



Local Government Act 1972

I Hereby Give You Notice that an **Ordinary Meeting** of the **Durham County Council** will be held in the **Council Chamber, County Hall, Durham** on **Wednesday 25 January 2017 at 10.00 a.m.** to transact the following business:-

1. To confirm the minutes of the meeting held on 7 December 2016 (Pages 3 - 12)
2. To receive any declarations of interest from Members
3. Chairman's Announcements
4. Leader's Report
5. Questions from Area Action Partnerships
6. Questions from the Public
7. Petitions
8. Report from the Cabinet (Pages 13 - 28)
9. Teaching Assistants - Review of Terms and Conditions Update - Joint Report of Corporate Director, Resources and Corporate Director, Children and Young People's Services (Pages 29 - 32)
10. Community Governance Review - Central Unparished areas of Durham - Report of Head of Legal and Democratic Services (Pages 33 - 54)
11. Amendment to the Taxi Licensing Policy regarding the DVSA testing requirement - Report of Corporate Director, Adult and Health Services (Pages 55 - 70)
12. Updated Local Code of Corporate Governance - Report of Corporate Director, Resources (Pages 71 - 102)

13. Motions on Notice

14. Questions from Members

And pursuant to the provisions of the above-named act, **I Hereby Summon You** to attend the said meeting

Dated this 17th day of January 2017

A handwritten signature in black ink, appearing to read 'Colette Longbottom', with a long, sweeping flourish extending to the right.

Colette Longbottom
Head of Legal and Democratic Services

To: All Members of the County Council

DURHAM COUNTY COUNCIL

At an Ordinary Meeting of the County Council held in the Council Chamber, County Hall, Durham on **Wednesday 7 December 2016 at 10.00 a.m.**

Present:

Councillor E Bell in the Chair

Councillors E Adam, J Allen, J Alvey, B Armstrong, J Armstrong, B Avery, A Batey, A Bell, D Bell, J Bell, R Bell, H Bennett, J Blakey, G Bleasdale, D Boyes, P Brookes, J Brown, C Carr, J Carr, J Chaplow, J Charlton, J Clare, P Conway, P Crathorne, K Davidson, M Davinson, M Dixon (Vice-Chairman), N Foster, D Freeman, B Glass, J Gray, O Gunn, C Hampson, J Hart, T Henderson, K Henig, S Henig, D Hicks, J Hillary, M Hodgson, G Holland, A Hopgood, K Hopper, L Hovvels, E Huntington, S Iveson, I Jewell, C Kay, B Kellett, A Laing, J Lethbridge, J Lindsay, A Liversidge, C Marshall, L Marshall, N Martin, J Maslin, P May, O Milburn, S Morrison, A Napier, T Nearney, H Nicholson, P Oliver, R Ormerod, A Patterson, T Pemberton, M Plews, C Potts, L Pounder, G Richardson, S Robinson, J Rowlandson, K Shaw, A Shield, M Simmons, H Smith, T Smith, B Stephens, D Stoker, P Stradling, A Surtees, L Taylor, P Taylor, O Temple, K Thompson, F Tinsley, E Tomlinson, J Turnbull, A Turner, A Watson, M Wilkes, A Willis, C Wilson, S Wilson, R Young and S Zair

Apologies for absence were received from Councillors J Clark, K Corrigan, S Forster, I Geldard, B Graham, O Johnson, J Lee, H Liddle, B Moir, M Nicholls, J Robinson, A Savory and J Shuttleworth

Prior to the commencement of the meeting the Chairman of the Council with great sadness formally reported the following deaths:

- Alderman, former Durham City Councillor Irene Lupton who represented the Belmont Ward on Durham City Council from 1979 to 2003;
- Former Durham County Councillor Alan Scott who represented the Barnard Castle West Electoral Division on the County Council from 1997 to 2005.

The Council stood for a moments silence as a mark of respect to former Councillors Lupton and Scott.

1 Minutes

The minutes of the meeting held on 26 October 2016 were confirmed by the Council as a correct record and signed by the Chairman.

2 Declarations of Interest

There were no declarations of interest in relation to any item of business on the agenda.

3 Chairman's Announcements

Care Leavers Challenge

The Chairman referred Members to an email they had all received relating to the Care Leavers Challenge involving Durham Children in Care Council who were holding a two week challenge for any policy and decision makers in the area to live in the footsteps of a care leaver. The challenge consisted of living off a care leaver's budget of £57.90 for either one or two weeks.

Chloe, a project worker and Toni, a care leaver addressed the Council to explain the difficulties and hardship faced by care leavers and urged Members to sign up to the challenge.

The Chairman thanked Chloe and Toni for their presentation and informed Council that further information on the challenge was available at the back of the Chamber.

4 Leader's Report

The Leader of the Council reported that two weeks ago the Chancellor had delivered the Autumn Statement amid hopes that this would provide some respite from six years of austerity and a growing national funding crisis in areas such as health and social care. Unfortunately the statement said very little on these subjects and it seemed clear that the Council's original projections of three more years of deep cuts would soon become a reality, with some talk of austerity even continuing into the 2020s.

This was extremely disappointing news and the Council now awaited the local government settlement, which on the basis of recent years would arrive very late. Last year's settlement had provided more generous funding mainly to councils in the Home Counties for which there had still been no clear justification. The Council would continue to lobby for a fair funding deal for County Durham.

Next week the Cabinet would consider the Council's Medium Term Financial Plan 7, 2017/18 Budget and budget consultation which had been carried out in the Autumn, which followed major consultation undertaken on the public's priorities in 2010 and 2013. This year's consultation had involved talking to more than 3,000 people across County Durham, with nearly 2,000 consultation forms completed. Events ranged from the Council's fourteen Area Action Partnerships to other community meetings, roadshow events at supermarkets and a special event for young people.

From the budget consultation 63% of respondents stated that the Council's proposed approach for 2017/18 was a reasonable way to go forward. The public's verdict of how the Council had made savings so far showed 60% giving a mark of 6 or higher compared with 17% who marked at 4 or lower. Although many people had noticed the impact of the cuts on council services, the responses also showed that many had not seen an impact. There was also strong support for the prioritisation in earlier budget consultation events for services such as protecting vulnerable

children and adults, support for adults in their own homes and job creation. The Leader thanked all of those who took part in the budget consultation, which, as in previous years would form a key part of the Council's budget decisions.

The Leader informed Council that the initial proposals of the Boundary Commission for England for new Parliamentary constituency boundaries, which were out for consultation and comment by 5 December 2016, were considered by the Constitution Working Group on 11 October, 9 November and 24 November 2016. The Constitution Working Group had concluded that it wasn't possible to reach agreement over a combined response to the consultation other than to confirm all Members' opposition to the separation of the East and West electoral divisions of Barnard Castle between different constituencies. A response to this effect had been submitted for the Council.

The Leader referred to ongoing discussions with trade unions in relation to teaching assistants. Constructive meetings had been held with Unison on 17 November, 29 November and 2 December which had resulted in a way forward.

A number of issues were raised in relation to the range of duties, training and qualifications required for teaching assistant roles and the Council had agreed to undertake a joint review with the recognised trade unions. This review would look at the teaching assistant role, function, job description and activities that were undertaken within schools, to establish whether current job descriptions adequately described the role. The timescale for completion of the review was by 1 September 2017.

The Council had agreed to suspend the formal notices of termination and re-engagement that were issued in October 2016 pending the conclusion and outcome of the review.

The review process would commence immediately and an initial meeting had been set up for Friday and the Council would work closely with the recognised trade unions, which were Unison, GMB and Unite, to conclude the review by 1 September 2017.

Given the urgency of the issue, a delegated decision to suspend the dismissal and re-engagement process was taken by the Director of Corporate Resources and Director of Children's Services in consultation with the Chairman. This was in line with the Council constitution and a report would be submitted to the January Council meeting.

In concluding, the Leader thanked everyone for all their hard work during 2016 and wished all Members and officers a Merry Christmas and a Happy New Year.

Councillor Stoker informed the Council he was very disappointed with the lateness of the notification which had been sent to schools to inform them that the proposed industrial action by teaching assistants had been called off on the Wednesday, with many schools not being notified by noon on the Tuesday. This had caused disturbance to both pupils and parents. An email was sent to schools at 3.45 p.m.

on the day before the strike action was due to take place. Councillor Stoker stressed the need for better communication.

Councillor Henig suggested that Councillor Stoker should forward his views to the trade union concerned as the timing of the suspension of industrial action was a matter for it rather than the Council. He was pleased that the industrial action had been called off and that the review was taking place.

Councillor Stoker replied that the County Council was responsible for contacting schools, who then in turn contacted parents. The Chief Executive informed the Council that schools could only be notified when the County Council received information from the trade unions.

5 Questions from Area Action Partnerships

Questions had been received from Derwent Valley Area Action Partnership and Weardale Area Action Partnership relating to the following:

- What plans the Council had to support younger and more elderly residents in terms of addressing their mental health related issues and improving their quality of life.
- Whether it would be possible to mitigate the impact or replace any reduced funding to existing European grants and those still in the pipeline after BREXIT.
- The long term development and investment strategy for sustaining Killhope Lead Mining Museum and the measures in place to ensure Killhope was promoted as a Tourism offer both regionally and internationally.

Rosemary Morris, Derwent Valley AAP Chair and Angelina Maddison, Weardale AAP Coordinator were in attendance to ask their questions.

Councillor L Hovvells, Portfolio Holder for Adult and Health Services and Councillor N Foster Portfolio Holder for Economic Regeneration thanked the AAPs for their questions and provided responses.

6 Questions from the Public

There were no questions from the public.

7 Petitions

There were no petitions for consideration.

8 Report from the Cabinet

The Leader of the Council provided the Council with an update of business discussed by Cabinet at its meetings held on 19 October and 16 November 2016 (for copy see file of Minutes),

Councillor Wilkes referred to the forecast surplus of £2.1m on the Council Tax Collection Fund and asked that consideration be given to allocating some of this surplus to youth provision funding.

Councillor Napier, Portfolio Holder for Finance replied that all Services were considered when budget setting and that Scrutiny was more involved than ever in consultation on the MTFP.

9 Mid-Year Review Report on Treasury Management for the period to 30 September 2016

The Council considered a report of the Corporate Director Resources which provided information on the treasury management mid-year position for 2016/17 and sought approval for revision to a Treasury Management Indicator for 2016/17 and the Council's Investment Strategy for 2016/17 (for copy see file of Minutes).

Moved by Councillor Napier, **Seconded** by Councillor Brown and

Resolved:

That:

- (i) The proposed changes to the Treasury Management Strategy for 2016/17 be approved, and
- (ii) That the contents of the mid-year review report be noted.

10 Gambling Act 2005 Statement of Principles

The Council considered a report of the Head of Environment, Health and Consumer Protection which sought approval for a revised Statement of Principles (Gambling Policy) for 2016-2019 in accordance with the Gambling Act 2005 (for copy see file of Minutes).

In **Moving** the report Councillor Carr informed Council that the revised Statement of Principles had been approved by the General Licensing and Registration Sub-Committee on 14 November 2016.

In **Seconding** the report, Councillor Stephens, Portfolio Holder for Neighbourhoods and Local Partnerships thanked the General Licensing and Registration Sub-Committee for their work.

Resolved:

That the revised Statement of Principles (Gambling Policy) for 2016-2019 be approved.

11 Report of the Audit Committee for the Period November 2015 to November 2016

The Council noted a report from the Audit Committee which detailed the work undertaken by the Committee during the period November 2015 to November 2016 (for copy see file of Minutes).

Councillor J Rowlandson, Vice-Chairman of the Audit Committee, reported as follows:

The Committee had experienced a slight change in membership during the year when the two co-opted member's terms of office came to an end. The Committee would like to place on record its thanks to Ms Kathryn Larkin-Bramley and Mr Tom Hoban for their work over the past nine years and the valuable contribution that they brought to the committee.

Two new co-opted members were appointed in April from a competitive group of applicants. They were Mr Clive Robinson and Mr David Beavis. Both had settled in well and had been quick to comment on the effectiveness of the Committee in terms of its professional relationship with officers, the appropriate challenge it brought to processes and the information that it received.

There were four key areas of the Committee's work during the period that Councillor Rowlandson drew attention to:

Annual Internal Audit Plan

In May the Audit Committee agreed a revised version of the Internal Audit, Strategy, Charter and the annual internal audit plan from the Chief Internal Auditor and Corporate Fraud Manager.

The Committee challenged and supported the work that was proposed and agreed the work programme for the coming year.

The work completed by Internal Audit continued to provide assurance to the Committee that the Council's control environment, governance arrangements and management of its risks was sound.

Internal Audit continued to update the Committee on a quarterly basis. The Committee provided the appropriate challenge and a number of officers had attended to provide explanations and answer questions.

The outcome of an external review of the Internal Audit Service

The Council's internal audit service must adhere to Public Sector Internal Audit Standards which came into force in April 2013. A requirement of the standards is that the service was externally reviewed at least once every five years.

In April and May of this year this external review was completed by Newcastle City Council by way of a peer review.

The outcome of the review was extremely positive and ensured the Council could rely on the internal audit to continue providing an independent, objective assurance and consulting function which added value and improved the organisation's operations as per its charter and strategy.

The Statement of Accounts

In September the Committee received the audit completion letters from the external auditor Mazars.

This was the third financial year Mazars have completed an external audit on:

The Council's Financial Statements
The Pension Fund's Financial Statements; and
An assessment of the Council's Value for Money arrangements.

It was very pleasing to again receive an unqualified opinion on both sets of financial statements for the County Council and the Pension Fund. The Committee's thanks were passed on to all of the officers involved in the process.

The continuing good work of the Council's Corporate Fraud Team

The Chief Internal Auditor and Corporate Fraud Manager continued to update the Audit Committee on the excellent work being completed in terms of proactive counter fraud work.

The report demonstrated across the Council activity that was being completed in order to deter fraud from occurring at the outset and that prevention was indeed better than cure.

Councillor Hopgood referred the change of co-opted members on the Audit Committee which had resulted in the loss of some 9 years' experience and asked that consideration be given to stagger the terms of office of co-optees to ensure such loss of expertise and knowledge did not take place.

12 Members' Allowances Scheme 2017/2018

The Council considered a report of the Independent Remuneration Panel which sought agreement to a Members Allowances Scheme for 2017/18 having due regard to the recommendation of the Panel (for copy see file of Minutes).

The Head of Legal and Democratic Services informed the Council that the Members Allowances Scheme had been amended to that attached to the report and now reflected current HMRC guidance with reference to car mileage expenses.

Resolved:

That the Members Allowances Scheme for 2017/18 be approved.

13 Motions on Notice

There were no motions for consideration.

14 Questions from Members

Councillor O Temple

I welcome the fact that the County Council has decided to suspend the formal notice of termination and re-engagement issued to teaching assistant members of Unison and ATL. I also welcome its decision to undertake a review of teaching assistants' roles, function, job descriptions and activities within the breadth of school activities to establish whether current job descriptions adequately describe the role being undertaken by TAs in schools.

In light of these changes of direction, can the Council confirm that it will now be including ATL in any negotiations, as well as other unions, in an effort to ensure the widest possible consensus for any settlement arrived at?

Councillor J Brown, Portfolio Holder for Corporate Services thanked Councillor Temple for his question.

The Council would continue to include recognised trade unions in any negotiations as had been the case throughout negotiations on this issue. For clarity, these were Unison, GMB and Unite.

Councillor Temple asked how some trade unions were recognised, for example Unite which had one teaching assistant member when another trade union, ATL which had over 100 teaching assistant members would not be included in the review as a recognised trade union.

Councillor Brown replied that the review would be of the agreed NJC Green Book National Terms and Conditions of Service and ATL were not part of this agreement.

Councillor M Wilkes

In relation to the ongoing unacceptable treatment of our teaching assistants and the suspension of the formal notice of termination can the portfolio holder please confirm specifically what 'further information has come to light recently' as described by senior officers and explain how it differs from any previous information?

Councillor J Brown, Portfolio Holder for Corporate Services thanked Councillor Wilkes for his question.

A number of issues had been raised by teaching assistants, their trade unions and head teachers about the range of duties undertaken and the training and qualifications required to undertake certain roles. There were a number of areas that had been raised which the Council had agreed to look at across the breadth of the teaching assistants' role within different school settings. Whilst the Council had always been clear that where an individual member of staff believed their responsibilities had increased they should discuss this with their head teacher, the Council had agreed to move ahead with the recognised trade unions.

Councillor Wilkes replied that councillors, teaching assistants and the public had stated there was a raft of issues to be considered before the Council took the action it took, and teaching assistants would now be left in limbo for a period of 10 months before the review was completed. He sought an assurance that the teaching assistants would receive a full and proper review.

Councillor Brown replied that the terms of the review had been agreed with all three recognised trade unions.

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25 January 2017

Report from the Cabinet



Purpose of the Report

To provide information to the Council on issues considered by the Cabinet on 14 December 2016 to enable Members to ask related questions.

Members are asked to table any questions on items in this report by 2 pm on 24 January 2017 in order for them to be displayed on the screens in the Council Chamber.

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**1. Medium Term Financial Plan (7), Council Plan, Service Plans
2017/18-2019/20 and 2017/18 Budget
Key Decision: CORP/R/16/02
Leader and Deputy Leader of the Council – Councillors Simon
Henig, and Alan Napier
Contact – Jeff Garfoot 03000 261946**

We have considered a joint report of the Corporate Director, Resources and the Assistant Chief Executive which provided an update on the development of the 2017/18 budget and the Medium Term Financial Plan (MTFP(7)) reflecting upon the content of the Chancellor of the Exchequer's Autumn Statement Review which was published on 23 November 2016. The report also provided an update on the development of the Council Plan and Service Plans.

The MTFP(7) report to Cabinet on 20 July 2016 provided initial details in relation to the 2017/18 budget and financial planning across the MTFP(7) period 2017/18 to 2019/20. At that time it was forecast that additional savings of £64.1million would be required to balance the budget over the 2017/18 to 2019/20 period. To aid planning and consultation, the 20 July 2016 Cabinet report included details of £29.1million of 2017/18 savings. If these savings were subsequently realised, £8.2million of the Budget Support Reserve (BSR) would be required to balance the 2017/18 budget.

At the time of the 20 July 2016 MTFP(7) Cabinet report it was unclear what impact Brexit would have upon the national finances although it was hoped that the Government would honour the four year local government finance settlement published in February 2016 and secured via the submission of the Council's Efficiency Plan in October 2016.

The Chancellor of the Exchequer's Autumn Statement was published on 23 November 2016 and provided further insight into the state of the national finances and also the forecast impact of Brexit. The Chancellor of the Exchequer announced that government borrowing over the period 2016/17 to 2020/21 would be £122billion higher than was forecast at the March 2016 Budget. This is as a result of the impact of Brexit (£58billion), the impact of new infrastructure investment (£23billion) and due to the economy generally not performing as well as had been expected (£41billion).

