

COUNCIL

Friday,
18 April 2008
11.00 a.m.

Council Chamber,
Council Offices,
Spennymoor

AGENDA and REPORTS



This document is also available in other languages, large print and audio format upon request

العربية (Arabic)

إذا أردت المعلومات بلغة أخرى أو بطريقة أخرى، نرجو أن تطلب ذلك منا.

বাংলা (Bengali)

যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান, তাহলে দয়া করে আমাদেরকে বলুন।

(中文 (繁體字)) (Cantonese)

如欲索取以另一語文印製或另一格式製作的資料，請與我們聯絡。

हिन्दी (Hindi)

यदि आपको सूचना किसी अन्य भाषा या अन्य रूप में चाहिये तो कृपया हमसे कहे

polski (Polish)

Jeżeli chcieliby Państwo uzyskać informacje w innym języku lub w innym formacie, prosimy dać nam znać.

ਪੰਜਾਬੀ (Punjabi)

ਜੇ ਇਹ ਜਾਣਕਾਰੀ ਤੁਹਾਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ ਚਾਹੀਦੀ, ਤਾਂ ਇਹ ਸਾਥੋਂ ਮੰਗ ਲਓ।

Español (Spanish)

Póngase en contacto con nosotros si desea recibir información en otro idioma o formato.

اردو (Urdu)

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھیے۔

AGENDA

1. APOLOGIES

2. DECLARATIONS OF INTEREST

To notify the Mayor of any items that appear later in the agenda in which you may have an interest.

3. MINUTES

To confirm as a correct record the Minutes of the meeting held on 29th February 2008 (Pages 1 - 10)

4. MAYOR'S ANNOUNCEMENTS

5. SEIZING THE FUTURE

Stephen Eames, Chief Executive, County Durham and Darlington NHS Foundation Trust will attend the meeting to give a presentation on the above review outlining the Trust's vision for the future.

A briefing note giving a background to the 'Seizing the Future' initiative is attached for information. (Pages 11 - 14)

6. MEMBERSHIP ON OUTSIDE ORGANISATIONS - BE ENTERPRISING FRANCHISING COMPANY

Report of Chief Executive. (Pages 15 - 16)

7. REVISED DRAFT LOCAL CODE OF CORPORATE GOVERNANCE

Report of Director of Resources. (Pages 17 - 32)

B.Allen
Chief Executive

Council Offices
SPENNYMOOR
9th April 2008

Councillor Mrs. S. J. Iveson (Mayor) and

All other Members of the Council

ACCESS TO INFORMATION

Any person wishing to exercise the right of inspection in relation to this Agenda and associated papers should contact
Liz North 01388 816166 ext 4237 email:enorth@sedgefield.gov.uk

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Item 3

SEDGEFIELD BOROUGH COUNCIL

Council Chamber,
Council Offices,
Spennymoor

Friday,
29 February 2008

Time: 11.00 a.m.

Present: Councillor Mrs. S. J. Iveson (Mayor) and

Councillors Mrs. A.M. Armstrong, B.F. Avery J.P, W.M. Blenkinsopp, Mrs. D. Bowman, T. Brimm, D.R. Brown, V. Chapman, D. Chaytor, Mrs. K. Conroy, Mrs. P. Crathorne, V. Crosby, Mrs. L. M.G. Cuthbertson, T.F. Forrest, P. Gittins J.P., A. Gray, G.C. Gray, Mrs. J. Gray, B. Haigh, Mrs. S. Haigh, Mrs. I. Hewitson, J.E. Higgin, A. Hodgson, T. Hogan, Mrs. L. Hovvels, Mrs. H.J. Hutchinson, J.M. Khan, B. Lamb, Mrs. E. Maddison, C. Nelson, D.A. Newell, B.M. Ord, Mrs. E.M. Paylor, Mrs. C. Potts, J. Robinson J.P, A. Smith, B. Stephens, K. Thompson, A. Warburton, T. Ward, W. Waters and Mrs E. M. Wood

Apologies: Councillors J. Burton, D. Farry, Mrs. B. Graham, D.M. Hancock, G.M.R. Howe, J.G. Huntington and Ms. I. Jackson

MINUTES SILENCE

A minutes silence was held as a mark of respect for Borough Councillor Jim Waymen, JP., who had recently died.

C.67/07 DECLARATIONS OF INTEREST

No declarations of interest were received.

C.68/07 MINUTES

The Minutes of the meeting held on 10th January, 2007 were confirmed as a correct and signed by the Mayor.

C.69/07 MAYOR'S ANNOUNCEMENTS

The Mayor reported that she had attended forty eight functions and events since the meeting of the Council on the 23rd November including the official opening of Bishop Auckland College by HRH the Princess Royal, Durham County Fire Service presentation of monies to the Mayor's charity appeal, the launch and signing of the joint recycling services and a Royal Navy Presentation at Auckland Castle.

She had also attended the Spennymoor School Presentation Evening, County Durham School Swimming Gala, the presentation of medals at Newton Aycliffe Leisure Centre and Sedgfield Youth Award Ceremony at Sedgfield Racecourse.

In addition, she had attended a number of carol services, charity nights as well as Diamond Wedding and Golden Wedding anniversary celebrations.

C.70/07

TREASURY MANAGEMENT STRATEGY 2008/9

Consideration was given to a report of the Director of Resources (for copy see file of Minutes) detailing the Treasury Management Strategy 2008/09 and the impact of the Prudential for Capital Finance.

It was explained that the report outlined the Strategy to be followed by the Council over the next financial year in relation to its Treasury Management activities.

