

(c) **Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money:**

We will demonstrate this by:

- Deciding how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.

CORE PRINCIPLE 2:	Members and officers working together to achieve a common purpose with clearly defined functions and roles

This will include:

(a) **Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function:**

We will demonstrate this by:

- Setting out clear statements on the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice.
- Setting out clear statements of the respective roles and responsibilities of other authority members, members generally and of senior officers.

(b) **Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard:**

We will demonstrate this by:

- Determining a scheme of delegation and reserve powers within the construction, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensuring that this is monitored and updated when required.
- Making a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management.
- Developing protocols to ensure that the Leader and Chief Executive (or equivalent) negotiates their respective roles early in the relationship and that a shared understanding or roles and objectives is maintained.
- Making a senior officer (the S151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.
- Making a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

(c) **Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other:**

We will demonstrate this by:

- Developing protocols to ensure effective communication between members and officers in their respective roles.
- Setting out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable).
- Ensuring that effective mechanisms exist to monitor service delivery.
- Ensuring that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community

and other key stakeholders, and that they are clearly articulated and disseminated.

- When working in partnership, ensuring that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority.
- When working in partnership:
    (i)   ensuring that there is clarity about the legal status of the partnership.
    (ii)   ensuring that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.

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

This will include:

(a) **Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance:**

We will demonstrate this by:

- Ensuring that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect.
- Ensuring that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols.
- Putting in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.

(b) **Ensuring that organisational values are put into practice and are effective:**

We will demonstrate this by:

- Developing and maintaining shared values including leadership values for both the organisation and staff reflecting public expectations, and communicate these with members, staff, the community and partners.
- Putting in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.
- Developing and maintaining an effective standards committee.
- Using the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority.
- Pursuing the vision of a partnership, and agreeing a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.

CORE PRINCIPLE 4:	Taking informed and transparent decisions, which are subject to effective scrutiny and managing risk

This will include:

(a) **Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny:**

We will demonstrate this by:

- Developing and maintaining an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible.
- Developing and maintaining open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.
- Putting in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice.
- Developing and maintaining an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee.
- Ensuring that effective, transparent and accessible arrangements are in place for dealing with complaints.

(b) **Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs:**

We will demonstrate this by:

- Ensuring that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.
- Ensuring that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.

(c) **Ensuring that an effective risk management system is in place:**

We will demonstrate this by:

- Ensuring that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs.
- Ensuring that effective arrangements for whistle-blowing are in place to which officers, staff and all those contracting with or appointed by the authority have access.

(d) **Using their legal powers to the full benefit of the citizens and communities in their area:**

We will demonstrate this by:

- Actively recognising the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities.
- Recognising the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law.

CORE PRINCIPLE 5:	Developing the capacity of members and officers to be effective

This will include:

(a)   Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles:

We will demonstrate this by:

- Providing induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.
- Ensuring that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority.

(b)   Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group:

We will demonstrate this by:

- Assessing the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.
- Developing skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.
- Ensuring that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs.

(c)   Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal:

We will demonstrate this by:

- Ensuring that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority.
- Ensuring that career structures are in place for members and officers to encourage participation and development.

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

This will include:

(a) **Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships:**

We will demonstrate this by:

- Making clear to themselves, all staff and the community to whom they are accountable and for what.
- Considering those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required.
- Producing an annual report on the activity of the scrutiny function.

(b) **Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning:**

We will demonstrate this by:

- Ensuring clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively.
- Holding meetings in public unless there are good reasons for confidentiality.
- Ensuring that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.
- Establishing a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result.
- On an annual basis, publishing a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.
- Ensuring that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.

(c) **Making best use of human resources by taking an active and planned approach to meet responsibility to staff:**

We will demonstrate this by:

- Developing and maintaining a clear policy on how staff and their representatives are consulted and involved in decision making.