Rather than creating a national budget surplus in 2019/20 as forecast in the March 2016 Budget the national budget will still be have a £21billion deficit in 2020/21. This raises the possibility that austerity for public services could continue beyond 2020/21.

There was no announcement in terms of additional funding for social care. Local government is facing extreme demand pressures for both adult and children social care and it was hoped that the Chancellor of the Exchequer would look to address this in some way. The approved increase of 30 pence per hour in the National Living Wage reduces forecast budget pressures faced by the Council but other than that there were no announcements which would significant influence MTFP(7) planning.

The Autumn Statement does not provide detail of the settlement for individual local authorities. It is expected that further clarity will become available when the Council receives the finance settlement in mid-December 2016.

In addition to the analysis of the impact of the Autumn Statement announcements upon the Council further assurance has been carried out into the deliverability of the £29.1million of savings detailed in the 20 July 2016 Cabinet report. Consideration has also been given into responses to the budget consultation process. Having considered all of the information available the planned savings for 2017/18 have reduced to £20.7million.

The budget consultation ran from 6 September to 7 October 2016 and sought views on the Council's approach to budget reductions to date; whether the service priorities identified in 2013 continued to be relevant; and our proposals for 2017/18. In total, over 3,000 people were engaged and 1,919 responses were received; 1,469 being from a generic questionnaire. Overall, almost two-thirds of respondents (63%) stated our approach to making future savings is a reasonable way to go forward in 2017/18.

Further analysis has also been carried out into all elements of the MTFP(7) model. This has resulted in the total savings required over the 2017/18 to 2019/20 period increasing from the previously reported £64.1million to £65.1million. The total savings required by the Council across the period 2011/12 to 2019/20 is now forecast to be £251million.

At this stage it is forecast that the contribution required from the BSR in 2017/18 will need to increase from the previously reported £8.2million to £19.1million. This position could still change based upon the content of the Local Government Finance Settlement. If the settlement significantly changes the forecast there may be a requirement to provide Cabinet with a further MTFP(7) report in January 2017. Otherwise the detail of the settlement will be included in the MTFP(7) report to Cabinet on 8 February 2017.

Decision

We have:

- (i) Noted the overview of the Chancellor of the Exchequer's Autumn Statement and the impact upon local government.
- (ii) Noted that at this stage there is significant uncertainty in terms of the impact upon the council. Further clarity will be received when the council receives the full detail of the Local Government Finance Settlement, which is expected to be received in mid-December.
- (iii) Noted the adjustments to the 2017/18 Budget including the revised savings to be delivered of £20.7million which will result in the requirement to utilise £19.1million of the Budget Support Reserve.

- (iv) Noted that savings required across the 2011/12 to 2019/20 period will now be circa £251million.
- (v) Noted that the council will need to identify and approve additional savings of £36.7million during 2018/19 and 2019/20 to balance the budget.
- (vi) Noted the output from the MTFP(7) budget consultation process and utilise the information when considering budget setting across the MTFP(7) period.
- (vii) Noted the work completed and ongoing work required in terms of Equality Impact Assessments to support the delivery of MTFP Savings plans.
- (viii) Noted the view of Corporate Issues Overview and Scrutiny Committee.

**2. Housing White Paper: Local Plan Update
Cabinet Portfolio Holder – Councillor Neil Foster
Contact – Stuart Timmiss 03000 267344**

We have considered a joint report of the Corporate Director, Regeneration and Local Services which provided an update on the Housing White Paper and the impact this will have on the timing of the preparation of the County Durham Plan. The White Paper is expected to be released early in the New Year and it is likely to have several implications for the preparation of the County Durham Plan, including potentially the evidence and assessment of housing need which is the most fundamental issue the Plan will seek to address.

Decision

We have noted the forthcoming publication of the Housing White Paper and endorsed the decision to pause the local plan until the implications of the White Paper are known.

**3. Quarter 2 2016/17 Performance Management Report
Leader of the Council – Councillor Simon Henig
Contact – Jenny Haworth 03000 268071**

We have considered a report of the Director of Transformation and Partnerships which presented progress against the Council's corporate performance framework by Altogether priority theme for the second quarter of the 2016/17 financial year, covering the period July to September 2016.

Appendix 4 of the report provided a Summary of Key Performance Indicators. Key performance indicator progress is reported against two indicator types which comprise of Key target indicators (targets are set for indicators where

improvements can be measured regularly and where improvement can be actively influenced by the council and its partners); and Key tracker indicators (performance will be tracked but no targets are set for indicators which are long-term and/or which the council and its partners only partially influence).

Overall performance during the second quarter period showed a similar trend to that reported in quarter one. For target indicators 67% have either improved or remained static and 67% are approaching, meeting or exceeding target. For tracker indicators, 76% improved or remained static. 91% of Council Plan actions have either been achieved or are on target.

There has been an increase in demand this quarter in most key areas. The numbers of customers seen at customer access points gradually increased over the last year. Fly-tipping incidents reported across the County have shown further increases after a period of decline. Although the number of children in need referrals received reduced during this period, the number of children with a child protection plan and the number of looked after children cases continued to increase. The number of telephone calls and Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests received remained high. There have been more new claims processed for both housing benefit and council tax reduction although the number of changes of circumstances processed is fewer than the previous quarter. Reductions are evident in the volume of overall planning applications received by the Council as well as households re-housed through Durham Key Options.

Decision:

We have:

- a. Considered the Council's performance at quarter two.
- b. Agreed all changes to the Council Plan outlined below:

Altogether Wealthier

- i. Delivery of physical regeneration improvements in Crook Town Centre has been delayed from July 2016 to December 2016 as legal work is still being undertaken.
- ii. Agreeing a programme of works for Festival Walk at Spennymoor has been delayed further from September 2016 to December 2016 pending confirmation of the purchase of the second block of property by the developer.
- iii. Determining strategy for A19/A179 Sheraton junction improvement with Highways England has been delayed from October 2016 pending further information from Hartlepool Borough Council. The revised date is to be confirmed.

Altogether Safer

- iv. Work with partners to evaluate the effectiveness of the Multi-Agency Intervention Service, to ensure the current approach is meeting its desired outcomes, has been delayed from July 2016 to July 2017. A Lean Review was carried out in the spring and is currently being implemented.

Altogether Greener

- v. Reviewing operational practices around allotments, to harmonise standards and embed enforcement has been delayed from August 2016. A review of policy is required prior to revising operational practices. Standard processes are in place for breaches that relate to non-payment of rent and non-cultivation. Revised date: January 2018.

Altogether Better Council

- vi. The realignment of operational practices as part of the fleet restructure, to meet service demands has been delayed from September 2016 to June 2017. The options have been considered in principle and the structure is currently undergoing evaluation.
- vii. The publishing of an annual Public Sector Equality Duty update including an annual workforce profile has been delayed from September to December 2016 due to other priorities.
- viii. Developing an approach to library transfer has been delayed from August 2016 to December 2016. Work to support groups seeking to take on Council's assets and services is on-going. Future work on the Durham Ask programme and proposals linked to libraries and leisure centres will be considered in November 2016.
- ix. Linked to the above, the first commitment to library transfer has been delayed from November 2016 to September 2017 and the proposals will be considered in November 2016.
- x. As part of the renewal of the County Durham Partnership (CDP), the development and implementation a programme of change based on the outcome of the CDP away day has been delayed from September 2016 to December 2016 as the report will not be considered by the CDP until November 2016.
- xi. Planning and delivery of a second whole partnership event to identify opportunities to enhance outcomes through effective joint working across the CDP has been delayed from November 2016 to November 2017. This action will be reviewed following the review of the CDP.
- xii. Submission of the stage 1 funding applications to Heritage Lottery Fund for delivery of the archive project has been delayed from June 2017 until September 2017, due to delays in the archives workstream linked to the main accommodation programme.

- xiii. The undertaking of a council wide employee survey in line with agreed scrutiny recommendations has been deferred from September 2016 to October 2016 due to a delay in considering the draft questionnaire.
- xiv. The review of the corporate management development has been delayed from September 2016 to March 2017 to identify requirements in line with timescales for the Inspire Programme.
- xv. The review of the Change Management Toolkit has been delayed from September 2016 to December 2016. The toolkit is currently being reviewed to reflect statutory changes and organisational requirements. A revised target date has been established due to the resource requirements for the teaching assistant's exercise.
- xvi. Establishing organisational design principles that reduce tiers/hierarchy in any future Medium Term Financial Plan restructuring, to ensure flattening of organisation structures, has been delayed from September 2016 to December 2016. These will be incorporated into the Change Management Toolkit.

Deleted actions

Altogether Better for Children and Young People

- xvii. Delivering the Looked After Children (LAC) Reduction Strategy to reduce the cost and maintain safety for all looked after children was due for completion in March 2017. The LAC reduction strategy has been reviewed and determined as not to be the best way to progress. We continue to ensure that we meet the needs of children who cannot remain at home and robust arrangements are in place to ensure that this is appropriate on every occasion. The strategy going forward is about placement efficiency and appropriateness and a significant programme of foster carer recruitment is now underway and this programme now underpins our placement intentions.

Altogether Better Council

- xviii. As Cabinet approved continuation of the existing Local Council Tax Reduction Scheme the action to consult on a revised proposal (by 20 July 2016) is now not necessary and is to be deleted.
- xix. The report to Cabinet/Council (on 20 July 2016) on the new proposals for a revised local council tax reduction scheme is now also not necessary and has been deleted.

4. Transformation Programme **Leader of the Council – Councillor Simon Henig** **Contact – Andy Palmer 03000 268551**

We have considered a report of the Director of Transformation and Partnerships which reported on the progress to date of the Council's Transformation Programme.

In recognition of the further significant financial challenges ahead and recognition of further fundamental change, the Chief Executive restructured the Corporate Management Team which included the provision of a new Transformation and Partnership Service. The Transformation Programme is an evolving programme over the next 3-5 years. Currently the programme comprises a number of existing projects along with a series of new projects, which are currently under development. Together these projects form a comprehensive change programme for the Council.

The programme has a set of core outcomes to be delivered. Over the next 3-5 years the Council will:

- Redesign services to better meet customers' needs at reduced cost to the Council.
- Help communities become more self-reliant and resilient
- Move partnership working from good to great
- Become renowned for a skilled and flexible workforce and employee engagement.

Within the Transformation Programme there are a number of existing projects, these are currently:

- The Office Accommodation Programme
- The focus on the Medium Term Financial Plan
- Council Senior Management Restructuring
- Engagement in the North East LEP and Combined Authority
- The implementation of the Customer Relationship Management system
- The improvement programme within Children's Services following the Ofsted report and the additional focus brought by the new director.
- The continuing partnership with Health colleagues to ensure that we can maximise the benefits of health and social care integration for the benefit of County Durham residents.

A number of new projects are in development as part of the Transformation Programme. These are:

- A programme of Cultural Change, Organisational Development and a review of the Human Resources service. This will help to ensure that, the organisation is equipped to meet the challenges of the future and remain customer focussed whilst giving staff maximum opportunities for skills development, career enhancement and where necessary redeployment.
- The Transformation project has engaged PWC Consultants to work with the Council and undertake a diagnostic exercise to identify new ways in which the Council can move from being a good, stable organisation to one of the best in the country. This will entail an examination of internal processes across the Council as well as series of more in depth investigations in the areas of Digital, Demand Management, Commercialisation/Traded Services, Third

Party Spend and Estates. The work with PWC will last approximately 3 months and will have initial findings along with outline business cases for change presented to the Transformation Board in the New Year. The Council will then analyse the business cases to determine a number of service reviews which it will undertake itself to make improvements relevant to Durham.

- A programme of Service Improvements which will examine new models of service delivery, including unitisation of business support type functions, and a clear examination of value for money to help deliver the budget savings that are required.
- A programme to examine enhanced Partnership Working at the local and regional level to ensure that we are maximising the potential for joint working and shared services with our partners and that together we can support our communities, enhance service delivery, and provide opportunities for staff development within a wider arena.

The Programme will report to a new Transformation Board, Chaired by the Leader of the Council. The Transformation Board consists of Cabinet Members and the Council's Corporate Management Team. The programme will be co-ordinated through a Steering group made up of senior officers leading on aspects of the programme. The programme has been informed by a number of consultation events with staff including staff roadshows, Members seminars, meetings with the Trade Unions and focus groups. The programme will be enhanced through a comprehensive engagement process with staff and customers as it progresses.

Decision

We have:

- Noted the contents of the report and endorsed the approach taken to transform the Council over the medium term.
- Agreed to continue our engagement in the programme through the Transformation Board in order to provide governance for the programme and shape future high quality services.

5. Annual Report of the Fostering Panels and the Fostering Service 2015/16 **Cabinet Portfolio Holder – Councillor Ossie Johnson** **Contact – Carole Payne 03000 268657**

We have considered the annual report of the Fostering Panels and the Fostering Service for 2015/16, of the Corporate Director Children and Young People's Services. The National Minimum Standards for Fostering (2011) require that Fostering Agencies report the activity of the fostering service to its governing bodies.

The annual report of the Fostering Panels and the Fostering Service Sets out 4 main priorities for the next year::

- Development of a robust Marketing Strategy to increase the number of fostering applicants to Durham to meet 100% of Durham's needs and achieve vacant capacity. This will enable matching of needs to carer skills and reduce reliance on external resources;
- Further Development of The Fostering Plus Scheme in order to provide a family based service to care for some of our children with most complex needs;
- Implementation of a review of the fostering service to ensure the resources channelled into the service are utilised in the most effective and efficient way and that the service is able to meet future demand;
- Delivery of initiatives already in train to promote fostering, such as Durham County Council liveried vehicles, a concerted social media campaign and targeted recruitment to specialist fostering programmes.

Decision

We have:

- Approved the Annual Report of the Fostering Panels and the Fostering Service 2015/16;
- Approved the future priorities;
- Agreed to support the initiative to promote fostering.

6. Strategy for School Organisation and the Pattern and Provision of Schools across County Durham Cabinet Portfolio Holder – Councillor Ossie Johnson Contact – Graeme Plews 03000 265777

We have considered a report of the Interim Corporate Director, Children and Young People's Services which sought approval for the Council's overarching strategy for school organisation and the pattern and provision of schools across County Durham.

All Local Authorities have a statutory duty to provide school places and secure sufficient schools in their areas for the number of pupils in all schools across the county. The October census data is used, with other key factors, to project pupil rolls for a number of years ahead so that the Local Authority can fulfil its statutory duty of making sure there are sufficient school places. Tables of projected rolls are updated on an annual basis. The 2006 Education and Inspections Act requires Local Authorities to exercise their functions with a view to securing diversity in the provision of schools and increasing opportunities for parental choice.

Any effective strategy for school organisation and the provision of school places ensures that the highest possible quality of education is offered to children in County Durham in schools that are in the right places and which are viable and sustainable for the long term. The core principles are as follows:

- Provide local schools for local children - promoting a pattern of sustainable schools which meet local needs and recognise the needs generated by planned growth and development in specific areas.
- To ensure that all schools are in a position to deliver high quality education that meets the needs of all children and their families.
- Where it is clear that a school is failing to deliver improved outcomes and/or is not financially viable to explore options for closure or amalgamation.
- Work with small schools, particularly small rural schools, to explore options to maintain high quality and sustainable provision.
- To ensure any change to school organisation leads to more viable and sustainable schools which impacts positively on school performance and on the learning potential of children.
- Where practicable to do so, move towards a pattern of 'all through' primary schools rather than separate infant and junior schools.

The Council has a very good track record of meeting first choice parental preferences for school places as a result of effective strategic planning of school places. For September 2016 93.4% of pupils went to their first choice primary school and 96.1% went to their first choice secondary school. This compares favourably with the national average of 84.1% for secondary and 91.8% for primary. It also compares favourably with the regional average of 88.4% for secondary and 92.7% for primary.

It is important that the Council continually reviews its pattern and provision of schools to address local changes to demography, growth in identified areas across the county (within the Durham Plan as well as other windfall sites) at the same time as responding to national initiatives such as changes to the National Schools Funding formula, proposals for all schools to be Academies and Grammar School proposals. Appendix 2 of the report provided a comprehensive picture about the size and number of schools across the county with projected numbers of pupils (up to 2020/21 for primary schools and 2022/23 for secondary schools) in each pupil place planning area.

Decision

We have:

- (i) agreed the strategic approach for school organisation and the pattern and provision of schools across County Durham included in the report;
- (iii) noted that the capital implications to implement the strategy will be considered in due course; and

- (iii) agreed that officers will continually review the local pupil place planning areas and school capacities detailed in Appendix 2 of the report.

**7. Schools 20 mph Part-Time Speed Limits Project – Update Report
Cabinet Portfolio Holder – Councillor Brain Stephens
Contact – John Reed 03000 267454**

We have considered a report of the Corporate Director, Regeneration and Local Services which provided an update on the schools 20 mph Part Time Speed Limits Project including details of the additional 33 schools that have been selected.

On 17 December 2014 Cabinet approved the Schools 20 mph Part-time Speed Limits Project which involved introducing part-time 20 mph limits on main and distributor roads around the 33 schools with the highest accident rates. The objective of the project is to reduce traffic speeds around the vicinity of schools during school drop off and pick up times which will improve road safety for vulnerable road users as well as making walking and cycling to school more attractive.

The project includes education and awareness raising to encourage motorists to reduce their speed and encourage walking and cycling. The project is funded by a one-off Public Health Grant of £952,850 and is complemented by a revenue budget to help deliver road safety education and social marketing.

An update report was approved by Cabinet on 11 May 2016 which highlighted that the project was progressing under budget and ahead of schedule. Cabinet approved that the underspend should be used to expand the scope of the project to a further 33 schools (66 schools in total) using the revised prioritisation criteria developed in consultation with the Scrutiny 20mph Working Group.

Since the last Cabinet Update report on 11 May 2016, schemes have been successfully delivered in the Consett, Stanley, Seaham, Peterlee, Newton Aycliffe, Spennymoor and Durham areas. All remaining 219 schools Countywide on main and distributor roads were evaluated based on the revised prioritisation criteria which has been developed in consultation with the Scrutiny 20mph Working Group. The revised prioritisation criteria is based on three risk factors:

- Collision history;
- Measured PV²; and
- Measured speeds.

Measured PV² is a measure of pedestrian risk where:

- P = Number of pedestrians; and
- V = Number of vehicles.

The 33 schools with the highest overall score under the revised prioritisation criteria were selected and appendix 5 of the report provided an evaluation of the scores. The additional 33 schools are scheduled for delivery in 2017/18 and 2018/19. Appendix 3 of the report provided details of the project plan.