Members noted that it was usual to produce a three year Strategy but because of the outcome of the Local Government Review in County Durham and the inception of a new unitary from April 2009 the report only considered the Strategy for the 2008/09 financial year.

The Council would ballot its tenants regarding the transfer of the Council's housing stock during 2008. Members were kept informed of the implications for the Council's borrowing and investment decisions following the results of the ballot.

Members considered the Treasury Management Strategy which was required by the Council's Constitution to be reported and the management of the risks involved.

- RESOLVED :*
- 1. That the Treasury Management Strategy 2008/09 be approved.*
 - 2. That the Investment Strategy 2008/09 be approved.*
 - 3. That the Prudential Indicators and Limits 2008/09 be adopted.*
 - 4. That the minimum revenue provision statement as shown in Appendix B be adopted.*
 - 5. That the authorised Limit for Borrowing as shown in Appendix B be approved.*

C.71/07

BUDGET FRAMEWORK 2008/9

Consideration was given to a report and an Addendum Report of the Director of Resources (for copies see file of Minutes) regarding budget proposals for 2008/9.

It was explained that Cabinet at its meeting on 10th January, 2008 approved the initial budget framework. During the four week consultation period all Overview and Scrutiny Committees considered their respective budget areas and consultation had also taken place with residents and tenants groups.

Cabinet had considered the findings of the consultation process at its meeting on 14th February, 2008 when it made a number of recommendations for the budget and policy framework 2008/09. The recommendations were outlined in Appendix A to the report.

Significant reference was made to the following :-

General Fund

The Council's net spending requirement for 2008/09 after the use of balances would be £15,005,440 and the details of how this was to be spent were set out in the report. This represented an increase in the Band D tax from £186.11 to £190.02 an increase of £3.91.

Housing Revenue Account

No changes to the initial budget for the Housing Revenue Account were proposed by Cabinet and the increase in housing rents required was recommended to be an increase in basic target rent of 3.9% + 0.5% with effect from 7th April, 2008 with the adjustment for rent restructuring set up to +£2 per week. This would have the impact of increasing the average rent by 5.6%.

It was noted that since the last reported position on ER/VR, arrangements for the transfer of staff and work to Mears had been resolved and costs had been incurred in the current year that could be replenished in 2008/9 ensuring the HRA minimum balance was maintained.

It was proposed that of the forecasted £1.4m available, £700,000 be returned to working balances and the remaining £700,000 set aside as contingency to cover the bedding in period of the partnership agreement and impact of Health and Safety ratings.

Capital Spend

No changes to the initial budget framework for Capital Spend were proposed by Cabinet which would mean that the total capital expenditure would be fixed at £20m and allocated to portfolios in accordance with the table set out in Appendix B to the report. It was noted that the Programme had been set in line with the Medium Term Financial Plan and Transition Plan.

Treasury Management Statutory Incorporating the Prudential Code

This covered the borrowing investment activities of the Council and the effective management of the associated risks in relation to those activities. A separate report provided details of the strategy to be followed by the Council and made recommendations on the Council's borrowing, investment, and treasury activities over the 2008/9 financial year and had been developed taking into account the budget framework for 2008/9.

Robustness of Budget Estimates

Section 25 of the Local Government Act 2003 required the Chief Financial Officer to report the robustness of the estimates and the adequacy of the results. It was noted that in preparing estimates a prudent approach had been taken to the development of service budgets based on realistic and achievable spending and income targets with appropriate consideration of any risk and uncertainties that maybe encountered.

Reasonable provision had been made for pay awards and inflation during 2008/9. Budgets had been prepared at outturn prices, there was no contingency sum available in 2008/9 therefore any unexpected demand revenue expenditure would have to met from savings or efficiencies in service delivery.

It was noted that a full report on the revenue position of the current year's budget would be considered by Cabinet on 13th March, 2008. That report showed that both the General Fund and Housing Revenue Account outturn spending were being controlled within the original budget provision.

Balances and Reserves

The balances and reserves expected to be held at 31st March, 2008 were presented and the following noted :-

Budget Support Fund

This was set up to provide support to the General Fund to allow spending levels to be adjusted over the medium term. The budget framework 2008/9 provided for the use of balances of £790,000 to support revenue spending.

LABGI Fund

This fund had been established from the proceeds of a Local Authority Business Growth Initiative grant, paid by the Government as a result of increased economic activity in 2005/06 and 2006/07. The fund had four streams all designed to stimulate economic growth throughout the Borough. It was anticipated that the balances on the fund would be fully utilised or committed by March 2009.

Insurance Fund

Established to cover the Council's self-insured risks. Whilst the revised balances would fall as claims continued to be met, the current level of funding was regarded as satisfactory in the medium term.

Training and Employment Services

This fund was used to support the Council's training schemes, which had provided training opportunities to thousands of people over many years. It was anticipated that there would be an operating surplus of around £40,000 in 2007/08. During 2008/09 it was anticipated that the balance on the fund would be transferred to Bishop Auckland College as part of the merger proposals.

Asset Management Fund

The fund was available to provide support to meet the Council's commitments under the Asset Management Plan. The 2008/09 Capital Programme assumed the use of £200,000 to finance Asset Management works to various Council buildings.

Private Sector Housing Fund

Established some years ago, when housing association loans were repaid, to provide support to private sector housing initiatives. The Capital

Programme assumed the full use of the funds to support private sector housing regeneration initiatives within the Borough.