The budget for the project has now been fully committed. However, there is potential to add further schools to the project if funding can be provided from schools, Town / Parish Councils, AAPs or Member budgets now or in the future.

Decision

We have endorsed the additional 33 schools.

8. County Durham Business and Enterprise Framework Cabinet Portfolio Holder – Councillor Neil Foster Contact – Simon Goon 03000 265510

We have considered a report of the Corporate Director, Regeneration and Economic Development which provided an overview of the Business and Enterprise Framework which has been developed by the County Durham Enterprise Partnership Business, Enterprise and Skills Working Group to replace the Business, Enterprise and Skills Strategy (2012).

The Business and Enterprise Framework was developed in response to a complex, changing, and uncertain economic and political conditions. The framework focuses on improving the productivity of businesses and the workforce in order to overcome key economic weaknesses.

The Framework's vision is "to grow the private sector in County Durham by improving Gross Value Added Per Filled Job by £1,200 per annum to achieve a target level of £49,000 by 2020. We will do this by extending sectors, increasing the number and quality of private sector jobs, encouraging innovation, and improving market access."

Given that the County's private sector base is relatively small, partners decided that the framework should specifically focus on generating more private sector jobs in the County. This will help to generate more businesses and jobs, diversify the County's industrial profile, and develop supply chain relationships. The Framework has three key components which provide both an evidence-base, and, provide the basis for improving business and enterprise support:

- **Business sectors:** Bespoke analysis was undertaken which identified eight distinct industrial sectors in the private sector based on supply chain relationships and business interactions which will help to tailor business support to different sectors.

- Business geography: Maps were developed for the County to identify geographic clusters of businesses and employment hotspots for the eight sectors, which will be used to target business support.
- Business competencies: Analysis identified different competencies (e.g. financial awareness, management skills) that are key to successful businesses, which will be used to identify and fine-tune business and enterprise support for businesses in the County. This method and analysis was been identified by NELEP as good practice and will be used to support the regional Growth Hub.

The Framework aligns with the regional Strategic Economic Plan (SEP) by recognising that productive businesses and productive people (business owners and staff) support the achievement of 'more and better jobs'; the strapline for the SEP. Partners are keen that the Business and Enterprise Framework can be flexed as economic, political and organisational conditions change. The Framework will be developed as an online resource which will involve the development of a brand or identity and interfaces for different partners and users. This will enable the Framework to be kept up-to-date, giving it longevity, and allowing it to develop over time as user's needs change. Work with NELEP will continue, to align the Framework with the NELEP Growth Hub and share experience and good practice.

Periodic reviews will be undertaken to track progress towards the vision and economic targets of CDEP as well as re-mapping new business data to identify changes in sector geography. The County's quarterly economic bulletin has also been aligned to the Framework to help monitor progress.

The next steps include the following:

- Translate this Framework into an online resource that can be continuously developed
- Refine the business competencies analysis
- Monitor and report the County's performance using the agreed measures and targets
- Encourage relevant CDEP partners to adopt the Framework.

Decision

We have approved the contents of the report and endorsed the next steps to implement the Business and Enterprise Framework.

9. Masterplan Updates Cabinet Portfolio Holder – Councillor Neil Foster Contact – Grame Smith 03000 263610

We have considered a report of the Corporate Director, Regeneration and Local Services regarding the Masterplan Updates for Consett, Crook, Newton Aycliffe, Durham City, Chester le Street and Stanley. The report requested

that Cabinet endorse that the Masterplan Updates are taken through the relevant Area Action Partnership meetings for discussion.

Six Masterplan Updates were considered in the report, namely:

- Consett;
- Crook;
- Newton Aycliffe;
- Durham City;
- Chester le Street; and
- Stanley.

Updates for Peterlee, Seaham, Spennymoor, Shildon, Barnard Castle and Bishop Auckland are programmed to be taken to Cabinet in January 2017. The Masterplan Updates include a profile unique to each location, which reflects upon the role of the settlement within the County. The documents provide a high level overview of what has recently been delivered in the town and a section highlighting actions and further work to be delivered in the future.

The Masterplan Updates highlight and reflect the range of activities that have been undertaken in each location including town centre improvements, highways infrastructure improvements, education facilities, health and social wellbeing provision. They also identify the development of new businesses, housing development and new community facilities.

The Masterplan Updates reflect activities undertaken by the Council directly as well as partners and stakeholders including the private sector and sets out actions and future programmes for activities identified by the AAPs. The AAPs have set their own priorities in each locality which is reflected in past and future actions as set out in Masterplan Updates. The Masterplans highlight some significant opportunities across each of the locations.

The intention of proposing Masterplans for larger Towns was to ensure that the Council had a way of communicating its ambition and financial commitment to delivering on local priorities. The intention is that Cabinet and the AAPs will receive further updates in the future.

Decision

We have agreed that the Masterplan Updates for Consett, Crook, Newton Aycliffe, Durham City, Chester le Street and Stanley:

- be approved to provide an update on activity in the Towns for the community; and
- that the Masterplan Updates are taken through the relevant Area Action Partnership meetings for discussion.

Councillor S Henig
Leader of the County Council

17 January 2017

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County Council

25 January 2017

Teaching Assistants – Review of Terms and Conditions



**Report of Corporate Management Team
Joint Report of John Hewitt, Corporate Director Resources and
Margaret Whellans, Interim Corporate Director of Children and
Young People Services
Cllr Ossie Johnson, Cabinet Portfolio Holder for Children and
Young People Services
Cllr Jane Brown, Cabinet Portfolio Holder for Corporate Services**

Purpose of the Report

- 1 The purpose of the report is to ask Council to note a decision made by Chief Officers under urgency provisions contained in the Council Constitution.

Background

- 2 On 16 May 2016, the County Council agreed to proposed arrangements to implement changes to Teaching Assistants' terms and conditions. This was in order to reduce the risk of equal pay challenges to the Council, caused by differing terms and conditions related to term time working and hours worked amongst the cohort of Teaching Assistants. On 16 May 2016, Council agreed to the termination and re-engagement of Teaching Assistants on the revised terms and conditions outlined in the report to Council.
- 3 On 14 September 2016, Council agreed, subject to a Trade Union consultative ballot process, to extend the amount of compensation associated with the move to term time working, to two years, with changes to be implemented from 1 April 2017, while continuing to implement the Council decision of 16 May 2016 within the agreed time scales.
- 4 Whilst agreement was reached with GMB and Unite, Unison and ATL rejected the improved offer. Industrial action has followed with disruption to education as a result of the closure of some schools.
- 5 Council Officers and relevant Cabinet Portfolio Holders had made it clear that they were willing to meet with representatives of the unions to explore ways of resolving the dispute and avoiding further damaging disruption to schools.
- 6 On 29 November 2016, the Corporate Director Resources and the Interim Corporate Director Children and Young People Services, with the following Cabinet Portfolio Holders held meetings with representatives of Unison:-

- Councillor Simon Henig, Leader
- Councillor Alan Napier, Deputy Leader
- Councillor Jane Brown, Cabinet Portfolio Holder, Corporate Services
- Councillor Ossie Johnson, Cabinet Portfolio Holder, Children and Young Peoples Services

7 A provisional agreement was reached on the following terms:-

- The formal notices of termination of employment previously issued to teaching assistants will be suspended whilst the Council, along with recognised trades unions, carries out a joint review of the role, functions, job descriptions and activity of the Teaching Assistants within the breadth of school activities that are undertaken. This is in order to establish whether current job descriptions adequately reflect the role being undertaken by Teaching Assistants.
- This joint review will be within the parameters of not reopening the single status agreement.
- The time scale for the completion of this review is by the commencement of the 2017/18 academic year.

8 Unison representatives later advised that the future strike action scheduled for December 2016 would no longer take place on the basis of the agreement. ATL subsequently also withdrew strike action that had been planned to coincide with that of Unison.

9 These negotiations took place against a backdrop of industrial action and an imperative to prevent escalating disruption in schools. Given that the timescales prevented any further reference to Council, the Corporate Director Resources and the Interim Corporate Director of Children and Young People Services, in consultation with the Cabinet Portfolio Holders and the Chairman of the Council, agreed to use the emergency provisions set out in paragraph 12 of the general delegation to all Chief Officers, pending the provision of a full report to the next Council. This report fulfils this requirement.

Update of events since the decision was made

10 Chief Officers have held further discussions with relevant trade unions on 8 and 15 December 2016. As a result of these discussions, progress has been made with regard to the management and planning of the joint review outlined above. Work on the review itself commenced early in the New Year.

Recommendations and reasons

11 Council is asked to:

- Note the decision of Chief Officers;
- Note the developments following the taking of the decision.

Background papers
Reports to Council dated 16 May 2016 and 14 September 2016 entitled
“Teaching Assistants – Review of Terms and Conditions”

Contact: Jeff Garfoot Tel: 03000 261946

Appendix 1: Implications

Finance – Any financial implications of the review of Terms and Conditions will be considered as part of the school budget setting process

Staffing – The report details the suspension of strike action whilst the Council and Trade Unions carry out a joint review into the role, functions, job descriptions and activity of Teaching Assistants.

Risk – The risks associated with the process are continually assessed especially in relation to the Equal Pay risk.

Equality and Diversity / Public Sector Equality Duty - There was an equality impact assessment as appended to the Council Report of 14 September 2016.

Accommodation – None

Crime and Disorder - None

Human Rights - None

Consultation - None

Procurement – None

Disability Issues - None

Legal Implications – None

County Council

25 January 2017

**Community Governance Review –
Central Unparished areas of Durham**



**Report of Corporate Management Team
Colette Longbottom, Head of Legal and Democratic Services
Councillor Simon Henig, Leader of the Council**

Purpose of the Report

- 1 To present to Council the draft terms of reference and the consultation document which have been prepared for the Community Governance Review (“Review”) of the central unparished areas of Durham.

Background

- 2 On 21 October 2016 the Council received a petition from Roberta Blackman-Woods MP requesting that the County Council formally consult with residents of the central unparished wards of Durham about the formation of a new Town Council.
- 3 The Council acknowledged receipt of the petition and confirmed that it was considered to be a valid petition on 8 November 2016 because it contained sufficient signatures from local residents in accordance with the requirements of the Local Government and Public Involvement in Health Act 2007 (“the Act”) as amended. Whilst a map has been provided defining the area to which the Review is to relate, the area identified has been transposed onto a map produced by the County Council, see Appendix 2.

The Law, Duties and Guidance

- 4 If a principal council receives a valid petition under section 80 of the Act, as amended, it is obliged under section 83 of the Act to undertake a Review that has terms of reference that allow for the petition to be considered.
- 5 The Council must conclude a Review within a period of 12 months starting with the day on which the Council receives the Community Governance application or petition. The 12-month timetable is concluded when the Council publishes the final recommendations made in the Review.
- 6 Under section 93 of the Act, a Principal Council must comply with various duties when undertaking a Review, including:

- i. It must have regard to the need to secure that community governance within the area under review:
 - a. reflects the identities and interests of the community in that area
 - b. is effective and convenient.
- ii. In deciding what recommendations to make, the Council must take into account any other arrangements, apart from those relating to parishes and their institutions:

that have already been made, or that could be made for the purposes of community representation or community engagement in respect of the area under review.
- iii. The Council must take into account any representations received in connection with the review.

- 7 Under Section 100 of the Act, the Council must also have regard to guidance issued by the Secretary of State. In March 2010 the Department for Communities and Local Government and the Local Government Boundary Commission for England, published guidance on Reviews (“Guidance”).
- 8 The Guidance refers to a desire to help people create cohesive and economically vibrant local communities and states that an important aspect of this is allowing local people a say in the way their neighbourhoods are managed. The Guidance does stress that parish councils are an established and valued form of neighbourhood democracy and management in rural areas that increasingly have a role to play in urban areas and generally have an important role to play in the development of their communities. The need for community cohesion is also stressed along with the Government’s aim for communities to be capable of fulfilling their own potential and overcoming their own difficulties. The value which is placed upon these councils is also highlighted in the fact that the guidance states that the Government expects to see the creation of parishes and that the abolition of parishes should not be undertaken unless clearly justified and with clear and sustained local support for such action.
- 9 The Guidance also states that the Council must have regard to the need to secure community governance within the area under Review, reflects the identities of the community in the area and is effective and convenient.
- 10 The Guidance acknowledges how people perceive where they live is significant in considering the identities and interests of local communities and depends on a range of circumstances, often best defined by local residents.

- 11 The Council must also take into account other arrangements that have been made and could be made for the purposes of community engagement and they must consider the representations received in connection with the Review.
- 12 Whilst the Guidance is generally supportive of parish councils, it is not prescriptive and does not state that they should be routinely formed. Indeed in parts of the guidance it stresses that the statutory duty is to take account of any representations received and gives the view that where a council has conducted a review following receipt of a petition it will remain open to the council to make a recommendation which is different to the recommendation the petitioners wish the council to make. It also acknowledges that a recommendation to abolish or establish a parish council may negatively impact on community cohesion and that there is flexibility for councils 'not to feel forced' to recommend that the matters included in every petition must be implemented.

Constituting a New Parish

- 13 The Review will need to consider a hierarchy of topics, described in Association of Electoral Administrators literature as dependent upon and related to the other. These topics are considered in detail at Appendix 3.

History- Previous Reviews

- 14 Council will recall that a comprehensive Review was undertaken in the Durham area in 2012, although the area under Review at that time also included other unparished areas.
- 15 The Review undertaken at that time proposed different options, one/some of which included the parishing of the whole of the unparished area in Durham (formerly the Durham City Council area). A number of consultations / drop in sessions were held and the Review involved many stages of consultation and re-consultation on the different options proposed.
- 16 As part of this Review, electors will be provided with two options, to either parish the area identified in the petition and form a parish council or to maintain the current community governance arrangements. It is not intended to propose an option to extend the proposed parished area outside of that identified in the petition because it was apparent during the Review carried out in 2012 that there was no appetite for a parish council in some of the unparished areas of Durham. The Review will instead focus on whether the proposal put forward by the petitioners should be implemented or whether the current community governance arrangements should be maintained.

Charter Trust

- 17 When Durham City Council was abolished in 2009, Durham retained its city charter status through the appointment of charter trustees. The Charter Trustees ensure the continuation of civic traditions for the City of Durham and appoint the Mayor and Deputy Mayor from the appointed Trustees.
- 18 The Guidance issued states that Charter Trustees were not intended to act as administrative units and proposals to create a parish or parish council covering all or part of a charter trust area need to be judged in particular against the following considerations:
 - a) the effect on the historic cohesiveness of the area
 - b) what are the other community interests in the area? Is there a demonstrable sense of community identity encompassing the charter trustee area? Are there smaller areas within it which have a demonstrable community identity and which would be viable as administrative units?
- 19 The Charter Trustees will remain in situ unless all of the unparished area within the former Durham City area is parished. The Charter Trust will only be dissolved if the whole of the unparished area is parished. Therefore in light of the options to be presented to consultees, the Charter Trust will continue regardless of the outcome of the Review, which means that, the ceremonial Mayor will remain with the Charter Trust and continue to be financed through a precept on the households in the former Durham City Council area.

Other forms of Governance

- 20 In conducting a Review, the Council must consider other forms of community governance as alternatives or stages towards establishing parish councils. Structures such as local residents' associations, community or neighbourhood forums and area committees have an important role to play in local community governance.
- 21 Durham has a number of resident and community associations including St Nicholas Community Forum, Gilesgate Residents, Elvet Residents, Merryoaks Residents, Neville's Cross Residents, Sheraton Park Residents, Sidegate Residents, Quarryhouse Lane Residents, Durham City Neighbourhood Local Planning Forum, Durham City Access for All, and Crossgate Community Partnership. The Council will consult with these associations and forums as part of the Review.
- 22 Representations have already been received from the Durham City Neighbourhood Planning Forum who has advised that they are in the process of developing a neighbourhood plan for the unparished areas of Durham City, the same area for which the petition was presented. One of the elements of the neighbourhood plan is to make

arrangements for monitoring the implementation of its policies. The Forum is a temporary body that will cease to exist once the plan is made and in identifying a suitable body to carry out this monitoring function, they consider that the County Council might well play a part, as might local residents' associations and other interest groups, but they think the most effective body would be a town council, as most areas where a town or parish council exists, it is the body that develops the neighbourhood plan.

Proposal for Consultation

- 23 The Council is required to commence and carry out the Review within a strict timetable. The Council must also publish terms of reference for the Review. The proposed timetable will take into account the local elections taking place on 4 May 2017 and the consultation period for the Review will avoid the purdah period.
- 24 The proposed terms of reference are set out in Appendix 4. The terms of reference establish how the Review and public consultation will be undertaken as well as setting out the timetable for the Review. Members are advised that upon approval of the terms of reference by Council, the Review process will commence in accordance with the timetable contained in the terms of reference.
- 25 It is proposed to consult the relevant electorate on two options: The first option being the creation of a new parish and the establishment of a parish council in the terms set out in the terms of reference and consultation documents. The second option is to maintain the status quo and not change the existing community governance arrangements in the area.
- 26 The draft consultation document is attached at Appendix 5.

Proposed Parish and Council name

- 27 The Review must make recommendations with regard to the name of any new parish and council to be established. The consultation document will therefore propose that in relation to Option 1, the central unparished area of Durham as shown on the map would become parished and would be known as 'the City of Durham Parish'. A council would be established and called the 'City of Durham Parish Council.' This is because using Town Council is clearly inappropriate as Durham is a city and the name Durham City Council would be confusing as it sounds like a District or Borough Council.

Method of Consultation

- 28 Constitution Working Group considered the use of consultative polls in Reviews at the meeting held on 9 November 2016 and agreed that they would promote democracy, which would be enhanced by enabling

the electorate rather than each household to have a say where there could be differences of opinion.

29 There are a number of powers enabling Councils to conduct local polls:

- (i) Section 116 of the Local Government Act 2003 (2003 Act) enables an authority to hold polls in order to ascertain the views on any matter relating to its services, expenditure on those services or its power to promote well-being in its area
- (ii) Section 141 of the Local Government Act 1972 gives county and unitary councils the power to conduct or assist in the conducting of investigations into and the collection of information relating to any matters concerning the authority or any part of it.

30 Under the 2003 Act there is freedom for the Council to decide:

- Who to poll; and
- How such a poll is to be conducted.

The result of the poll is not binding on the authority.

31 It was agreed at the meeting of the Constitution Working Group in November 2016 that a poll should be used for Reviews which relate to the creation or abolition of a parish council. A poll would be distributed to those electors whose names are on the electoral register in the area under Review. A consultative poll is not a referendum, however a postal consultative poll would ensure the best opportunity for all consultees to respond to a Review. The approximate cost of undertaking the poll is set out in Appendix 1.

32 Consultation will also be undertaken through writing to the statutory consultees and seeking their views. A press release will also be issued, and relevant information will be published on the Council's website.