Loan Debt Support Fund

This fund is used to support the costs associated with managing the Council's debt portfolio. It was anticipated that £106,000 would be utilised in 2008/09 to assist in rescheduling the Council's capital financing costs.

Other Fund Balances

Covering a range of small balances, which were used for technical accounting purposes.

General Reserve

The balance on this reserve of £2.240m representing around 15% of net revenue spending, which was well above the minimum level advised by the Audit Commission of 5%. The medium term target was to maintain the reserves at around £2m.

Housing Revenue Account

HRA balances were expected to total £2.150m at 31st March 2008. There were ongoing commitment to use a further £70,000 of HRA reserves during 2008/09 to assist with the implementation of the Service Improvement Plan.

PRECEPTING AUTHORITIES

Parishes

The precept for 2008/9 totalled £4,620,445.59 compared with £4,400,003.43 for the current year, an increase of £220,442.16 (5.0%). This equated to an average parish Council Tax of £173.61 at Band D, an increase of £5.35 (3.2%) over the current year. Details of the increases applicable to particular Parishes were shown in Appendix C to the report.

Durham County Council

Considered its spending plan for 2008/9 and considered a recommendation that required a precept on this Council of £27,262,849.30 which equated to a Council Tax of £1,024.38 at Band D, an increase of £28.89 or 2.9% over the current year.

Durham and Darlington Fire and Rescue Authority

The Fire and Rescue Authority met on 19th February, 2008 to consider its spending plans for 2008/9 and approved recommendation that required a precept on this Council of £2,198,848.68, equating to a Council Tax of £82.62 at Band D, an increase of £2.34 or 2.9% over the current year.

Durham Police Authority

The Police Authority had considered its spending plans for 2008/09 and approved a precept on this Council in the sum of £3,791,696.46 equating to a Council Tax of £142.47 at Band D, an increase of £6.75 or 4.97% over the current year.

During discussion of the budget framework the following amendment proposal was moved by Councillor B.M Ord and seconded by Councillor K. Thompson:-

“This Council reduces its 2008/9 General Fund budget by efficiency savings being met from the areas of Neighbourhood Wardens, Town Twinning and Inform”

Following a vote the amendment was rejected.

NB : In accordance with the Council’s Procedure Rule 13.4 Councillors W.M. Blenkinsopp, T.D. Brimm, A. Warburton, P Gittins, Mrs. E. Wood, B. Ord, K. Thompson, B. Haigh, Mrs. E. Maddison, Mrs. I. Hewitson, Mrs. L. Cuthbertson and T. Hogan requested that their names be recorded as having voted for the amendment.

- RESOLVED :**
1. *That the Council’s 2008/09 General Fund Revenue Budget, totalling £15,005,440 be approved.*
 2. *That the Housing Revenue Account Budget be approved and that a rent increase of 3.9% + 0.5% be applied to all rents with a rent restructuring adjustment of up to + £2.00, effective from 7th April 2008.*
 3. *That the council’s 2008/09 Capital Spending Programme, totalling £20m, as set out in Appendix B to the report be approved.*
 4. *That in accordance with Section 25(1) of the Local Government Act 2003, the comments of the Director of Resources, in relation to the robustness of the budget estimates being considered and adequacy of the financial reserves be noted.*
 5. *That the calculations required under Section 32 to 36 of the Local Government Finance Act, 1992 be approved as follows:-*

	£
Aggregate of the calculations required under Section 32(2)(a) to (e) of the Act (i.e. gross expenditure of the Borough plus Parish precepts)	97,913,915.59
Aggregate of the calculations required under Section 32(3)(a) to (c) of the Act (i.e. income which will be credited to the Borough’s General Fund)	78,288,030.00
Being the difference between the above calculations, in accordance with Section 32(4) of the Act – the budget requirement for the year	19,625,885.59

6. That the calculations required under Section 32 to 36 of the Local Government Finance Act, 1992 be approved as follows: -

£	
Revenue Support Grant	9,791,296.00
Collection Fund Surplus	157,000.00
	9,948,296.00

7. That the calculation required under Section 33(1) of the 1992 Act, as the basic amount of the Council Tax for the year, i.e. the total in 4.5 above, less the total in 4.6 above, divided by the Tax Base 26,614 be approved as follows - £363.63 (i.e. an average local Tax at Band D).
8. That the aggregate amount of all special items (Parish Precepts) in accordance with Section 34(1) of the Act, amounting to £173.61 be approved.
9. That the Council Tax for the year for those dwellings in the area to which no special items relates, calculated in accordance with Section 34(2) of the Act, be £190.02 (i.e. the Council Tax at Band D for Borough Council purposes).
10. That the amounts given by adding to the amount at 4.9 above, the amounts of the special items for those parts of the Council's area, calculated in accordance with Section 34(3) of the Act be as set out under Band D in Appendix D to this report (i.e. Council Tax at Band D for Borough and Parish Councils in each Parish or part of the Borough).
11. That the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands calculated in accordance with Section 36(1) of the Act, using as the base those amounts set out in 4.10 above, be as shown in Appendix D to the report.
12. That it be noted that for the year 2008/09 Durham County Council, Durham and Darlington Fire and Rescue Authority, and Durham Police Authority have stated the following amounts in the precept issued to the Council in accordance with Section 40 of the Act, for each of the categories of dwellings shown below:-

	A	B	C	D	E	F	G	H
Authority	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Durham County	682.92	796.74	910.56	1,024.38	1,252.02	1,479.66	1,707.30	2,048.76

<i>Council</i>								
<i>Combined Fire Authority</i>	55.08	64.26	73.44	82.62	100.98	119.34	137.70	165.24
<i>Durham Police Authority</i>	94.98	110.81	126.64	142.47	174.13	205.79	237.45	284.94

13. That, having calculated the aggregate in each case, of the amounts at 4.11 and 4.12 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts shown at Appendix F as the amounts of Council Tax for the year 2008/09 for each of the categories of dwellings shown.

14. That the Director of Resources be authorised to serve notices, enter into agreements, give receipts, make adjustments, institute proceedings and take any action available to the Council to collect or enforce the collection of the Non-Domestic Rate and the Council Tax from those persons liable.

15. That the Director of Resources be authorised to nominate officers, from time to time, within the Resources Department, to conduct proceedings on behalf of the Council in connection with the implementation of 4.14 above.

16. That, in accordance with Part II of Schedule 1 of the Council Tax (Administration and Enforcement) Regulations 1992, the Council resolves that instalments of Council Tax due from Council house tenants, will be due on a weekly basis simultaneous with the rent.

C.72/07

LOCAL GOVERNMENT REORGANISATION TRANSITIONAL ARRANGEMENTS - APPOINTMENT OF IMPLEMENTATION EXECUTIVE - THE COUNTY DURHAM (STRUCTURAL CHANGE) ORDER 2008

Consideration was given to a report of the Chief Executive (for copy see file of Minutes) relating to the executive arrangements during the transition period of local government re-organisation process and inviting the Council to nominate a Member to serve on the Implementation Executive established by the County Durham (Structural Change) 2008.

RESOLVED : That the Leader of the Council, Councillor Mrs. Agnes Armstrong, be nominated to serve on the Implementation Executive during the first transitional period as defined in the Order.

C.73/07

ARRANGEMENTS FOR REVIEW OF CONSTITUTION

Consideration was given to a report of the Chief Executive (for copy see file of Minutes) regarding arrangements for a Review of the Constitution.

It was explained that the Constitution itself needed to be kept under regular review to ensure that it reflected existing law and existing law and its operation continued to provide an efficient and effective framework for delivering the Council's objectives. This report was a further review for the purposes of Article 16 of the Constitution.

The report outlined areas where it was considered appropriate to make some immediate changes to the Constitution including :-

- Part 2 – Articles of the Constitution – Article 10 - Article 10.03(c) to be amended.
- Part 2 – Articles of the Constitution – Article 13 – Council Employees – paragraph 13.02 – additional paragraph (c).
- Part 3A – Responsibility for Functions A. Council function – Determination of Application for review of Premises Licence – to insert number 53.
- Part 3B – Responsibility for Functions B. Cabinet Function: pg.56: item 11 to be amended; item 17 to be deleted.
- Various changes to the Officer Delegations at Part 3 – Responsibility for Functions – C. Officer Delegations:
 - (a) to amend R29
 - (b) to delete R31
 - (c) to insert two new officer delegations under Resources
 - (d) to amend NS59 and NS60 to include additional officer
 - (e) to add additional name to NS64.
 - (f) to amend NS79.
- Part 4 – Rules of Procedure – C – Budget and Policy Framework Procedure Rules – update paragraph 5.
- Part 4 – Rules of Procedure – C – Budget and Policy Framework Procedure Rules – update Budget Heads.
- Part 4 – Rules of Procedure – G – Contract Procedure Rules – changes to Procedure Rule 2.
- Update allowances at Part 6 - Members' Allowance Scheme.

RESOLVED : *That the Council approves the amendments set out in the Appendix and directs the Council's Monitoring Officer :-*

- a) *To amend the Constitution accordingly and make all necessary and consequential amendments.*
- b) *To publish an amended version on the Council's website.*

C.74/07

**SEDGEFIELD BOROUGH LOCAL DEVELOPMENT FRAMEWORK -
DRAFT WINDLESTONE HALL SUPPLEMENTARY PLANNING
DOCUMENT**

Consideration was given to a report of the Deputy Chief Executive (for copy see file of Minutes) regarding the above document which had been prepared to guide the redevelopment of Windlestone Hall.

Windlestone Hall was a Grade II Listed Building and was currently being offered for sale by the County Council.

Under the provisions of the Planning and Compulsory Purchase Act 2004 the Borough Council could bring forward Supplementary Planning Documents in advance of the adoption of its core strategy provided that the document was linked to a saved policy in the Local Plan.

The Draft Supplementary Planning Document had been successfully screened against the EU Directive on Strategic Environmental Assessment 2001/42/ EC and had undergone a comprehensive sustainability appraisal report.

RESOLVED : That the attached Draft Windlestone Hall Supplementary Planning Document be endorsed and published to undergo a 6 week consultation process.

ACCESS TO INFORMATION

Any person wishing to exercise the right of inspection, etc., in relation to these Minutes and associated papers should contact Liz North 01388 816166 ext 4237 email:enorth@sedgefield.gov.uk

Seizing the Future – briefing

1. Background

County Durham and Darlington Acute Hospitals Trust was established in 2002 to bring about closer working between local hospitals, and to implement a series of changes to services to ensure they remained sustainable, following changes in medical practice.

These changes were proposed by Professor Ara Darzi, professor of surgery at Imperial College, and were subject to public consultation before being agreed by the Department of Health and health ministers.

The Trust includes:

- Bishop Auckland General Hospital
- Darlington Memorial Hospital
- University Hospital of North Durham
- Shotley Bridge Community Hospital
- Chester-le-Street Community Hospital

2. What is “Seizing the Future”?

Seizing the Future is a programme of change aimed at developing the Trust’s strategic direction for the next five years.