33 Only returns received through the consultative poll and letters returned from the statutory consultees will be considered/evaluated as part of the Review.

Conclusion

34 The Council must undertake a Review that has terms of reference that allow for the valid petition to be considered under section 83 of the Act. Draft terms of reference and information to be included in the consultation document have been prepared for approval by Constitution Working Group. The consultation will take place in the form of a consultative poll.

- 35 Constitution Working Group agreed at its meeting on 11 January 2017 to recommend that Council approve the draft terms of reference and consultation documents for the Review.

Recommendation

36 That Council:-

- (i) approve the draft terms of reference for the Review of the central unparished areas of Durham.
- (ii) approve the draft consultation document, as contained in Appendix 5.
- (iii) agree to commence the Review by undertaking a consultative poll.
- (iv) agree that the following two options are presented to electors in the poll

Option 1

To implement changes to the current community governance arrangements. This would see the central unparished areas of Durham, as shown on the map in Appendix 2, become parished and have its own parish council.

Option 2

That the current community governance arrangements in the central unparished areas of Durham remain unchanged. This would mean that there would be no change to community governance arrangements in the area.

- (v) grant delegated authority to the Head of Legal and Democratic Services in consultation with the Leader of the Council to revise the terms of reference / consultation information if the need arises, due to their being no ordinary council meetings from 22 March 2017 until 25 June 2017, with the local elections being held on 4 May 2017.

Background Paper(s)

CLG and Local Government Boundary Commission for England Guidance on Community Governance Reviews.

**Contact: Ros Layfield, Committee, Member & Civic Services Manager
03000 269708
Clare Burrows, Governance Solicitor 03000 260 548**

Appendix 1: Implications

Finance – The main costs will be incurred in respect of the consultation. Some costs can be met from the budget identified for community governance reviews, however, additional finance will need to be provided to meet the costs of the consultative poll. The cost of undertaking the first stage of consultation, i.e. consultative poll is approximately £8,000

Staffing – The Review will impact on staff time which is required in undertaking the different stages of consultation. Additional work will be required if a new Council is to be established

Risk – None specific within this report

Equality and Diversity – An equality impact assessment has been undertaken and will be updated during each stage of consultation

Accommodation – None specific within this report

Crime and Disorder – None specific within this report

Human Rights – None specific within this report

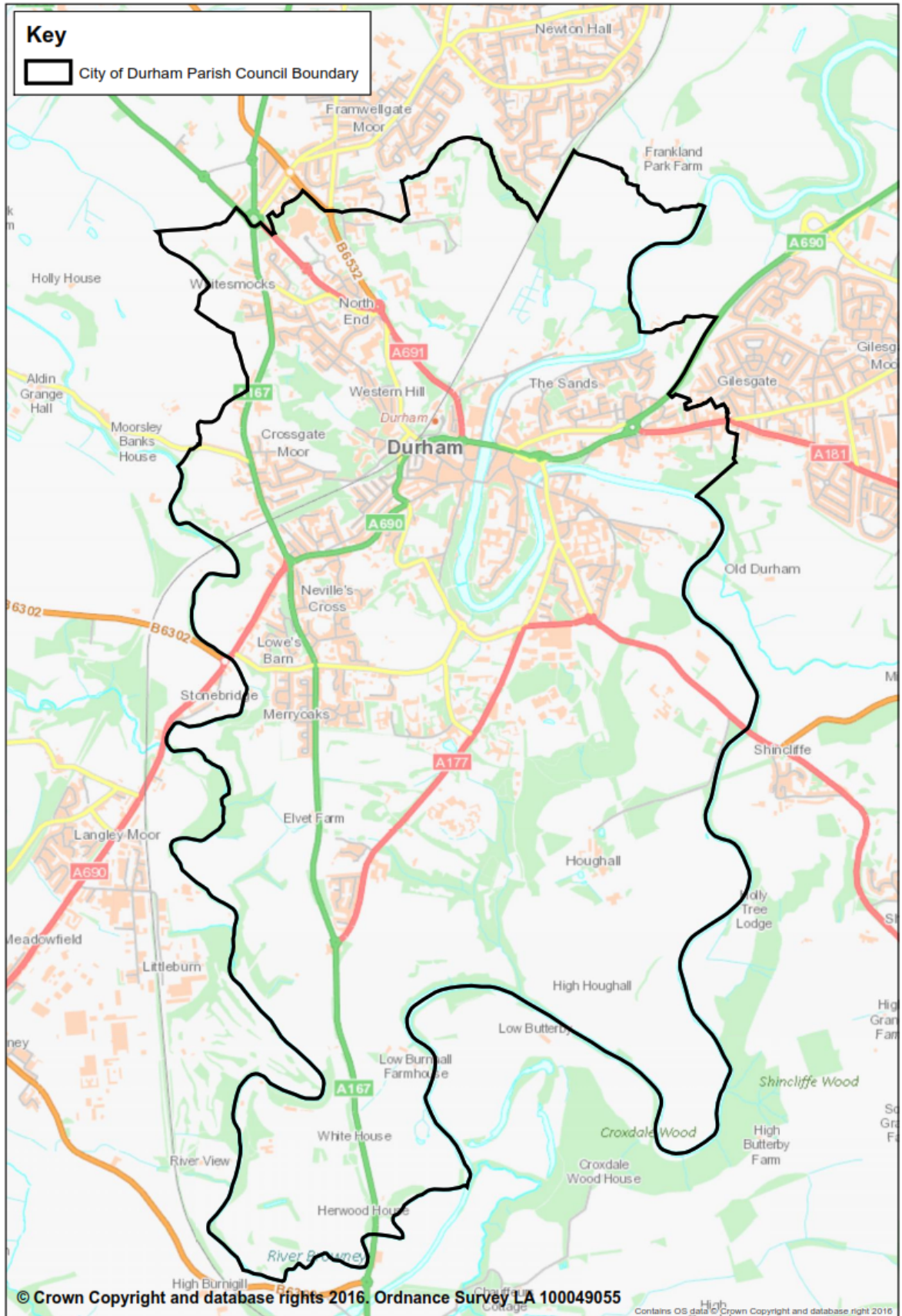
Consultation – See report

Procurement – None specific within this report

Disability Discrimination Act – None specific within this report

Legal Implications – The Review will be undertaken in line with current legislation and Regulations

Appendix 2: Map of the area under consideration



Appendix 3: Constituting a New Parish- Areas to be Considered

Parish Areas

- creating, merging and abolishing parishes;
- parishing previously un-parished areas;
- lesser boundary alterations between existing parishes;
- grouping parishes under a common council or dissolving groups;
- parish name changes;
- alternative styles for any new parishes.

Electoral Arrangements

- whether to have a parish council or not;
- the size of the council;
- whether to ward the parish or not;
- drawing up appropriate ward boundaries;
- allocating councillors to wards.

Consequential Matters

- recommendations to the Local Government Boundary Commission for England for changes to the unitary/county/borough/district divisions or wards;
- dealing with assets – fixed and otherwise;
- setting a precept for the new council;
- first elections and electoral cycles;
- setting the commencement dates.

Parish – new and existing parishes

A new parish is:-

- establishing an unparished area as a parish;
- aggregating one or more unparished areas with one or more parished areas;
- aggregating parts of parishes;
- amalgamating two or more parishes;
- separating part of a parish.

If a new parish is set up, the review needs to make recommendations as to the name of the parish, whether or not it should have a parish council, the electoral arrangements of that council and whether or not the new parish should have one of the alternative styles.

Parish names and alternative style

Where a new parish has been constituted, the review must make recommendations as to the name of the new parish and whether it should have an alternative style.

Where the review makes recommendations that a parish should have a council or an existing parish council should be retained, the review must also make recommendations with regard to the electoral arrangements or changes to electoral arrangements.

Electoral arrangements

- The year in which ordinary elections of councillors to be held.
- The number of councillors to be elected to the council (or in the case of a common council, the number of councillors to be elected to the council by each parish).
- The division (or not of the parish), or (in the case of a common council) any of the parishes into wards for the purposes of electing councillors.
- The number and boundaries of any such wards.
- The number of councillors to be elected for any such ward.
- The name of any such ward.

Duties with regard to parishes in relation to the number of electors are prescribed in section 94 of Act and are set out in the table overleaf:-

1	The parish has 1,000 or more local government electors	The review must recommend that the parish should have a council
2	The parish has 150 or fewer local government electors and does not currently have a council	The review must recommend that the parish should not have a council
3	The parish has 150 or fewer local government electors and currently has a council or was part of a parish that had a council	It is for the principal council to decide whether or not the parish should have a council
4	The parish has between 150 and 1000 electors	It is for the principal council to decide whether or not the parish should have a council

Councillor Numbers

The minimum legal number of parish councillors for each parish council is five. There is no maximum number and there is no other legislative guidance. The only other requirement is that each parish in a grouping arrangement must have at least one member on the common council.

National Association of Local Councils (NALC) published guidance in 1988. It recommended that a council of no more than the legal minimum of five members is inconveniently small and considers a practical minimum should be seven. It does, however, state that local council business does not usually require a large body of councillors and business convenience makes it appropriate to suggest that the practical maximum should be twenty five.

Aston Business School has also carried out research and the recommended figures by both the NALC and Aston are reproduced below. Within those minimum and maximum limits, the following allocations were recommended by NALC:

Electors	Councillors	Electors	Councillors
Up to 900	7	10,400	17
1,400	8	11,900	18
2,000	9	13,500	19
2,700	10	15,200	20
3,500	11	17,000	21
4,400	12	18,900	22
5,400	13	20,900	23
6,500	14	23,000	24
7,700	15	Over 23,000	25
9,000	16		

However, in rural authorities with sparsity of population, even this table may not be appropriate.

The Aston Business School's research was published in 1992. It showed the then levels of representation and it is likely that these levels of representation have not greatly changed in the intervening years.

Electors	Councillors
<500	5-8
501-2,500	6-12
2,501-10,000	9-16
10,001-20,000	13-27
>20,000	13-31

The Local Government Boundary Commission for England (LGBCE) is of the view that each area should be considered on its own merits having regard to population, geography, the pattern of communities and to the current powers of parish councils.

When considering the number of electors, the council must have regard to:-

- (a) The number of local government electors of the parish; and
- (b) Any change in that number which is likely to occur in the period of five years beginning with the day when the review starts.

Warding

Warding arrangements are dealt with under section 95 of the Act. In considering whether to recommend that a parish should or should not be divided into wards, the principal council should consider the following:-

- Whether the number, or distribution, of the local government electorate for the parish would make a single election of councillors impracticable or inconvenient.
- Whether it is desirable that any area or areas of the parish should be separately represented on the council.
- Whether Governance is effective and convenient. Guidance suggests that it might be relevant to ask if the additional cost of separate ward elections in some cases would represent an effective use of the parish's limited resources. The LGBCE stated 'there must be a reasonable number of local government electors in the parish ward to make the election of a council viable and the commission considers that a hundred electors is an appropriate lower limit.

If the council decides to recommend that the parish should be divided into wards, it must have regard to the following when considering the size and boundaries of the wards and the number of councillors to be elected:-

- The number of local government electors for the parish;
- Any change in the number, or distribution, of the local government electors which is likely to occur in the period of five years beginning with the day when the review ends;
- The desirability of fixing boundaries which are, and will remain, easily identifiable; and
- Any local ties which will be broken by the fixing of any particular boundaries.

The Government also advises that another relevant consideration in the warding of parishes is the layout of the principal council electoral areas. No unwarded parish should be divided by the district or county division boundary and no parish should be split by such a boundary.

The number of councillors should be proportional to electoral sizes across parish wards. LGBCE's guidance states that "each person's vote should be of equal weight so far as possible, having regard to other legitimate competing factors when it comes to the election of councillors".

Precept

If a parish council was to be established it would be able to levy a precept against the electorate. The County Council would be obliged to set the precept for its first year of operation, and in subsequent years it would be for the elected council to set its own precept, taking into account the services it plans to provide. When deciding the amount of precept, the County Council would need to ensure that it complies with the law and provides enough money for the new council to fulfil those duties which, in its first year, need to be budgeted and/or paid for. These include to employ a clerk, meet at least four times a year (if location costs are payable), secure insurance cover, pay internal and external auditors, manage any physical assets and establish a bank account.

**COMMUNITY GOVERNANCE REVIEW OF CENTRAL UNPARISHED
AREAS OF DURHAM**

TERMS OF REFERENCE

Introduction

On 25 January 2017 Durham County Council (“Council”) resolved to undertake a Community Governance Review (“Review”), commencing early February 2016, covering the central unparished areas of Durham.

In undertaking the Review, the Council will be guided by Part 4 of the Local Government and Public Involvement in Health Act 2007, the relevant parts of the Local Government Act 1972, Guidance on Community Governance Reviews issued in accordance with section 100(4) of the Local Government and Public Involvement in Health Act 2007 by the Department of Communities and Local Government and the Local Government Boundary Commission for England in March 2010, and the following regulations which guide, in particular, consequential matters arising from the Review: Local Government (Parishes and Parish Councils) (England) Regulations 2008 (SI2008/625); Local Government Finance (New Parishes) Regulations 2008 (SI2008/626). (The 2007 Act has transferred powers to the principal councils which previously, under the Local Government Act 1997, had been shared with the Electoral Commission and the Boundary Committee for England).

The Council has also given due consideration and carefully considered the Guidance on Community Governance Reviews issued by the Secretary of State for Communities and Local Government published in 2008.

What is a community governance review?

A Community Governance Review is a legal process whereby the Council will consult with those living in the area, and other interested parties on the most suitable ways of representing the people in the area identified in this review.

This means making sure that those living in the area, and other interested groups have a say in how local services are delivered in their area.

A Review can consider one or more of the following options:

- creating, merging, altering or abolishing parishes;
- the naming of parishes and the style of new parishes and the creation of town councils;
- the electoral arrangements for parishes (for instance, the ordinary year of election; council size; the number of councillors to be elected to the council, and parish warding);

- grouping parishes under a common parish council or de-grouping parishes;
- other types of local arrangements, including parish meetings.

Aim of the Review

The Council aims to ensure that community governance arrangements within the area under review are reflective of the identities and interests of the community in that area.

The Council will also:

- consider what community governance arrangement is effective and convenient to the community in that area;
- consider what other arrangements there could be for the purpose of community governance or engagement;
- consider the size, population and boundaries of the local community or parish.

Why is the Council undertaking the Review?

On 21 October 2016 the Council received a petition from Roberta Blackman-Woods MP requesting that the County Council formally consult with residents of the central unparished areas of Durham about the formation of a new Town Council.

Who is undertaking the Review?

The Council is responsible for undertaking any review within its electoral area. The full Council is responsible for agreeing draft and final recommendations prior to any Community Governance Order being made.

Consultation

The Council has now published these Terms of Reference. This document sets out the aims of the Review, the legislation that guides it and some of the policies the Council considers important in the Review. In coming to its recommendations in a review, the Council needs to take account of the view of the local people.

The Council recognises that the development of strong, sustainable communities depends on residents' active participation in decision making and making a positive contribution to improving the place where they live. The Council is therefore committed to engaging effectively with the diverse communities it serves and to enabling local people to participate meaningfully in decisions that affect their lives, where all people feel able to take an active part in influencing service delivery.

The Council will undertake an initial consultation with electors and other stakeholders in the area. The consultation on two options will take place comprising:

- a consultative poll which will be distributed to those electors whose names are on the electoral register in the area under Review. A consultative poll is not a referendum. Further information will be provided on what the council would look like if it was established including the electoral arrangements, council name, size and initial precept of a possible parish council;
- consultation will also be undertaken through writing to the statutory consultees and seeking their views. A press release will be issued, and relevant information will be available on the council's website;
- only returns received through the consultative poll which is a verified poll, and letters returned from the statutory consultees will be considered as part of the Review.

How to contact us

Further information about the Review is available on the Council's website and its social network pages, detailed below:

www.durham.gov.uk/communitygovernance

www.facebook.com/durhamcouncil

www.twitter.com/durhamcouncil

Timetable for the Review

Action	Time Span	Dates
Publication of Terms of Reference		6 February 2017
Consultation process – consultative poll with local electors and consultation with statutory consultees	4 weeks	6 February 2017
Analysis/evaluation of consultative poll results and submissions received. Preparation of draft proposals	6 weeks	6 March 2017
Publication of draft proposals		3 July 2017
Consultation on draft proposals	4 weeks	3 July 2017
Consideration of submissions received and preparation of final recommendations	6 weeks	31 July 2017
Publication of final recommendations and resolution		25 September 2017

to make a re-organisation Order, if appropriate		
Preparation and publication of any reorganisation Order	One month	25 October 2017

Order and commencement

The Review will be completed when the Council publishes its final recommendations.

In the event of a reorganisation of Community Governance Order being required, the provisions of such an order may take effect from 1 April 2018 for financial and administrative purposes depending upon the outcome of the review. The electoral arrangements for the possible formation of any new council would have elections taking place in May 2018, and then in May 2021 where they would fall in line with the ordinary year of election of councillors for local, parish and town elections, and then every four years thereafter.

Publication of terms of reference

These Terms of Reference will be published on the Durham County Council website www.durham.gov.uk/communitygovernance and are available for inspection at the offices of the Council.

Date of publication

6 February 2017

Appendix 5: Draft Consultation document

Important information included and ballot paper included in pack for return by 6 March 2017.

Community Governance Review of the Central Unparished Areas Of Durham



What is Community governance?

It is the way in which local communities are represented and governed at a local level. Durham County Council may review community governance across the County. Requests for reviews can also be made by the public and local groups by submitting a valid petition which requires the Council to carry out a Community Governance Review ("Review").

What is a Community Governance Review?

A Review is a legal process carried out by the County Council where views can be sought from the public and other interested parties about the most suitable way of representing local communities. The outcome of a Review can lead to the creation of a parish council in an unparished area. Reviews, such as the one we are carrying out in your area, pay particular attention to the possible formation of a local council (a parish council), council size (number of councillors) and warding arrangements (for representational purposes). Any recommendations made by the County Council through a Review should bring about improved community engagement, more cohesive communities, better local democracy and result in more effective and convenient delivery of local services.

What is a Parish Council?

It is a form of local council, which is subject to a similar range of legal requirements as principal authorities such as the County Council. Many local councils work to enhance or improve local services, often in partnership with the principal authority or other partners. They can bring many benefits to an area, and represent the community at grass roots level. Whilst most local councils deliver a range of services to their communities, some choose not to do so and they can therefore differ significantly in size and the range of services provided. They are comprised of representatives elected by the people of the parish to make decisions and act on their behalf. They are funded principally by an annual precept, and the charge can vary considerably depending on the type of services delivered by the parish council.

Why are we conducting a Review?