It will be supported by a major clinical service review which will include:

- An examination of current services
- An assessment of how these services adhere to best practice in clinical outcomes
- A review of achievement of national standards across all services
- The development of future service options

3. What will the review deliver?

At the end of the review, we will have:

- A five-year strategic plan
- A compelling clinical vision
- Agreed high quality clinical standards and outcomes for the future
- A decision on the way forward for our hospitals over the next five years

4. Why are we doing this?

It is five years since the service review carried out by Professor Darzi. We now need to look forward to the next five years and consider where the Trust needs to be in 2012, considering:

- What will services look like?
- How do we get there?

There are a number of key national policies which impact on our hospitals

- Patient choice - patients now have a choice of where they have their treatment. This can be their local hospital, or it could be another trust outside County Durham and Darlington, or in the independent sector
- Payment by Results - hospitals are now only paid for the patients they see. So if patients choose to go elsewhere, then hospitals in County Durham and Darlington do not receive income
- Increased competition from private hospitals - under choice, a patient must have the option of using an independent sector hospital, as well as options in the NHS
- Practice Based Commissioning - GPs now have a much stronger role in deciding where patients are treated. Many GPs are keen to develop services in their own practices, or across a number of practices.
- Shift of some of Trust's activity to Primary Care settings – in the future, more services will be delivered in primary care and community settings, and where possible, in a patient's own home – avoiding admission to hospital altogether
- 18 week patient journey - by the end of 2008, all patients must have their outpatient appointment, and tests, and have been admitted, or begun their treatment within 18 weeks of referral by their GP.
- Reduction in time spent in hospital by patients - primary care trusts have targets to reduce the number of days that patients stay in hospital. National data shows that patients have a longer length of stay in County Durham and Darlington, compared with similar hospitals.

We expect that these policies will mean a fall in the numbers of patients needing treatment in district general hospitals and therefore a reduction in the Trust's income.

5. How are we doing this?

Seizing the Future will be in three main phases, with a challenging timescale:

1. Scoping study (November 2007-January 2008)

This phase will include:

- Defining the scope of the review
- Discussions with key stakeholders

- Initial analysis of the impact of providing more care as close to homes as possible
2. Development of future service options (January-May 2008)
This phase will include:
 - Defining the scope of the review
 - Continued stakeholder involvement through workshops, and a Seizing the Future website
 - Development of evidence base
 - Testing options
 - Decision on preferred options for consultation
 3. Formal consultation on service options (Summer 2008)

The review will be aligned to key emerging drivers for change:

- Service Line Management, which is currently being piloted in the Trust, and which is about creating a better understanding of the relationship between clinical and financial performance and effectiveness
- The PCT commissioning strategy, underpinned by the public engagement programme, “The Big Conversation”
- The national review, “Our NHS our future”, led by Lord Darzi

6. The role of Matrix

The Trust has engaged Matrix Insight to support the review.

Matrix Insight is the consulting arm of Matrix Knowledge Group. Matrix offers consulting, research and informatics to international organisations, governments, public service providers including health and social care, businesses and the charitable sector. They have undertaken similar acute service review work in other NHS organisations.

Matrix’s role will be to:

- Facilitate dialogue between clinical teams, users and stakeholders
- Develop a rigorous evidence base
- Support development of options
- Test options with a range of internal and external stakeholders
- Support our approach to public consultation
- Provide objectivity to the process

7. End of year scoping study

The review timescale demands for the initial scoping study phase to be completed by January 2008.

There will be four elements to this phase:

1. Defining the scope of the review

- Assessing the key issues involved

- Gaining an understanding of views and opinions of all staff
- Deciding on lead roles for the review process
- Developing a review project plan – tasks, timescales and deliverables

2. Stakeholder mapping exercise

- Carried out to ensure maximum stakeholder coverage and determine ways in which they can be engaged
- Creating opportunities to engage with
 - Clinical staff
 - Other internal Trust staff
 - Governors and members
 - Other major external stakeholders

3. Developing a stakeholder engagement website

- Creating a secure website which
 - Allows ongoing review and dissemination of key data and information for all staff
 - Assists discussion and decision making
- And which provides information for stakeholders including:
 - Background to Seizing the Future
 - Progress updates
 - Information on workshops and related activities
 - Analyses and evidence base

4. An initial analysis of Our NHS our Future

The national review led by Lord Darzi will set a framework for the NHS in the future. As part of the scoping study Matrix will work with the Trust to carry out an initial assessment of its implications for the Trust.

8. Next steps

The Trust is beginning work on the scoping study and will be seeking to engage with its internal and external stakeholders.

Once we have established the stakeholder engagement website, we will contact you to give details of how it can be accessed.

For more information on Seizing the Future, please contact:

Stephen Eames
Chief Executive
County Durham and Darlington NHS Foundation Trust
 Memorial Hospital
 Hollyhurst Road
 Darlington DL3 6HX

Tel: 01325 743757 Fax: 01325 743200

Stephen.eames@cddft.nhs.uk

Item 6

REPORT TO COUNCIL

18 April 2008

REPORT OF CHIEF EXECUTIVE

MEMBERSHIP ON OUTSIDE ORGANISATIONS. **BE ENTERPRISING FRANCHISING COMPANY**

1. SUMMARY

Cabinet at its meeting on 13th March 2008 considered a report of the Assistant Chief Executive relating to the membership of Be Enterprising Franchising Company.