On 21 October 2016 the County Council received a petition from the Member of Parliament for the City of Durham requesting that the Council *formally consult with residents of the central unparished wards of Durham about the*

formation of a new town council. The petition was valid as it contained sufficient signatures from local residents. The Review covers the central unparished area of Durham. This affects you because you live in one of the County Council Electoral Divisions for Elvet and Gilesgate, Durham South (part) or Neville's Cross.

What happens now?

At present Durham County Council provides a wide range of local services including caring for looked after and safeguarding children, adult social care, community safety, public health services, environment, waste collection and disposal, health and consumer protection, street lighting, highways, leisure and cultural services, planning and assets, public transport, economic development and much more. You currently pay **£1649.38 per household, per year** (Council Tax Band D) for these services. This figure includes the precepts for County Durham and Darlington Fire and Rescue Authority, and the Durham Police and Crime Commissioner.

In addition to this, Durham City also has Charter Trustees. When Durham City Council was abolished in 2009, Durham retained its city charter status through the appointment of charter trustees. The trustees are in place to ensure the continuation of civic traditions for the City of Durham. The Trust will remain in situ unless all of the unparished area within the former Durham City area is parished. In light of the options presented during the consultation, the Trust will continue regardless of the outcome of the Review, which will mean that the ceremonial Mayor will remain with the Charter Trust. You currently pay **£1.90 per household, per year** (Council Tax band D) to enable the Charter Trustees to operate.

What are the options?

We are consulting on two options only. You may only choose one option.

Option One

The current community governance arrangements would change and a parish council **would be created.**

This would mean that the central unparished area of Durham would become parished. The area would be known as 'the City of Durham Parish'. A parish council would be established and be called the 'City of Durham Parish Council'. The parish council would be divided into three wards Elvet and Gilesgate, Neville's Cross and Durham South. For administrative and financial purposes the new City of Durham Parish Council would take effect on 1 April 2018. Elections would take place in May 2018, and then in May 2021. Elections would then fall in line with the ordinary year of election of councillors for local elections (County, Town and Parish Council elections), and be held every four years thereafter. Residents would benefit from any local services that a parish council would choose to deliver.

What will Option One cost?

All parish councils need money to provide services within the parish. They are funded through a charge added to your council tax, known as a precept. Initially, if the proposal went ahead, the County Council has suggested that a nominal precept would have to be set for its first year of operation amounting to £150,000. This is based on the council tax base for 2016/17. For example, the precept charge for a Band D property would be **£34.46 per household, per year**. This would then be re-calculated in-line with the new council tax base once established. In subsequent years it would be for the elected parish council to set its own precept. The cost would have to take into account the services and/or facilities the parish council wished to provide. The parish council would be solely responsible for meeting all of its expenditure. **You would continue to pay a precept to Durham County Council and the Charter Trustees.**

Option Two

The current community governance arrangements would remain **unchanged**. There would be **no change** to arrangements in the area. A parish council **would not** be created.

What will option two cost?

You will continue to contribute to the cost of delivery of services through your Council Tax as you do now. You will also continue to contribute to the Charter Trustees.

How to respond?

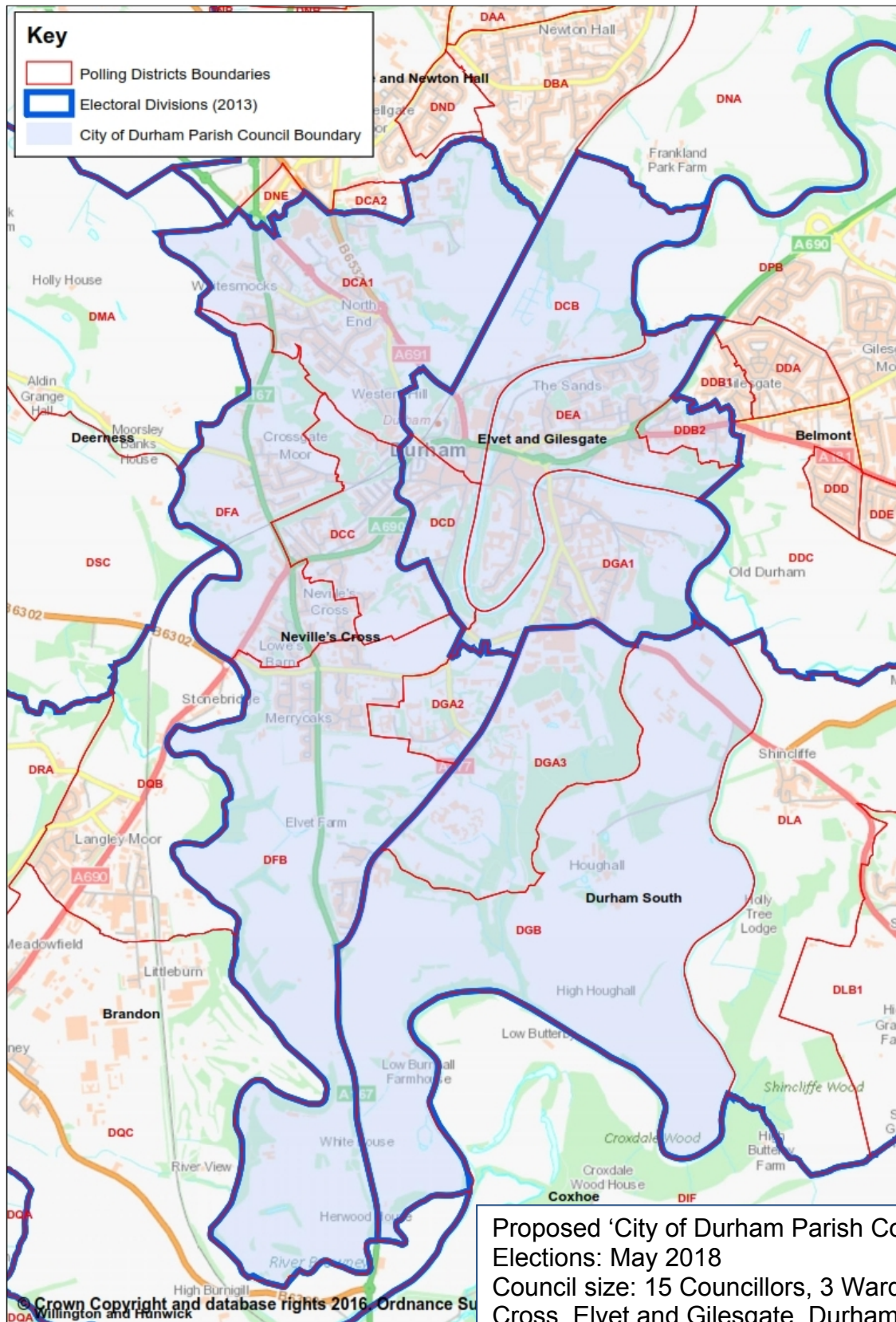
This consultative poll has been distributed to those electors whose names are on the electoral register in the area under Review. Please let us know your views by completing and returning the ballot paper in the envelope provided. **The consultation period closes on 6 March 2017.**

Why are your views important?

The Council will take representations into account when making its decision about whether or not the community governance arrangements in the area under Review should change. Views of the statutory consultees will also be sought. Only returns received through the consultative poll with residents, and views of the statutory consultees will be considered as part of the Review. We will consider all of the responses from those we consult with and make a decision on what to do next.

Further information

We will issue press releases at various stages of the Review. Further information about the Review, including the timetable, updates on the progress of the Review and all documents can be found on the Council's website www.durham.gov.uk/communitygovernance. If you have any queries regarding the consultation please contact Democratic Services, Room 1/13-20, County Hall, DURHAM . DH1 5UL



County Council

25 January 2016

Hackney Carriage and Private Hire Driver Assessments



Report of Jane Robinson, Corporate Director, Adult and Health Services

Councillor Brian Stephens, Cabinet Portfolio Holder for Neighbourhoods and Local Partnerships

Purpose of the Report

- 1 For Council to consider the information provided by the Driver and Vehicle Standards Agency (DVSA) in the letter attached as Appendix 2.
- 2 For Council to consider proposals, recommended by the General Licensing and Registration Committee, for the revision of the council's Hackney Carriage and Private Hire Licensing Policy in connection with the existing requirement for new applicants to pass the DVSA hackney carriage and private hire (taxi) driver assessment. For the revised policy to be adopted.

Background

- 3 It has been the policy of DCC that new applicants for hackney carriage and private hire driver licences should have passed the DVSA (formerly DSA) taxi driver assessment test prior to the issue of a DCC licence.
- 4 The standard DVSA taxi driver assessment takes about 40 minutes to complete. It includes an eyesight test on number plate recognition together with a practical assessment including:
 - a maneuver where drivers are asked to turn their vehicle to face the opposite direction.
 - around 10 minutes of driving without being given turn-by-turn directions by the examiner.
 - stops at the side of the road as if a passenger is getting in or out.
 - related questions, e.g. what to do if a passenger leaves property in your vehicle.
 - questions from the Highway Code and identifying traffic signs and road markings.
 - they might also be asked to do an emergency stop.

- 5 In order to pass the assessment the driver is allowed to make 9 faults or fewer. They will fail if they accrue more than 9 faults or make a serious or dangerous fault.
- 6 In a letter dated 31st August 2016 (see Appendix 2) the DVSA announced that a decision has been made to withdraw the provision of taxi driver assessments with effect from 31st December 2016.
- 7 The wording of the DCC taxi policy requirement for new applicants to undergo a taxi driver assessment is precise and unambiguous in its meaning. The policy (Appendix 1: Drivers, page 21, Eligibility) states:

'The Council will, in considering whether an applicant is a fit and proper person to hold a driver licence require the applicant to meet the criteria set out below...

b) Driver and Vehicle Standards Agency Test

The applicant will be required to provide evidence that they have passed the Driver and Vehicle Standards Agency Hackney Carriage and Private Hire Assessment Test.'

- 8 As Council adopted a policy that was very specific in its wording in relation to this matter that it would be inappropriate and potentially open to challenge should we deviate from what is written by e.g. requiring applicants to take a different test provided by a different provider until and unless an alternative policy requirement is adopted by full Council.
- 9 It has been found that all of the available driver assessment appointments offered by the DVSA in our region between now and December 2016 have been taken and no more assessments can be booked.
- 10 As a result of the DVSA's decision, the unavailability of assessment slots and the wording of the current DCC taxi policy, the application of this particular licensing requirement was temporarily suspended. This suspension was authorised and agreed following consultation with the portfolio holder and Members serving as Chair and Vice Chairs of the Licensing and general registration Committee.
- 11 The suspension of this requirement does undermine the level of protection previously afforded to the public through the administration of the taxi policy. It will allow some new applicants to receive a taxi driving licence without having been assessed in accordance with testing DVSA requirements.

Proposals and future actions

- 12 It would have been unacceptable for DCC to withhold the issue of a taxi driver's licence on the basis that the council required applicants to pass a test that no longer existed and that could not be accessed. To mitigate against risks, we have advised all new applicants that as soon as possible, suitable alternative testing arrangements would be brought back into operation

(subject to agreement by Members) and that drivers will be required to pass an alternative assessment.

Newly licensed drivers that were authorised during the period of suspension of the existing requirement are being encouraged to pass a suitable alternative assessment as soon as possible. Appropriate steps will be taken to encourage their compliance with this revised policy requirement post adoption and the re-worded requirement will be mandatory for all applicants wanting to be licensed after the date of adoption.

- 13 The DVSA recognise the road safety benefits of the assessment and point out other potential providers of similar assessment tests exist who may be interested in providing an alternative service.
- 14 Research has identified a number of potential and existing providers of similar services.
- 15 The proposal is to maintain the existing requirement for new applicants to demonstrate 'taxi driver competency' via an assessment test prior to licensing but to alter the wording to allow for other suitable driver assessment tests to be taken, provided by alternative accredited bodies and organisations. This change should avoid the need to further revisions of the policy on this subject should other assessment providers discontinue the provision of driver assessment testing.
- 16 In the absence of a single recognised taxi driver assessment provided by a national government agency, the Council will maintain a list of assessment schemes, advanced driving qualifications and providers which it considers suitable for licensing application purposes; and that all applicants for new hackney carriage and private hire driver's licences be required to have undertaken one of these assessments or hold one of these qualifications prior to being considered for a first licence.
- 17 It is recommended that the maintenance of such a list, including addition and removal of qualifications, be delegated to the Licensing Manager. This will allow for faster maintenance of the list if suitable new assessments, providers or qualifying criteria are identified or if concerns arise around assessments and providers previously listed, as opposed to repeatedly bringing reports to the Committee.
- 18 The DVSA test be used as a benchmark for assessing alternative courses and providers. Courses will only be approved if they include content of a similar level of ability and difficulty of the DVSA taxi driver assessment.
- 19 The following revision is proposed as an alternative to the existing paragraph in Appendix 1 Drivers; 1 Eligibility b) on page 21 of the policy:
 - b) The applicant will be required to provide evidence that they have passed a suitable and satisfactory driver assessment test designed to assess the driving competency of hackney carriage and private hire drivers. Driving

assessment tests and providers shall be subject to Council vetting and approval.

- 20 The suitability and satisfactory nature of taxi driver assessment tests and of assessment providers shall be determined by the Council in accordance with current guidance issued by DCC. Approval of assessment providers shall also be subject to current guidance issued by DCC. See Appendix 3 Suitability Criteria for Taxi Driver Assessment and Tests.
- 21 Following approval by AHSMT we carried out a short (28 day) consultation with members of the DCC Taxi Working Group who represent the taxi trade licensed by this Council. The consultation correspondence and results of the trade representative consultation are provided in Appendix 4.
- 22 It was agreed that following consultation we would report this matter to the Licensing and General Registration Committee with a view to making recommendations to Full Council at the earliest opportunity. On Thursday 12th January this matter was reported to the General Licensing and Registration Committee where Members supported the proposal and agreed to recommend the adoption of the revised policy to Council.

Conclusion

- 23 The DVSA are discontinuing their taxi driver assessments which DCC requires new taxi driver applicants to pass. Alternative assessments and providers do exist.
- 24 Alternative arrangements need to be made in order to maintain a level of road safety protection and to future-proof the policy requirement.
- 25 We have undertaken consultation on the proposed revisions to the taxi policy and the proposals have been supported by Members on the General Licensing and registration Committee.

Recommendations and reasons

- 26 It is recommended that the proposals concerning the revision of the taxi policy in connection with taxi driver assessments, as agreed, supported and recommended by the Licensing and General Registration Committee are adopted by Council. This will enable the currently suspended requirement for the taxi driving assessment testing of applicants to be reinstated for the benefit of public safety.

Background papers

Hackney Carriage and Private Hire Licensing Policy

Contact: Owen Cleugh Tel: 03000 260925

Appendix 1: Implications

Finance - There are no County Council related financial implications from the recommended options other than from the cost of the advertisement in the local newspaper.

Staffing - There are no human resources implications from the recommended options.

Risk - The temporary suspension of the existing assessment requirement does undermine the level of protection previously afforded to the public. It will allow some new applicants to receive a taxi driving licence without having been assessed in accordance with testing DVSA requirements. This risk can be mitigated to some degree by requiring such drivers to pass an agreed test upon renewal

Equality and Diversity / Public Sector Equality Duty - There are no equality and diversity implications from the recommended options.

Accommodation - None

Crime and Disorder - There are no crime and disorder implications from the recommended options.

Human Rights - There are no Human Rights implications from the recommended options.

Consultation - Consultation will take place with members of the DCC Taxi Working Group who represent the taxi trade licensed by this Council. We would also liaise and consult with Members of the Licensing and General Registration Committee, DVSA and partner organisations including Durham Constabulary and local road safety organisations. It is possible that this may generate responses from trade associations, individual trade members and from the media.

Procurement - There are no procurement implications from the recommended options.

Disability Issues - There are no DDA implications from the recommended options.

Legal Implications – the imposition of alternative assessments by providers other than the DVSA without any revision of current taxi policy may lead to legal challenge

Appendix 2 Letter from DVSA



**Driver & Vehicle
Standards
Agency**

02 SEP 2016

APPENDIX 2

The Axis
112 Upper Parliament Street
Nottingham
NG1 6LP

T 0115 936 6370

www.gov.uk/dvsa

Chief Executive
Local Authority
DURHAM
DH1 9HZ

31 August 2016

DVSA Taxi Driver Assessments

DVSA (and previously DSA) have been conducting Taxi Driver Assessments for participating Local Authorities since 1999. Demand has increased over the years, with a throughput in 2015-16 of approximately 23,000 and a forecast of 28,000 for the business year 2017-18.

These assessments now require considerable examiner resource, at a time when the demand for statutory tests is at an all-time high. The Agency is under pressure to reduce car test waiting times and in order to achieve this, we need to prioritise our activities.

Regrettably, a decision has been made to withdraw the provision of Taxi Assessments with effect from 31 December 2016. We understand that this will be a disappointment and inconvenience to those Local Authorities who currently require their taxi drivers to pass the DVSA assessment.

The Agency also recognises the road safety benefits of such an assessment; therefore, we would point out that there are potential providers such as road safety charities and Driving Instructor representative bodies, who may be interested in providing an alternative service. Details of these organisations can be easily obtained by submitting a general internet search.

Yours faithfully

Neil Wilson
Head of Driver and Driver Training Policy

Appendix 3 Suitability Criteria for Taxi Driver Assessment and Tests

A. Minimum Hackney Carriage and Private Hire Driver Assessment Test Requirements

General

- The assessment shall take at least 40 minutes to complete
- Applicants shall be required to present their driving licence to the examiner before the test

An Eye sight test

There shall be an eye-sight test involving the candidate reading a number plate at a distance (In accordance with current car driving test requirements):

- 20 meters for vehicles with a new style number plate
- 20.5 meters for vehicles with an old-style number plate

Note: applicants must wear glasses or contact lenses during the whole test if they need them to read the number plate. Drivers shall not be permitted to take the driving part of the assessment if they fail the eyesight test.

A Practical assessment

The practical assessment shall include:

- a. Manoeuvres involving the applicant turning and parking the vehicle e.g. to face the opposite direction
- b. Driving a route under the direction of the examiner and also driving for a set period without the applicant being given turn-by-turn directions by the examiner
- c. Stops at the side of the road to simulate a passenger getting in and out of the vehicle
- d. Related questions such as what to do if the passenger leaves items of property in the vehicle
- e. Questions taken from the highway code (<https://www.gov.uk/guidance/the-highway-code>) and identifying traffic signs and road markings
- f. Applicants shall also be asked to perform an emergency stop

The assessment shall be passed if the applicant makes up to 9 faults. Applicants shall fail if they make more than 9 faults or if they make a serious or dangerous fault during the assessment.

When the assessment is passed the applicant will be provided with:

- A pass certificate
- A copy of the assessment
- A de-brief from the examiner

Vehicle requirements

The vehicle shall meet the same requirements as for a car driving test

(<https://www.gov.uk/driving-test/using-your-own-car>) except that it can't have L-plates. A hire care shall be allowed to be used to take the test.

B. Suitability Criteria for Providers of Hackney Carriage and Private Hire Driver Assessments

To maintain the level of assessment set by the DVSA persons who carry out hackney carriage and private hire driver assessments shall meet one of the following minimum criteria:

1. Be a fully qualified driving examiner who has successfully completed the recruitment process and training requirements of the UK Driver Vehicle Licensing Authority (<https://www.gov.uk/government/publications/become-a-driving-examiner/become-a-driving-examiner>); or
2. Be DVSA approved driving instructor registered with the DVSA (for lorries, busses and or fleet assessment purposes)

Appendix 4 Consultation correspondence and results of the trade representative consultation

2nd November 2016

Dear Taxi Working Group Member,

Re: Proposals for the amendment of DCC Hackney Carriage and Private Hire Licensing Policy (taxi policy)

It is the policy of DCC that all new applicants for hackney carriage and private hire driver licences should have passed the DVSA (formerly DSA) taxi driver assessment test prior to the issue of a DCC licence. Earlier this year the DVSA announced that a decision has been made to withdraw the provision of taxi driver assessments with effect from 31st December 2016. In addition, all of the available driver assessment appointments offered by the DVSA in our region between October and December 2016 had been filled and no more driver assessments can be booked. We therefore need to amend the taxi policy to enable consistency, continuity and to maintain existing adopted standards.

The current DCC taxi policy requirement for new applicants to undergo a taxi driver assessment (Appendix 1: Drivers, page 21, Eligibility) states:

'The Council will, in considering whether an applicant is a fit and proper person to hold a driver licence require the applicant to meet the criteria set out below...'

b) Driver and Vehicle Standards Agency Test

The applicant will be required to provide evidence that they have passed the Driver and Vehicle Standards Agency Hackney Carriage and Private Hire Assessment Test.'

The wording is clear and precise but as a result it restricts assessments to the one provided by the DVSA. It would not be appropriate for the licensing authority to deviate from what is written by e.g. requiring applicants to take a different test provided by a different provider until and unless an alternative policy requirement is adopted by Council.

As a result of the DVSA's decision, the unavailability of assessment slots and the wording of the current DCC taxi policy, the application of this particular licensing requirement was temporarily suspended. This suspension was authorised and agreed following consultation with the portfolio holder and Members serving as Chair and Vice Chairs of the Licensing and general registration Committee.

Environment, Health & Consumer Protection

Licensing, PO Box 617, Durham, DH1 9HZ
Main Telephone 03000 261016

It would not be acceptable to withhold the issue of a taxi driver's licence on the basis that the council requires applicants to pass a test that does not exist or that cannot be accessed. To mitigate against any risks we will advise all new applicants that as soon as possible suitable testing arrangements will be brought back (subject to agreement by Members) and as a requirement of the renewal of their licences, such drivers will be required to pass an alternative assessment. They will also be encouraged to pass an existing alternative assessment before or soon after receiving their licences in the interim period. Such requirements may be written in to any future policy.

The proposal is to maintain the existing requirement for new applicants to demonstrate 'taxi driver competency' via an assessment test prior to licensing but to alter the wording to allow for other suitable driver assessment tests to be taken, provided by alternative accredited bodies and organisations. This change should avoid the need to further revisions of the policy on this subject should other assessment providers discontinue the provision of driver assessment testing.

In the absence of a single recognised taxi driver assessment provided by a national government agency, the Council will maintain a list of assessment schemes, advanced driving qualifications and providers which it considers suitable for licensing application purposes; and that all applicants for new hackney carriage and private hire driver's licences be required to have undertaken one of these assessments or hold one of these qualifications prior to being considered for a first licence.

It is further proposed that the DVSA test will be used as a benchmark for assessing alternative courses and providers. Courses will only be approved if they include content of a similar level of ability and difficulty of the DVSA taxi driver assessment.

The following revision is proposed as an alternative to the existing paragraph in Appendix 1 Drivers; 1 Eligibility b) on page 21 of the policy:

b) The applicant will be required to provide evidence that they have passed a suitable driver assessment test designed to assess the driving competency of hackney carriage and private hire drivers. Driving assessment tests and providers shall be subject to Council vetting and approval.

The suitability of alternative taxi driver assessments tests and of assessment providers shall be determined by the Council in accordance with guidance/information to be issued by DCC. Approval of assessment providers shall also be subject to such guidance/information.

Proposals for guidance:

Suitability Criteria for Taxi Driver Assessment and Tests

A. Minimum Hackney Carriage and Private Hire Driver Assessment Test Requirements

General

- The assessment shall take at least 40 minutes to complete
- Applicants shall be required to present their driving licence to the examiner before the test

An Eye sight test

There shall be an eye-sight test involving the candidate reading a number plate at a distance (In accordance with current car driving test requirements):

- 20 meters for vehicles with a new style number plate
- 20.5 meters for vehicles with an old-style number plate

Note: applicants must wear glasses or contact lenses during the whole test if they need them to read the number plate. Drivers shall not be permitted to take the driving part of the assessment if they fail the eyesight test.

A Practical assessment

The practical assessment shall include:

- a) Manoeuvres involving the applicant turning and parking the vehicle e.g. to face the opposite direction
- b) Driving a route under the direction of the examiner and also driving for a set period without the applicant being given turn-by-turn directions by the examiner
- c) Stops at the side of the road to simulate a passenger getting in and out of the vehicle
- d) Related questions such as what to do if the passenger leaves items of property in the vehicle
- e) Questions taken from the highway code (<https://www.gov.uk/guidance/the-highway-code>) and identifying traffic signs and road markings
- f) Applicants shall also be asked to perform an emergency stop

The assessment shall be passed if the applicant makes up to 9 faults. Applicants shall fail if they make more than 9 faults or if they make a serious or dangerous fault during the assessment.

When the assessment is passed the applicant will be provided with:

- A pass certificate
- A copy of the assessment
- A de-brief from the examiner

Vehicle requirements

The vehicle shall meet the same requirements as for a car driving test (<https://www.gov.uk/driving-test/using-your-own-car>) except that it can't have L-plates. A hire care shall be allowed to be used to take the test.

B. Suitability Criteria for Providers of Hackney Carriage and Private Hire Driver Assessments

To maintain the level of assessment set by the DVSA persons who carry out hackney carriage and private hire driver assessments shall meet one of the following minimum criteria:

1. Be a fully qualified driving examiner who has successfully completed the recruitment process and training requirements of the UK Driver Vehicle Licensing Authority (<https://www.gov.uk/government/publications/become-a-driving-examiner/become-a-driving-examiner>); or

2. Be DVSA approved driving instructor registered with the DVSA (level/grade to be agreed)

In relation to the above, I am writing to you to ask for your opinions in relation to the proposals set out in this letter. Following consultation we would report this matter to the General Licensing and Registration Committee with a view to making recommendations to Full Council at the earliest opportunity.

If you wish to comment on any aspect of this proposal, please write to:

Joanne Waller (Head of Service)
Adult and Health Services
Environment, Health and Consumer Protection
PO Box 617
Durham
DH1 9HZ

Yours sincerely,

Craig Rudman
Licensing Manager

From: Craig Rudman
Sent: 09 November 2016 13:08
To:
Subject: FW: DVSA Equivalent

Dear ,

Thank you for your email, the content of which has been noted.

As you will be aware, we are currently consulting on the proposal to revise the current policy to allow for the changes brought about by the DVSA in connection with driver assessments. The Council is aware of the work undertaken by the Fire and Rescue Service.

I am unable to comment in relation to the acceptability or otherwise of your suggestions but I will add your correspondence to any other letters/emails we receive from trade reps in response to the 28 consultation exercise. All responses will be included in the report that will go before Members who will make a decision on this matter.

Best regards

Craig

Craig Rudman
Licensing Manager
Adult and Health Services

T: 03000 260090
E: craig.rudman@durham.gov.uk

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From: Neighbourhood Services Licensing
Sent: 08 November 2016 09:05
To: Craig Rudman
Subject: FW: DVSA Equivelant

Hi Craig,

has been on the phone this morning asking for this e-mail to be forwarded to you and saying that he forgot to add that he thinks that a dvd could be shown to drivers by the fire brigade showing them the potential consequences of RTC's.

Thanks,
Laura

Laura Cloney
Licensing Enforcement Team Leader

Adult and Health Services

T: 03000 260088

E: Laura.Cloney@durham.gov.uk

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From:

Sent: 08 November 2016 08:36

To: Neighbourhood Services Licensing

Subject: DVSA Equivelant

To All concerned, As you may or not be aware Durham and Darlington fire and rescue, have their own driving instructors. These instructors are trained to a very high standard and i believe would be ideal for the purpose of examiner , replacing the DVSA test . As you are all aware the council tax payers of county Durham are responsible for financing the fire and rescue service and as such would appreciate any extra revenue toward maintaining this service.

I would ask if it were possible to have talks with DCFR Service to see if this could be an option. The New applicant would be responsible for the cost and feel sure other benefits would be gained ie. KNOWLEDGE RTCS ECT.

KEEP THINGS IN HOUSE AND IMPROVE OUR SERVICES AND COSTS.



Updated Local Code of Corporate Governance

**Report of Corporate Management Team
John Hewitt, Corporate Director Resources
Councillor Alan Napier, Deputy Leader and Portfolio Holder for Finance**

Purpose of the Report

- 1 For the Council to consider the inclusion of the updated Local Code of Corporate Governance in the revised Council Constitution.

Background

- 2 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way which functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 3 In discharging this overall responsibility the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risks.
- 4 The Accounts and Audit Regulations 2015 require a local authority to conduct a review at least once in a year of the effectiveness of its system of internal control. This requirement will be fulfilled if the review is conducted in accordance with the new Delivering Good Governance (DGG) in Local Government Framework (2016), which replaced the previous version issued in 2007.
- 5 The Council should be able to demonstrate that its governance structures comply with the core and sub-principles contained in the new Framework and, to facilitate this, it should therefore develop and maintain a Local Code of Corporate Governance reflecting the principles set out.

Local Code of Corporate Governance

- 6 The Local Code of Corporate Governance is a public statement that sets out the way the Council will meet its commitment to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively. It represents a key component of the Council's governance arrangements and applies to all Council members, officers, partners and stakeholders in their

dealings with the Council. The current Code can be found in Part 5 'Codes and Protocols', of the Council's Constitution.

- 7 The Local Code has been updated to meet the requirements of the new DGG in Local Government Framework (2016). Both the new and previous Frameworks focused on a number of core principles, supported by sub-principles, which were provided as guidance to establishing our Local Code.
- 8 The concept underpinning the new Framework is that it is helping local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The Framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that:
 - resources are directed in accordance with agreed policy and according to priorities;
 - there is sound and inclusive decision making;
 - there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.
- 9 Although the format and most of the content of the new Framework are similar to its predecessor, there are significantly more sub-principles (89 compared to 18), which have very specific definitions. Consequently, it is not possible to highlight the changes. The following points are noted:-
 - a. Whereas the old Framework was based on a list of apparently independent principles, the principles in the new Framework are shown to be related and flowing logically as a continuous process, as illustrated in paragraph 2.3 of the updated code in appendix 2.
 - b. Two 'new' core principles have been introduced, although they were both represented to some degree in the old Framework:-
 - i. Principle D: Determining the interventions necessary to optimize the achievement of the intended outcomes; and
 - ii. Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
 - c. Sub-principles, in narrative form, clarify the meaning of each principle and expected behaviours/outcomes.

Recommendation

- 10 The Council is requested to approve the updated Local Code of Corporate Governance to replace the existing version in the Council Constitution.

Contact: David Marshall Tel: 03000 269648

Appendix 1: Implications

Finance – There are no financial implications associated with this report. However, financial planning and management is a key component of effective corporate governance.

Staffing – There are no impacts on staff, but ensuring the adequate capability of staff meets a core principle of the CIPFA/ SOLACE guidance.

Risk – There are no reportable risks associated with the report, but the assessment of corporate risk is a key component of the Council's governance arrangements.

Equality and Diversity/ Public Sector Equality Duty - Engaging local communities including hard to reach groups meets a core principle of the CIPFA/ SOLACE guidance.

Accommodation – There are no accommodation implications , but asset management is a key component of effective corporate governance

Crime and Disorder – None.

Human Rights - None.

Consultation - Engaging local communities meets a core principle of the CIPFA/ SOLACE guidance.

Procurement – None.

Disability issues – Ensuring access to services meets a core principle of the CIPFA/ SOLACE guidance.

Legal Implications – None.

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DURHAM COUNTY COUNCIL

LOCAL CODE OF CORPORATE GOVERNANCE

1. Introduction

- 1.1. The Accounts and Audit Regulations 2015 require a local authority to conduct a review at least once in a year of the effectiveness of its system of internal control. A statement reporting on the review must be included in an Annual Governance Statement published with the Statement of Accounts.
- 1.2. The Regulations also state that the Annual Governance Statement must be “prepared in accordance with proper practices in relation to accounts”. To help meet this requirement, this code has been produced in accordance with Delivering Good Governance in Local Government Framework (2016).

2. What is Governance?

- 2.1. The International Framework: Good Governance in the Public Sector (Chartered Institute of Public Finance and Accountancy / International Federation of Accountants, 2014) (the ‘International Framework’) defines governance as follows:
Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.
- 2.2. The International Framework also states that:
To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

2.3. The diagram below, taken from the International Framework illustrates the various principles of good governance in the public sector and how they relate to each other.

3. The Principles of Good Governance

3.1. The Council is committed to, and endeavours to maintain effective arrangements to meet, all of the principles of good governance contained in Delivering Good Governance in Local Government Framework, 2016 (“The DGG Framework”).

3.2. The DGG Framework requires governance processes and structures to focus on the attainment of sustainable outcomes for the economy, society and the environment. The Council acknowledges that sustainability and the links between governance and public financial management are crucial and pledges to take account of the impact of current decisions and actions on future generations.

3.3. This Code has been developed in accordance with, and is consistent with, the The DGG Framework and is based upon the Framework’s seven principles, A to G.

3.4. Principles A and B spread through all other principles C to G and ensure that the Council achieves its intended outcomes while acting in the public interest at all times. This requires:

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

B. Ensuring openness and comprehensive stakeholder engagement.



3.5. In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance in the public sector also requires effective arrangements for:

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

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

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

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

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

3.6. This Code details how the Council will follow these principles and the supporting principles that underpin them. To complement this, the Code also highlights the key documents and functions which contribute to the Council's good governance arrangements.

3.7. This Code also aims to ensure that the corporate governance arrangements help the Council to appropriately respond to sustained pressures from a variety of sources.

4. The Council's Governance Framework

4.1. This section describes, with reference to the components of the Council's governance framework, how each of the principles and sub-principles of the DGG Framework will be met.

4.2. The components that make up the Council's governance framework are many and varied. They include:-

- Internal and partner strategy documents that set out a longer term vision for the future of the County as well as identifying the most important priorities;
- Internal and partner policy documents and codes that regulate committee and business activities to ensure that they comply with the law and that the Council's objectives and values are supported;
- Committees or officer groups that regulate and/or monitor Council or business activities to ensure that they comply with the law and that the Council's objectives and values are supported;
- Other systems, processes and documents, including self-assessment tools, that support or evidence the principles of good governance set out in The DGG Framework.

4.3. The key document supporting the Council's governance arrangements is the [Constitution](#), which sets out how we operate, how decisions are made and the rules and procedures we follow to ensure our work is efficient and transparent

and that we are accountable to local people. The Constitution Working Group, which is chaired by the Leader of the Council and consists of the lead Members from each political party, co-ordinates proposed changes and these are approved by Full Council. A full annual review is carried out each year.

- 4.4. A fundamental feature of the Council's governance arrangements is the overview and scrutiny system, the role of which is to review policy and challenge whether the executive has made the right decisions to deliver policy goals. Another key feature is the Standards Committee, which is responsible for promoting and maintaining high standards of conduct by councillors, independent members and co-opted members. Further details on the overview and scrutiny function and the Standards Committee are included under Principle A.
- 4.5. In addition to the components listed above, where relevant, references to key legislation, professional standards and codes of practice are made.

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

Why this is important

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

How we meet this principle

- 4.7. Key governance documents supporting Principle A include:

[Constitution](#) – Codes of Conduct for Members and Employees (Part 5); [Confidential Reporting Code \(Whistleblowing policy\)](#) (Part 5); Contract Procedure Rules (Part 4); Decision Making (Article 12); Functions and Responsibilities of Key Officers (Article 11); Member Role Descriptions (Part 9); Overview and Scrutiny Arrangements (Article 6); Protocol on Member/Officer Relations (Part 5); Other Codes and Protocols (Part 5); Roles and Functions of Members (Article 2).

Other – [Competency Framework](#); [Corporate Complaints Policy](#); [Counter Fraud and Corruption Strategy](#); [Fraud Response Plan](#); Officer and Member Gifts & Hospitality Register and Procedures; [Overview and Scrutiny Handbook](#); [Sustainable Commissioning and Procurement Policy](#); Sustainable Buying Standards.

A1 Behaving with integrity

- 4.8. The Council ensures that its values are communicated and understood, and that members and officers behave with integrity and lead a culture where acting

in the public interest is visibly and consistently demonstrated. This is achieved by:

- Setting out in [codes of conduct](#) the minimum standards expected of members and employees, and the implications of any code breaches.
- Setting out in the [Competency Framework](#) the Council's corporate values to underpin staff behaviours and competencies.
- Seeking individual commitment to the codes from members and officers during induction, through annual, written reminders and in performance appraisals.
- Assigning the [Constitution Working Group](#), chaired by the Leader of the Council and consisting of the lead Members from each political party, to oversee the maintenance and approval of the [codes and protocols](#) in Part 5 of the [Constitution](#). The Codes of Conduct are intended to be consistent with the Seven Principles of Public Life* (the Nolan Principles), which must be observed by members and employees when conducting the business of the Council or acting as a representative of the Council.
* Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.
- Setting out in the Contract Procedure Rules how contracts for goods, works, services and utilities should be put in place and managed, and detailing the record keeping and reporting requirements related to procurement activity.
- Members leading by example by adhering to these principles in decision making and during meetings with fellow members, employees, the community and partners.
- Maintaining Registers of Interest for members and officers and formally registering interests at meetings and declaring gifts and hospitality.