At that meeting Cabinet noted the contents of the report and progress made in establishing a Franchising Company to promote self employment within disadvantaged communities. It also recommended that Council appoint Councillor Lucy Hovvels to serve as a member of the Franchise Company.

2. RECOMMENDED

That Cllr Lucy Hovvels serve as a member of the Franchise Company.

3. BACKGROUND

- 3.1 Sedgefield Borough Council has lead on the development of the Franchise Project, as part of the LEGI programme. The programme seeks to use innovative measures to promote Franchising as a route to self employment, business start-up and business expansion.
- 3.2 Integral to the project was the establishment of a Franchising Company, which will utilise LEGI resources to purchase franchise opportunities to enable potential entrepreneurs from disadvantaged communities the opportunity to gradually buy into the franchise over time.
- 3.3 The LEGI Board commissioned Dickinson Dees solicitors to examine the optimal model of governance for the company. They recommended a company limited by guarantee with five Members, one from local government and four from the private sector. Each will have a personal financial liability of no more than £1. This company will not be local authority controlled within the meaning of the relevant legislation.

3.4 As Sedgefield Borough Council is leading on the development of the project, the LEGI Management Group has agreed that the Borough Council should nominate a representative to sit on the Board of the Be Enterprising Franchising Company. This appointment may need to be reviewed by the new Unitary Council post April 2009.

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Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. The report has been approved by Management Team	<input type="checkbox"/>	<input checked="" type="checkbox"/>

18TH APRIL 2008

REPORT OF THE DIRECTOR OF RESOURCES

Portfolio: STRATEGIC LEADERSHIP

**Subject: REVIEW OF THE COUNCIL'S CORPORATE GOVERNANCE
ARRANGEMENTS**

1. SUMMARY

- 1.1 Corporate Governance is the term used to describe the system by which local authorities direct and control their functions and relate to their communities.
- 1.2 The Council agreed its first Local Code of Corporate Governance in December 2002, which took into account guidance issued at that time by the Chartered Institute of Public Finance And Accountancy (CIPFA) and the Society for Local Authority chief Executives (SOLACE).
- 1.3 CIPFA and SOLACE have recently reviewed their guidance and issued '*Delivering Good Governance in Local Government: A Guidance Note for English Authorities*'.
- 1.4 The attached updated version of the Local Code of Corporate Governance has been developed, taking the revised guidance into account.

2. RECOMMENDED

- 2.1 That the Council approves the revised Local Code of Corporate Governance.

3. BACKGROUND

- 3.1 In 2001 CIPFA and SOLACE published 'Corporate Governance in Local Government – A Keystone for Community Governance: Framework' to draw together the governance principles identified in the report of the *Committee on the Financial Aspects of Corporate Governance (The Cadbury Report)* in 1992, the '*Nolan Committee on Standards in Public Life*' in 1995 and in '*Model Codes*' developed by the Office of the Deputy Prime Minister.
- 3.2 The 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 development of this Framework, all local authorities were encouraged to meet the standards of the best.
- 3.3 The Council subsequently agreed its own Local Code of Corporate Governance in 2002, which has been reviewed on an annual basis, to ensure that full compliance with the Code was being achieved.

- 3.4 In 2004, the Independent Commission on Good Governance in Public Services published a set of common principles that it wanted all public sector organisations to adopt in the document '*Good Governance Standards for Public Services*'. This document built in the Nolan Principles for the conduct of individuals in public life, which were:-
- A clear definition of the body's purpose and desired outcomes.
 - Well defined functions and responsibilities.
 - An appropriate corporate culture.
 - Transparent decision making.
 - A strong Governance team.
 - Real accountability to stakeholders.
- 3.5 CIPFA and SOLACE have now subsequently reviewed their original guidance and for the purpose of developing '*Delivering Good Governance in Local Government*', the six core principles from the '*Good Governance Standard for Public Services*', have been adapted for the local authority context. The principle of leadership has been expanded to emphasise the role of authorities 'leading' their communities and therefore this concept 'overarches' the other principles. Greater emphasis has also been placed on Scrutiny and Overview to accommodate the new arrangements for local authorities. The principles have also been developed to take greater account of the political regime in which local authorities operate.

4. COMPLIANCE WITH THE NEW CODE

- 4.1 Normally, with the introduction of a new Code, an action plan would be developed to identify any issues that need to be considered to ensure full compliance with the Code.
- 4.2 However, in view of the impending re-organisation of local government within County Durham, there may be insufficient time and capacity because of the pressures on officer time in dealing with the current work-stream requirements for officers to develop new protocols etc., for a limited period of implementation before 1st April 2009.
- 4.3 It is therefore recommended that officers' attention be drawn to the new Code which is being introduced and that due recognition is made to the principles contained within it, during the preparatory work for the new Unitary Council which will take place in the forthcoming months.

5. RESOURCE IMPLICATIONS

- 5.1 There are no financial issues arising directly from this report.

6. CONSULTATIONS

- 6.1 A Working Group of Officers representing all Departments has assisted in the development of this new Local Code.

7. LINKS TO CORPORATE OBJECTIVES/VALUES

7.1 Reviewing the Council's Corporate Governance arrangements ensures that the following corporate values are being addressed:

- Being open, accessible, equitable, fair and responsive.

8. RISK MANAGEMENT

8.1 The Council must ensure that the Local Code adequately reflects the recommended six core principles of Corporate Governance, one of which is:

- To take informed and transparent decisions which are subject to effective scrutiny and managing risk.