4.9. The Council endeavours to demonstrate, communicate and embed its values through the following policies and processes, which are reviewed on a regular basis to ensure that they are operating effectively. This is achieved by:

- Providing guidance, through the [Fraud Response Plan](#), which supports the [Counter Fraud and Corruption Strategy](#), to employees and managers on the procedures that must be followed in the event of suspected fraud, theft or other irregularity.
- Requiring the Chief Internal Auditor and Corporate Fraud Manager to verbally inform the Section 151 Officer, [Audit Committee](#) and External Audit of any serious cases of fraud.
- Reporting the outcomes of anti-fraud and corruption work to [Audit Committee](#) as part of Protecting the Public Purse updates.
- Enabling employees, through the [Confidential Reporting Code](#) to raise serious concerns within the Council rather than overlooking a problem or 'blowing the whistle' externally.
- Including in the [Durham Managers training programme](#) a course that explains how the [Confidential Reporting Code](#) should be used as a means to 'blow the whistle' where appropriate.
- Maintaining arrangements, through the [Corporate Complaints Policy](#), for non-statutory complaints about services, which are reported to [Corporate Issues Overview and Scrutiny Committee](#) along with details of investigations by the Commissioner for Local Administration.

- Maintaining arrangements for complaints against employees, which are referred to the Corporate Fraud Team, Human Resources and the respective Service Management to ensure a proper investigation.
- Assigning the [Monitoring Officer](#) to oversee the arrangements for conflicts of interest, gifts and hospitality for members and officers, who are required to review their declarations annually.
- Publishing the [Register of Gifts, Interests and Hospitality for Members](#) on the website under the relevant meeting or on the [Your Councillor webpage](#).

A2 Demonstrating strong commitment to ethical values

4.10. The Council seeks to establish, monitor and maintain ethical standards and performance, while underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.

This is achieved by:

- Assigning the [Standards Committee](#) to promote and maintains high standards of conduct by councillors, independent members and co-opted members.
- Assigning the [Appeals and Complaints Committee](#) to determine appeals against decisions made by the Council.
- Maintaining an effective scrutiny function that encourages constructive challenge and enhances performance through the Overview and Scrutiny Management Board and Overview and Scrutiny Committees.
- The role, functions and scope of the Overview and Scrutiny Board and each of its six committees are set out in detail in the [Constitution](#) and the [Overview and Scrutiny Handbook](#). They allow a wider involvement in Council business by involving non-councillors from the wider public sector, voluntary and community groups to help them in their work. They may make reports and recommendations to the Executive and the Council as a whole on its policies, budget and service delivery.
- Review and scrutinise the conduct, decisions and actions of Police and Crime Commissioner through the Durham Police and Crime Panel, which is made up of members from Durham County Council and Darlington Borough Council.
- Providing, through the [Constitution](#), roles for independent members and co-opted members on the Standards Committee, Overview and Scrutiny Committees, [Audit Committee](#) and Police and Crime Panel.
- Reporting bi-annually, through the Internal Audit Service, to Corporate Management Team and the [Audit Committee](#) on investigations into misconduct, including any measures taken to enhance the control environment in order to prevent incidences happening in the future.
- Embedding ethical values through a variety of channels, including online training, briefings and news bulletins.
- Rewarding good ethical behaviour through the [Great Staff, Great Stuff Scheme](#), and awarding instant recognition certificates to those who make an exceptional contribution in this area.

4.11. The Council places emphasis on agreed ethical values by,

- Maintaining a range of key [ethical codes and protocols](#), such as the codes of conduct for members and employees, and the [Protocol on Member/Officer Relations](#), in Part 5 of the Council [Constitution](#).

- Using the above codes and protocols to set the tone for subsidiary policies and procedures in areas such as procurement, recruitment, staff discipline, gifts and hospitality and declarations of interest.
- 4.12. The Council requires external providers of services on its behalf to act with integrity and in compliance with ethical standards. This is achieved by:
- Including the Council's ethical values in protocols for partnership working.
 - Seeking, through the [Sustainable Commissioning and Procurement Policy](#), to implement procedures that protect the long-term interests of the communities we represent, in line with the Public Services (Social Value) Act 2012. Instructing bidding organisations to bring the above policy to the attention of bidders.
 - Addressing ethical supply chain issues through [Sustainable Buying Standards](#), which are mandatory in all relevant council contracts.
 - Vetting potential contractors for convictions and violations for specified offences, as required by the Public Contracts Regulations 2015.

A3 Respecting the rule of law

4.13. The Council endeavours to ensure that members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations. It also seeks to create the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. This is achieved by:

- Through the [Constitution](#),
 - Committing to exercise all powers and duties in accordance with the law;
 - Setting out [Member Role Descriptions](#) (Part 9) and the [functions and responsibilities of key officers](#) (Part 2, Article 11), recognising those posts that are statutory;
 - Committing, through Article 11, to provide the Monitoring Officer and Chief Finance Officer with such officers, accommodation and other resources as are in their opinion sufficient to allow their duties to be performed;
 - Designating the Chief Executive as Head of Paid Service in accordance with Section 4 of the Local Government and Housing Act 1989.
 - Designating the Corporate Director, Resources as the [Section 151 Chief Financial Officer](#) (CFO) to fulfil the governance requirements of the CIPFA * [Statement on the Role of the CFO in Local Government](#) (2010).

* Chartered Institute of Public Finance & Accountancy

- Maintaining, under the supervision of the Chief Executive, a chief officer structure that is equipped to respond to modern challenges faced by the Council.
- Making the CFO a member of Corporate Management Team, reporting directly to the Chief Executive and reviewing all reports to Cabinet which have financial implications.

- Maintaining arrangements for members and officers to work together on the work programme of the Cabinet, which is managed through a system of Cabinet pre-agenda meetings, supported by regular briefing sessions held by Corporate Directors with Cabinet Portfolio Members and their support Members.
 - Providing specialist legal advice through Legal & Democratic Services.
 - Providing training, awareness and advice, through central support services, to meet general legal requirements in areas such as data protection, freedom of information, equalities and health and safety.
 - Making staff aware of relevant statutory provisions through formal training and written guidance, and implementing appropriate service-specific arrangements to ensure compliance.
- 4.14. The Council strives to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders by,
- Designating, in accordance with Section 5 Local Government and Housing Act 1989, the Head of Legal and Democratic Services as Monitoring Officer, who attends Corporate Management Team and advises on legal issues.
 - Authorising the Head of Legal and Democratic Services, under the [Constitution](#), Article 13, to institute, defend or participate in any legal proceedings to give effect to decisions of the Council or in any case where she considers that such action is necessary to protect the Council's interests.
- 4.15. The Council endeavours to deal effectively with corruption, misuse of power and breaches of legal and regulatory provisions by,
- Maintaining a dedicated Corporate Fraud Team to support its counter fraud arrangements.
 - Vigorously dealing with breaches of legal or regulatory provisions through disciplinary or criminal proceedings, as appropriate.
 - Enabling employees, contractors and suppliers, through the [Confidential Reporting Code \(Whistleblowing policy\)](#), to raise concerns about potential breaches of conduct in decision-making.
 - Thoroughly investigating and, if confirmed, vigorously pursuing any allegations of corruption and misuse of power, seeking the strongest possible sanctions against those who seek to defraud the Council, regardless of whether they are staff, members, contractors, external individuals and organisations.

Principle B: Ensuring openness and comprehensive stakeholder engagement.

Why this is important

- 4.16. Local government is run for the public good. The Council should therefore ensure openness in its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders. Institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable.

How we meet this principle

4.17. Key governance documents supporting Principle B include:

[Constitution](#) – Audit Committee Role (Part 3); Decision Making (Article 12); How the Council operates (Part 2); Joint Arrangements and Partnerships (Article 10); Officer Scheme of Delegations (Part 3).

[Other](#) – Area Action Partnerships Terms of Reference; [Consultation & Engagement Strategy](#); [Consultations web page](#); [County Durham Compact](#); County Durham Partnership Community Engagement and Empowerment Framework; [Joint Health and Wellbeing Strategy 2016 - 2019](#); [notice of key decisions webpage](#); [officer decisions webpage](#) [Partnership Governance Framework](#); Partnership Performance Management Framework; Partnerships Register; [petitions webpage](#); [Risk Management Strategy and Policy](#); [Sustainable Community Strategy \(SCS\) 2014 – 2030](#); [Transparency and Accountability webpage](#).

B1 Openness

4.18. The Council maintains an open culture and encourages wide public involvement in determining the most appropriate and effective interventions and courses of action. This is achieved by:

- Encouraging a climate of openness, headed by the Council Leader who holds regular Cabinet meetings at various locations in the County.
- Maintaining a website that is designed to make it easy for users to find information and includes a [Transparency and Accountability webpage](#) to comply with the [Local Government Transparency Code 2015](#).
- Publishing information on the website about services provided, land and assets owned by the Council, organisational structures and salaries, counter fraud, how money is spent and how services are bought.
- Deploying a range of research, consultation and engagement techniques so that the selected approach is fit for each given purpose.
- Taking a planned approach to maximise participation and ensure that the public's views are incorporated into decision making processes.

4.19. The Council seeks to make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes, with a presumption for openness and, where relevant, giving reasons for keeping any decision confidential. Clear reasoning and evidence will be provided for decisions, being explicit about the criteria, rationale and considerations used, to ensure that the impact and consequences of those decisions are clear. These aims are achieved by,

- Setting out in the [Constitution](#) how the Council operates, how decisions are made and the procedures followed to ensure that these are effective, transparent and accountable to local people.
- Publishing on the website: advance [notice of key decisions](#) covering a rolling period of four months; decisions made by the Executive, within two days of the respective meeting; and all major decisions that are in the public domain.

- Publishing all [officer decisions](#) made under the Officer Scheme of Delegations ([Constitution](#), Part 3).
- Supporting the Council's decision-making processes with:
 - A [Risk Management Strategy and Policy](#);
 - An [Audit Committee](#) responsible for monitoring and reviewing processes for risk management, internal control, governance and associated assurance; and
 - Arrangements to ensure that they comply with legal requirements and that all reports requiring a decision include the legal implications, confirm that legal advice has been obtained on proposals, and the source of that legal advice.
- Including in the Council's stated [principles for decision making](#) the giving of reasons for decisions and supporting them with references to legal or other professional advice and stating the potential implications in terms of finance, staffing, risk, human rights and several other factors.

B2 Engaging comprehensively with institutional stakeholders

- 4.20. The Council seeks to effectively engage with institutional stakeholders and, where necessary, develop formal and informal partnerships to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear. The aims of this approach are to ensure that outcomes are achieved successfully and sustainably, with efficient use of resources. This is achieved by:
- Heading the [County Durham Partnership](#) (CDP), chaired by the Council Leader, which is the lead partnership for most strategic partnerships in the County.
 - Managing relationships with partners through the [Partnership Governance Framework](#) (PGF), which seeks to ensure that:
 - members are clear about their roles and responsibilities;
 - there is clarity about the legal status of the partnership;
 - representatives both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.
 - Providing support and oversight, through a [Chief Officer Group](#), to chief officers across all statutory agencies of the safeguarding arrangements for children and adults services. The Group has an independent Chair and includes officers from the Council, NHS and the Police.
 - Maintaining, in accordance with the [Partnership Performance Management Framework](#), a [register of active partnerships](#) and regularly reviewing them to assess and evaluate their governance and effectiveness.
 - Allowing, through the [Constitution](#), joint arrangements to be established for specific purposes such as the provision and maintenance of crematoria, and setting out details of existing joint arrangements, including purpose, parties and effective dates.
 - Shaping and supporting a common vision and approach for community engagement through the [County Durham Partnership Community Engagement and Empowerment Framework](#).
 - Providing, through the [County Durham Compact](#), a framework for partnership and engagement with the voluntary and community sector.

- Including in the [CDP](#) a range of key public, private and voluntary sector organisations that work together to improve the quality of life for the people within County Durham.
- Structuring the [CDP](#) into five thematic partnerships based on the economy, children and families, health and wellbeing, community safety and the environment.
- Managing, within service groupings, informal, collaborative working arrangements with external organisations.
- Ensuring, through the [Partnership Governance Framework](#) that partnerships are based on:
 - trust
 - a shared commitment to change
 - a culture that promotes and accepts challenge among partners

and that the added value of partnership working is explicit.

B3 Engaging with individual citizens and service users effectively

- 4.21. Through the [Consultation & Engagement Strategy](#), the Council seeks to establish a clear policy on the type of issues on which it will consult with or involve communities, individual citizens, service users and other stakeholders. The Council aims to ensure that the views of local people are used to set priorities, influence policy and decision making, and that service provision is contributing towards the achievement of intended outcomes.
- 4.22. The Council endeavours to ensure that communication methods are effective, and that members and officers are clear about their roles with regard to community engagement, in order to collect and evaluate the views, experiences and future needs of people and organisations of different backgrounds. This approach is combined with effective feedback mechanisms to demonstrate how views have been taken into account and balancing feedback from more active and other stakeholder groups to ensure inclusivity. This is achieved by:
- Assigning the [Corporate Communications and Policy Team](#) to lead on communications with external audiences through local, regional and national media with direction and guidance provided through communications protocols.
 - Welcoming [petitions](#) and recognising that they are an effective way for people to voice their concerns.
 - Engaging with the community, through 14 multi-agency Area Action Partnerships, to identify and address local priorities and utilise locality budgets to drive improvements to the local area.
 - Using the consultation process to involve a range of stakeholders in refreshing the [Joint Health and Wellbeing Strategy 2016 - 2019](#).
 - Publishing results of [consultation and engagement campaigns](#) on the website with explanations of what has been changed as a result of the views and comments collected.
 - Selecting appropriate consultation techniques and engaging through area action partnerships and the voluntary sector to involve all sections of the community effectively.
 - Ensuring that selected techniques recognise that different sections of the community have different priorities and establish processes for dealing with these competing demands.

- Seeking, with guidance from the [Sustainable Community Strategy \(SCS\) 2014 – 2030](#), the [Joint Health and Wellbeing Strategy 2016 - 2019](#), supported by the decision making process, to manage resources in ways that do not compromise the quality of life of future generations or those in the wider world.

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

Why this is important

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

How we meet this principle

- 4.24. Key governance documents supporting Principle C include:

[Constitution](#) – Decision Making (Article 12); Protocol on Member/Officer Relations (Part 5).

[Other](#) – Asset Management Plan; [Children, Young People and Families Plan 2016 - 2019](#); [Consultation & Engagement Strategy](#); Corporate Capital Protocol; [Council Plan 2016 - 2019 and service plans](#); [County Durham Plan](#); [Customer First Strategy and Customer Services Charter](#); [Equality Policy](#); [Joint Health and Wellbeing Strategy 2016 - 2019](#); [Medium Term Financial Plan 2016 - 2019 \(MTFP\)](#); [Performance Management Framework](#); [Police, Crime and Victim's Plan 2016 - 2021](#); [Regeneration Statement 2012 – 2022](#); [Risk Management Strategy and Policy](#); [Safe Durham Partnership Plan 2016 - 2019](#); [Sustainable Community Strategy \(SCS\) 2014 – 2030](#).

C1 Defining outcomes

- 4.25. The [Sustainable Community Strategy \(SCS\) 2014 – 2030](#), which has been produced by the Council in conjunction with its partners on the [County Durham Partnership](#), and demonstrates its shared long-term vision for the future of County Durham. This vision for County Durham, namely 'Altogether Better Durham' outlines five priority themes, which represent the major issues identified by residents:

- Altogether wealthier – focusing on creating a vibrant economy and putting regeneration and economic development at the heart of all our plans. This theme is supported by the [Regeneration Statement 2012 – 2022](#) and the [County Durham Plan](#);
- Altogether better for children and young people – ensuring children and young people are kept safe from harm and that they can

'believe, achieve and succeed'. This theme is supported by the [Children, Young People and Families Plan 2016 - 2019](#);

- Altogether healthier – improving health and wellbeing, supported by the [Joint Health and Wellbeing Strategy 2016 - 2019](#);
- Altogether greener – ensuring an attractive and 'liveable' local environment and contributing to tackling global environmental challenges. This theme is supported by the [County Durham Plan](#);
- Altogether safer – creating a safer and cohesive county, supported by the [Safe Durham Partnership Plan 2016 - 2019](#) and the [Police, Crime and Victims' Plan 2016 - 2021](#).

4.26. In addition to the above arrangements, the Council defines outcomes by,

- Setting out, in the [Council Plan 2016 - 2019](#) and individual [service plans](#), supporting policies, plans and strategies, set out the key actions to be taken in support of delivering the longer term goals in the [SCS](#) and the Council's own improvement agenda.
- Developing, through the [Medium Term Financial Plan 2016 - 2019 \(MTFP\)](#), a financial framework in line with the [Council Plan](#) that enables members and officers to ensure policy initiatives can be planned for delivery within available resources and can be aligned to priority outcomes.
- Subjecting the delivery of the [Council Plan](#) and the [Medium Term Financial Plan](#) to detailed and frequent monitoring undertaken by Corporate Management Team and Cabinet.
- Supporting decision making and project management processes with the [Performance Management Framework](#) and the [Risk Management Strategy and Policy](#).
- Seeking, through the [Customer First Strategy and Customer Services Charter](#), which link to the wider priorities of the Council, to broaden accessibility to information and services in an economically efficient way, taking account of increased demand for services, changes to the welfare system and reducing budgets.

C2 Sustainable economic, social and environmental benefits

4.27. The Council considers and balances the combined economic, social and environmental impact of policies and plans when taking decisions about service provision, taking a longer-term view with due regard to the wider public interest and potential risks. The Council is committed to acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints. This is achieved by:

- Pursuing economic and environmental benefits through the *Altogether Wealthier* and *Altogether Greener* themes respectively, and pursuing social benefits through the other themes.
- Using decision making processes, which include management of performance and risks, to support the achievement of high level objectives in furtherance of economic, social and environmental benefits.
- Pursuing economic, social and environmental benefits in the development the [Medium Term Financial Plan](#).

- Preparing the capital budget reflecting the priorities detailed in the [Council Plan](#), using criteria laid down in the [Corporate Capital Protocol](#), the [Asset Management Plan](#).
- Advising Cabinet on the [Capital Programme](#) through the Member Officer Working Group for Capital, which is responsible for scrutinising capital budget revisions and monitoring progress on schemes.
- Following the principles of decision making set out in the [Constitution](#), Article 12.
- Guiding members and employees in their relations with one another and seeking to enhance and maintain integrity by demanding very high standards of personal conduct through the [Protocol on Member/Officer Relations](#) ([Constitution](#), Part 5).
- Determining, through the [Consultation & Engagement Strategy](#), 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.

4.28. The Council ensures fair access to services by,

- Using the [Equality Policy](#) to reinforce the Council's public sector equality duty and prevent negative outcomes from Council decisions for people with protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sexual orientation).
- Supporting the [Equality Policy](#) with an impact assessment process, which ensures that the impact on equality is considered in the Council's decision making.
- Promoting equality and diversity across all of the Council's work through the Overview and Scrutiny Management Board and Scrutiny Committees.