8.2 If the Council is not able to demonstrate that it has taken into account any revisions with regard to recommended best practice, it could have a detrimental impact on any assessment that the Audit Commission may make of the Council's Governance arrangements.

8.3 With the introduction of the initial Code in 2002, the Council did agree an Action Plan, which would ensure full compliance, over time. Subsequently those actions were undertaken and the Council was able to demonstrate full compliance to the Audit Commission.

8.4 Unfortunately, as mentioned in paragraph 4, there may be inadequate time and capacity to fully comply with the revised Code, prior to the Council being abolished on the 1st April 2009 but it is expected that the Audit Commission will recognise those matters in any report that it issues with regard to the Council's current arrangements. Also the fact that the authority was fully compliant with the old Code does continue to provide for a strong framework for Corporate Governance.

8.5 If there are not adequate Governance arrangements in place when the Council is engaged with partners for the delivery of services, there is also a risk that the Council may be required to deal with any financial liabilities resulting from any failure in the partnership arrangements.

9. HEALTH AND SAFETY

9.1 No additional implications have been identified.

10. EQUALITY AND DIVERSITY

10.1 No additional implications have been identified.

11. LEGAL AND CONSTITUTIONAL

11.1 No new implications have been identified.

12. OTHER MATERIAL CONSIDERATIONS

12.1 No other material considerations have been identified.

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Ward(s):

Key Decision Validation:

Background Papers: - Local Code of Corporate Governance – Report to Special Council 20.12.02
- Delivering Good Governance in Local Government – Guidance Note for English Authorities – Issued by CIPFA and SOLACE
- Appendix 1 – Local Code of Corporate Governance – April 2008

Examination by Statutory Officers:

	Yes	Not Applicable
1. The report has been examined by the Council's Head of the Paid Service or his representative.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Council's S.151 Officer or his representative.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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4. Management Team has approved the report.	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Sedgefield Borough Council

**LOCAL CODE
OF
CORPORATE GOVERNANCE**

Issued: April 2008

LOCAL CODE OF CORPORATE GOVERNANCE

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1. Introduction

- 1.1 The Council has established this Local Code of Corporate Governance, taking into account the guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society for Local Authority Chief Executives (SOLACE) in their framework document “Delivering Good Governance in Local Government: Guidance Note for English Authorities”.

2. What Is Corporate Governance?

- 2.1 Corporate Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 2.2 It comprises the systems and processes and cultures and values, by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads our communities.
- 2.3 Sedgefield Borough Council is committed to the principles of good corporate governance and wishes to confirm its commitment and intentions through the continued maintenance of a Local Code of Corporate Governance.

3. The Core Principles of Good Corporate Governance

- 3.1 The six core principles of good corporate governance, which are underpinned by supporting principles and requirements, are to:
- focus 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;
 - promote values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 - take informed and transparent decisions, which are subject to effective scrutiny and managing risk;
 - develop the capacity and capability of members and officers to be effective; and
 - engage with local people and other stakeholders to ensure robust public accountability.
- 3.2 This Council fully supports these principles. This Code is a public statement of the commitment to these principles and sets out clearly the way in which the Council will meet that commitment.

4. Applying the Core Principles of Good Governance

- 4.1 The main body of the Code is divided into six sections; each of which covers a particular core principle, together with a set of supporting principles, which in turn have a range of specific requirements. These show the means by which the Council can demonstrate its commitment to good governance in relation to that principle.

Core Principles

5. Focus on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.

The Council welcomes constructive challenge as an opportunity to learn and improve performance using findings from the Audit Commission, any regulatory inspection, peer view, commissioned consultants or input from other high performing authorities.

Within this core principle there are three supporting principles, which are set out below.

The Council will exercise strategic leadership by developing and clearly communicating its purpose and vision and its intended outcomes for citizens and service users.

In order to meet this commitment, the Council will:

- develop and promote the Council's purpose and vision;
- review on a regular basis the Council's vision for the local area and its impact on the Council's governance arrangements;
- ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners; and
- publish an Annual Report on a timely basis, to communicate the Council's activities and achievements, its financial position and performance.

The Council will ensure that users receive a high quality of service whether directly or in partnership or by commissioning.

In order to meet this commitment, the Council will:

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

The Council will ensure it makes best use of resources and that taxpayers and service users receive excellent value for money.

In order to meet this commitment, the Council will:

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

6. Members and officers work together to achieve a common purpose with clearly defined functions and roles.

The Council recognises that it is good practice for all political parties to identify the future skills base and type of representation needed for politicians and, using appropriate selection methods, to take steps to fill these gaps when seeking candidates for election and for succession planning. The Council also recognises that it is good practice for the Chief Executive and Leader of the Council to consider how best to establish and maintain effective communication.

Within this core principle there are three supporting principles.

The Council will ensure effective leadership and be clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.

In order to meet this commitment, the Council will:

- set out a clear statement of the respective roles and responsibilities of the executive and of the executive members individually and the Council's approach towards putting this into practice; and
- set out a clear statement of the respective roles and responsibilities of other members and senior officers.

The Council will ensure that a constructive working relationship exists between members and officers and that the responsibilities of members and officers are carried out to a high standard.

In order to meet this commitment, the Council will:

- determine a scheme of delegation and reserve powers within the Constitution, including a formal schedule of those matters specifically reserved for the collective decision of the Council, taking account of relevant legislation and ensuring that it is monitored and updated when required;
- make the Chief Executive responsible and accountable to the Council for all aspects of operational management;
- develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained;
- make a senior officer (the Section 151 Officer) responsible to the Council 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; and
- make a senior officer (the Monitoring Officer) responsible to the Council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

The Council will ensure relationships between the Council, its partners and the public are clear so that each knows what to expect of the other.

In order to meet this commitment, the Council will:-

- develop protocols to ensure effective communication between Members and officers in their respective roles;
- set out the terms and conditions for remuneration of Members and officers and an effective structure for managing the process, including an effective remuneration panel;
- ensure that effective mechanisms exist to monitor service delivery;
- ensure 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; and
- when working in partnership ensure that:-
 - Members are clear about their roles and responsibilities, both individually and collectively, in relation to the partnership and to the Council;
 - there is clarity about the legal status of the partnership; and
 - representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.

7. Promote values for the Council and demonstrate the values of good governance through upholding high standards of conduct and behaviour.

The Council recognises that it is good practice generally for Members and Officers to reject offers of hospitality from firms that the Council is contracting with, or may contract with in the future.

Within this core principle there are two supporting principles:

The Council will ensure Members and Officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.

In order to meet this commitment, the Council will:

- ensure that the Council's leadership sets a tone for the organisation by creating a climate of openness, support and respect;
- ensure that standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the Council, its partners and the community are defined and communicated through codes of conduct and protocols; and
- put in place arrangements to ensure that Members and employees 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.

The Council will ensure that organisational values are put into practice and are effective.

In order to meet this commitment, the Council will:

- develop and maintain shared values, including leadership values for both the Council and staff, reflecting public expectations and communicate these with Members, staff, the community and partners;
- put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice;
- develop and maintain an effective Standards Committee;
- use the Council's shared values to act as guide for decision making and as a basis for developing positive and trusting relationships within the Council; and
- pursue the vision of a partnership by 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;

8. Take informed and transparent decisions which are subject to effective scrutiny and managing risk.

The Council recognises that although scrutiny generally looks at issues and policies once they are in place, scrutiny should also take place at the policy development stage.

The Council also recognises that risk management is important to the successful delivery of public services and that an effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective.

Within this core principle, there are four supporting principles which are set out below.

The Council will be rigorous and transparent about how decisions are taken and will listen and act on the outcome of constructive scrutiny.

In order to meet this commitment, the Council will:-

- develop and maintain 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;
- develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based;
- put 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;
- develop and maintain an effective Audit Committee, which is independent of the executive and scrutiny functions; and
- ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.

The Council will have good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.

In order to meet this commitment, the Council will:-

- ensure that those making decisions, whether for the authority or a partnership, are provided with information that is fit for the purpose, relevant, timely and gives clear explanations of technical issues and their implications; and
- ensure 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.

The Council will ensure that an effective risk management system is in place.

In order to meet this commitment, the Council will:-

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

The Council will use its legal powers to the full benefit of the citizens and communities in its area.

In order to meet this commitment, the Council will:-

- Actively recognise the limits of lawful activity placed on it by, for example the ultra vires doctrine but also strive to utilise their powers to the full benefit of the community;
- Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law; and
- Observe all specific legislative requirements placed on it, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice, into its procedures and decision making processes.

9. Develop the capacity and capability of Members and Officers to be effective.

The Council recognises that it is good practice for political parties to appraise the performance of those that are elected and put in place training and development programmes to fill any skills gaps.

Within this core principle, there are three supporting principles which are set out below.

The Council will make sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.

In order to meet this commitment, the Council will:-

- provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis; and
- ensure 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.

The Council will develop the capability of people with governance responsibilities and evaluate their performance as individuals and as a group.

In order to meet this commitment, the Council will:-

- assess the skills required by Members and officers and make a commitment to develop those skills to enable roles to be carried out effectively;
- develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed; and
- ensure 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 and development needs.

The Council will encourage new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal.

In order to meet this commitment, the Council will:-

- ensure 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; and
- ensure that career structures are in place for Members and officers to encourage participation and development.

10. Engage with local people and other stakeholders to ensure robust public accountability.

The Council recognises that it is well placed to understand and respond to particular challenges within the local community and by bringing together key representatives from the community the Council can encourage debate on such issues as integration and policing and focus on shared values.

Within this core principle, there are three supporting principles which are set out below.

The Council will exercise leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.

In order to meet this commitment, the Council will:-

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

The Council will take an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery, whether directly by the Council, in partnership or by commissioning.

In order to meet this commitment, the Council will:-

- ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively;
- hold meetings in public unless there are good reasons for confidentiality;
- ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements to recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands;
- establish a clear policy on the types of issues it 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, publish 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; and
- ensure 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 circumstances where it is proper and appropriate to do so.

The Council will make best use of human resources by taking an active and planned approach to meet responsibility to staff.

In order to meet this commitment, the Council will:-

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

11. Review and Reporting

- 11.1 Each year the Council will carry out a review of their governance arrangements to ensure compliance with this Code, the delivery of Good Governance within the Local Government Framework and current good practice. The purpose of the review will be to provide assurance that governance arrangements are adequate and operating effectively or to identify action which is planned to ensure effective governance in the future.
- 11.2 The outcome of the review will take the form of an Annual Governance Statement prepared on behalf of the Leader of the Council and Chief Executive. It will be submitted to the Audit Committee for consideration and review, as well as to Council.
- 11.3 The preparation and publication of the Annual Governance Statement will meet the statutory requirement of the Accounts and Audit Regulations which requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”. As such the Annual Governance Statement will be prepared in accordance with the timetable in participation of financial statements in accordance with the Audit and Accounts Regulations.

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