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

Why this is important

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

How we meet this principle

4.30. Key governance documents supporting Principle D include:

[Constitution](#) – Budget and Policy Framework Procedure Rules (Part 4); Decision Making (Article 12); Financial Procedure Rules (Part 4); Overview and Scrutiny Arrangements (Article 6).

[Other](#) – [Capital Programme](#); [Council Plan and service plans](#); [Medium Term Financial Plan 2016 - 2019 \(MTFP\)](#); [Partnership Governance Framework](#); [Performance Management Framework](#); [Overview and Scrutiny Annual Report](#); [Risk Management Strategy and Policy](#); [Sustainable Community Strategy \(SCS\) 2014 – 2030](#); [Sustainable Commissioning and Procurement Policy](#).

D1 Determining interventions

- 4.31. The Council ensures that decision makers receive objective and rigorous analysis of a variety of options, indicating how intended outcomes would be achieved and highlighting associated risks, in order to secure best value regardless of the service delivery method. This is combined with considering feedback from citizens and service users about proposed 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. This is achieved by:
- Embedding the pursuit of value for money into all of the Council's decision making processes through the 'effective use of resources' objective under the Altogether Better Council theme.
 - Frequently undertaking reviews to provide assurance that value for money services are being provided.
 - Using residents' and other stakeholders' views with high level analysis of the equalities impact to shape proposals in the [Medium Term Financial Plan](#).

D2 Planning interventions

- 4.32. The Council's arrangements for planning the interventions for the achievement of its intended outcomes are,
- Establishing and implementing, through the [Council Plan](#) and [Medium Term Financial Plan](#) monitoring, robust planning and control cycles that cover strategic and operational plans, priorities and targets.
 - Engaging with internal and external stakeholders, through participative budgeting and other consultation techniques, 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, through the [Partnership Governance Framework](#) and the [Risk Management Strategy and Policy](#).
 - Ensuring, through the [Council Plan](#) and business continuity planning, that arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances.
 - Determining, during the development of the [Sustainable Community Strategy](#) and the [Council Plan](#) how the performance of services and projects will be measured, and linking these arrangements to a locally led [performance management framework](#), which ensures that attention is focused on Council priorities.
 - Using key target indicators in areas where improvements can be measured regularly and can be actively influenced by the Council and its partners.

- Comparing performance with that of other Councils using a recognised, online tool.
- Undertaking, through the Overview and Scrutiny Committees, in-depth, evidence-based reviews of services, the findings of which are outlined in the [Overview and Scrutiny Annual Report](#).
- Preparing budgets in accordance with the [Sustainable Community Strategy](#), the [Council Plan](#) and the [Medium Term Financial Plan](#).
- Informing medium and long term resource planning by determining, through Cabinet in consultation with the Chief Financial Officer, the general budget strategy and issuing annual guidelines to Members and Chief Officers on preparing:-
 - A detailed revenue budget for the following year and the [MTFP](#);
 - The [Capital Programme](#);
 - The timetable for developing and agreeing the Council's revenue and capital budget.

D3 Optimising achievement of intended outcomes

4.33. The Council optimises the achievement of its outcomes by,

- Developing, through the [Medium Term Financial Plan](#), a financial framework in line with the [Council Plan](#) to deliver policy initiatives within available resources and aligned to priority outcomes.
- Developing the budgeting process in line with Budget and Policy Framework Procedure Rules, to ensure that it is all-inclusive, and takes into account the full cost of operations over the medium and longer term.
- Ensuring, through the development of the [MTFP](#) and [Council Plan](#) that partners and stakeholders have a clear view of the Council's priorities, targets and financial plans over the forthcoming period of four years.
- Seeking, through the [Sustainable Commissioning and Procurement Policy](#), to implement procedures that protect the long-term interests of the communities we represent, in line with the Public Services (Social Value) Act 2012.
- Instructing bidding organisations bring this policy to the attention of bidders.

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

Why this is important

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

How we meet this principle

4.35. Key governance documents supporting Principle E include:

[Constitution](#) – Decision Making (Article 12); The Executive (Article 7); Financial Procedure Rules (Part 7); Officer Scheme of Delegations (Part 3); Overview and Scrutiny Arrangements (Article 6); Protocol for Chairman and Vice-Chairman (Part 5); Protocol for member of the public wishing to ask a question at Council.

[Other](#) – Area Action Partnerships Terms of Reference; [Attendance Management Policy](#); [Corporate Asset Management Plan](#); [County Durham Compact](#); [Durham Manager Programme](#); [Health, Safety and Wellbeing Strategy](#); [Members Learning and Development Strategy](#); Office Accommodation Strategy; [Organisational Development Strategy](#); Property Strategy; Service Asset Management Plans.

E1 Developing the Council's capacity

4.36. The Council ensures the continuing effectiveness of its operations, performance and use of assets by,

- Regularly monitoring the condition, suitability, sufficiency and accessibility of property under the [Office Accommodation Strategy](#) and the [Corporate Asset Management Plan](#) to ensure that best use is made of assets in terms of service benefit, financial benefit and value for money.
- Setting out in the [Property Strategy](#) the main principles to ensure that opportunities to share the use of property are identified, and to make sure that assets are fit for purpose, cost effective and used to support regeneration and economic development.
- Consulting local communities and partners, where appropriate, about alternative methods of continuing to provide front line services.
- Maintaining [Service Asset Management Plans](#), which include any heritage assets of the holding service.
- Advising Cabinet on the [Capital Programme](#) through the Member Officer Working Group for Capital, which is responsible for scrutinising capital budget revisions and monitoring progress on schemes.

4.37. The Council strives to improve the use of its resources to ensure that they are allocated in a way that realises outcomes effectively and efficiently. This is achieved by:

- Using benchmarking data from statutory returns to inform programmes of VFM reviews and savings options in various service areas in order to ensure that defined outcomes are achieved effectively and efficiently.
- Using data from commercial benchmarking clubs, to facilitate meaningful comparisons with other Councils.
- Providing, through the [County Durham Compact](#), a framework for partnership and engagement with the voluntary and community sector where added value can be achieved.
- Including in the [County Durham Partnership](#) a range of key public, private and voluntary sector organisations that work together to improve the quality of life for the people within County Durham.

- Managing, within service groupings, informal, collaborative working arrangements with external organisations.
- 4.38. The Council maintains an effective workforce plan, through the [Organisational Development Strategy](#), to enhance the strategic allocation of resources.

E2 Developing the capability of the Council's leadership and other individuals

- 4.39. The Council ensures 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. This is achieved by:
- Setting out in the [Constitution](#) how the Executive is made up and how appointments to this committee are made.
 - Electing the Leader under the terms of the [Constitution](#), and making appointments to a number of committees with various regulatory and scrutiny responsibilities.
 - Setting out in the [Constitution](#) a protocol for the Chairman and Vice-Chairman of the Council that includes an expectation of political neutrality and acting as the conscience of the Council.
 - Nominating, through the Leader, nine other councillors, including a Deputy Leader, with specific responsibilities to form the Cabinet.
 - Allocating, through the Leader under the terms of the [Constitution](#), roles and responsibilities to individual members and the Executive Committee as a whole.
 - Supporting the above arrangements with a number of formal member and officer working groups.
- 4.40. The Council makes a clear distinction between the types of decisions that are delegated and those reserved for the collective decision making of the Council in the [Constitution](#), which is published on the website.
- 4.41. The Council clearly defines in the [Constitution](#) the respective roles of the leader and the chief executive, whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.
- 4.42. The Council continually seeks to develop 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. This is achieved by:
- Ensuring, through the [Members Learning and Development Strategy](#) and the [Organisational Development Strategy](#), that members and staff are provided with induction training tailored to their role and individual training and development plans.
 - Ensuring, through respective appraisal schemes, that 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
- Promoting excellence in learning through membership of the North East Public Service Academy.
- Using initiatives such as the [Durham Manager Programme](#) to support managers in meeting the changing needs of the Council, and e-learning as an efficient means of training employees.

4.43. The Council encourages public participation by,

- Administering 14 multi-agency Area Action Partnerships (AAPs) that enable local people and organisations to comment on how services are provided.
- Inviting members of the public to attend Council meetings.
- Including a protocol for member of the public wishing to ask a question at Council.

4.44. The Council ensures that the leadership's own effectiveness is considered and that leaders are open to constructive feedback from peer review and inspections by,

- Monitoring the decisions of the Executive through the Overview and Scrutiny Management Board, which has the power to:-
 - “call-in” decisions which have been made but not yet implemented; and
 - recommend that their decisions are reconsidered.
- Consulting the Overview and Scrutiny Management Board on forthcoming decisions or the development of policy.
- Assessing the skills required by members and officers through personal development plans, and making a commitment to develop those skills to enable roles to be carried out effectively.
- Developing skills on a continuing basis, through implementation of the [Members Learning and Development Strategy](#), to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.

4.45. The Council strives to maintain effective arrangements to meet employees' needs in terms of training, development, health and wellbeing by,

- Assessing the skills required by officers through personal development plans, and making a commitment to develop those skills to enable roles to be carried out effectively.
- Managing the performance and development of employees through an annual appraisal process.
- Supporting employees through the [Health, Safety and Wellbeing Strategy](#). Focusing on rehabilitation, through the [Attendance Management Policy](#) and a procedure for managing short-term absences, to support attendance at work using an early intervention procedure with assistance from Occupational Health.
- Supporting employees through change processes with confidential counselling services through the [Employee Assistance Programme](#) .

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

Why this is important

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

How we meet this principle

- 4.49. Key governance documents supporting Principle F include:

[Constitution](#) – Councillor Call for Action Procedure (Part 4 Overview & Scrutiny Procedure Rules); Decision Making (Article 12); Overview and Scrutiny Arrangements (Article 6).

Other – [Budget Report](#); [Council Plan](#); [Data Protection Policy](#); [Data Quality Policy](#); [Delivering Good Governance in Local Government Framework](#); [Internal Audit Plan, Strategy and Charter](#); [Medium Term Financial Plan](#); [Performance Management Framework](#); [performance reports](#); [Risk Management Strategy and Policy](#); [service plans](#).

[Professional Codes](#) – CIPFA * Code on a Prudential Framework for Local Authority Capital Finance; CIPFA * Statement on the Role of Head of Internal Audit; [Code of Practice on Managing the Risk of Fraud and Corruption, 2014](#); [Public Sector Internal Audit Standards](#).

* Chartered Institute of Public Finance & Accountancy

F1 Managing risk

- 4.50. The Council recognises that risk management is an integral part of all activities and decision making as set out in the [Risk Management Policy and Strategy](#), which defines key roles and responsibilities and is reviewed annually, to maintain robust, integrated and effective risk management arrangements.

F2 Managing performance

- 4.51. The Council ensures that service delivery is effectively monitored by,
- Setting out in [service plans](#) a detailed schedule of actions, which are assigned to responsible officers and incorporated into, and monitored, through the corporate and service performance management arrangements.
 - Monitoring performance and ensuring that effective arrangements are put in place to deal with any failures in service delivery through the Council's Cabinet.
 - Providing assurance through quarterly [performance reports](#) to Corporate Management Team, Cabinet and all scrutiny committees by way of senior management performance clinics during the year.
 - Undertaking key in-depth evidence based reviews through the Overview and Scrutiny Committees.
 - Overseeing quality assurance developments in Children's Services and maintaining strategic oversight of children's services through a Quality Improvement Board.
 - Operating a locally led [performance management framework](#) that links to the [Sustainable Community Strategy](#) [Sustainable Community Strategy](#) and the [Council Plan](#) and ensures that attention is focused on Council priorities.
 - Undertaking benchmarking exercises by comparing performance with that of other Councils using a recognised, online tool.
 - Seeking assurance on the quality of services from external, independent sources.
 - Providing update reports, on [service delivery plans](#) and on progress towards outcome achievement, to Corporate Management Team, Cabinet and Full Council.
- 4.52. The Council endeavours to make the right decisions for the benefit of its stakeholders by,
- Supporting the Council's decision-making processes with a [Risk Management Strategy and Policy](#).
 - Implementing arrangements to ensure that decisions are based on relevant, clear, objective analysis and advice; comply with legal requirements; and take account of the Council's financial, social and environmental position and outlook.
 - Including in the Council's stated principles for decision making the giving of reasons for decisions and supporting them with references to legal or other professional advice and stating the potential implications in terms of finance, staffing, risk, human rights and several other factors.
 - Maintaining an overview and scrutiny function through which members robustly scrutinise, challenge and debate proposed policies and objectives to make decision-making processes transparent, accountable and inclusive.
 - Enabling members to bring matters of local concern to the attention of the Council through the scrutiny process using Councillor Call for Action procedure.
- 4.53. The Council seeks to ensure consistency between specification stages and post implementation reporting by,

- Developing profiled budgets in the main accounting system in line with the [Medium Term Financial Plan](#) to ensure consistency between specification stages and post implementation reporting.
- Issuing Budgetary Control Statements to senior management, Cabinet and Overview and Scrutiny Committees, comparing actual with planned expenditure and showing forecasted overspends with reasons for variance.
- Maintaining and applying Financial Procedure Rules in the [Constitution](#).

F3 Robust internal control

- 4.54. The Council seeks to align the risk management strategy and policies on internal control with achieving objectives, as well as evaluating and monitoring risk management and internal control on a regular basis. This is achieved by:
- Developing, maintaining and delivering an [Internal Audit Plan, Strategy and Charter](#).
 - Including in strategic risk management reports and internal audit reports the potential implications for achieving the Council's objectives.
 - Reporting annually to [Audit Committee](#), through the Chief Internal Auditor and Corporate Fraud Manager, on the adequacy and effectiveness of the Council's internal control environment.
 - Undertaking a self-assessment against both the principles of the CIPFA Statement on the Role of Head of Internal Audit and the [Public Sector Internal Audit Standards](#) (PSIAS), approved by [Audit Committee](#).
 - Undertaking internal annual reviews of the effectiveness of internal audit and an external assessment once every five years as required by the [PSIAS](#).
 - Undertaking a review of the effectiveness of the Council's corporate governance arrangements in line with the Delivering Good Governance in Local Government Framework.
 - Maintaining an [Audit Committee](#), which is independent of the Executive and accountable to the Full Council, to
 - provide a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment;
 - advise both the Council and the Cabinet on audit and governance issues in order to provide independent and effective assurance about the adequacy of financial management and reporting, and the management of other processes required to achieve the organisation's corporate and service objectives;
 - make recommendations, which are listened to and acted upon.
- 4.55. The Council ensures that effective counter fraud and anti-corruption arrangements are in place by maintaining a dedicated [Corporate Fraud Team](#) to support its counter fraud arrangements through the [Counter Fraud and Corruption Strategy](#), and working towards compliance with the [Code of Practice on Managing the Risk of Fraud and Corruption, 2014](#).

F4 Managing data

- 4.56. The Council ensures that effective arrangements are in place for the safe collection, storage, use and sharing of data, including decision making and processes to safeguard personal data. This is achieved by:
- Managing data in accordance with the [Data Protection Policy](#), [Data Quality Policy](#), [Records Management Policy](#) and various data sharing protocols, with oversight by the Information Governance Group, to ensure that the arrangements in place are effective.
 - Designating the Director of Transformation and Partnerships as the Senior Information Risk Officer to strengthen the Council's arrangements for maintaining good-quality information.
 - Holding regular meetings with the Head of Planning and Performance, Head of ICT Services and the Council's designated Caldicott Guardian.
 - Providing an online Data Protection Act training module for employees.
 - Maintaining strong data protection arrangements regarding data sharing with other bodies through standardised subject access requests, a privacy impact assessment process, data sharing agreements and a data sharing register.
 - Undertaking a rolling programme of audits to check the quality and accuracy of data used in decision making and performance monitoring.

F5 Strong public financial management

- 4.57. The Council aims to ensure that financial management supports both long term achievement of outcomes and short-term financial and operational performance. This is combined with seeking to ensure that well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls. Investing resources in line with long-term outcomes and priorities as described in the Managing Resources section of the [Council Plan](#), which contains a set of actions with proposed outcomes.
- Making the links with priorities and outcomes detailed in the Council's [Budget Report](#).
 - Complying with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance, subject to external audit review.
 - Ensuring delivery of transformational change while maintaining service delivery through the [Medium Term Financial Plan](#) process.
 - Gaining independent assurance of value for money from the External Auditor.

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

Why this is important

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

How we meet this principle

4.59. Key governance documents supporting Principle G include:

[Constitution](#) – Local Code of Corporate Governance (Part 5).

Other – [Annual Governance Statement](#); [Annual Statement of Accounts](#); [Local Government Transparency Code 2015](#); [Partnership Governance Framework](#); [Transparency and Accountability webpage](#).

G1 Implementing good practice in transparency

4.60. 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.

4.61. The Council aims to strike a proper balance between providing the right amount of information in a manner that is transparent and enhances public scrutiny while not being too onerous to provide and which readers can interpret. The Council also endeavours to write and communicate reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience, while seeking to ensure that they are easy to access and interrogate. This is achieved by:

- Maintaining a website that is designed to make it easy for users to find information and includes a [Transparency and Accountability webpage](#) to comply with the [Local Government Transparency Code 2015](#).
- Publishing information on the website about services provided, land and assets owned by the Council, organisational structures and salaries, counter fraud, how money is spent and how services are bought.

G2 Implementing good practices in reporting

4.62. The Council is committed to reporting to stakeholders at least annually on performance, value for money and stewardship of resources in a timely and understandable way, while ensuring members and senior management own the results reported. This is achieved by:

- Developing the [Annual Statement of Accounts](#) incorporating the [Annual Governance Statement](#).
- Publishing the [Annual Statement of Accounts](#) on the website, following approval by [Audit Committee](#), taking account of the views of the External Auditor, in line with the Accounts and Audit Regulations.
- Publishing the [Audit Completion Report](#) and Certification of Claims and Returns Annual Report, which provides assurance on the Council's system of financial management.
- Including with published information, the minutes of meetings approving reports to ensure that members and senior management own the results reported.

- 4.63. The Council seeks to ensure that robust arrangements are maintained for assessing and reporting on the effectiveness of its own governance arrangements, as well as those of related organisations. This is achieved by:
- Developing and maintaining a [Local Code of Corporate Governance](#), approved by [Audit Committee](#), setting out how the Council will meet the principles of good governance.
 - Assessing the Council's corporate governance arrangements against its [Local Code of Corporate Governance](#), led by the Corporate Director, Resources in consultation with the Improvement and Planning Group.
 - Ensuring, through the [Partnership Governance Framework](#), that the corporate governance arrangements of partners and jointly managed or shared service organisations are consistent with the Council's [Local Code of Corporate Governance](#).
 - Reporting the outcome of the corporate governance review, including planned actions for improvement, in the [Annual Governance Statement](#), approved by the Corporate Management Team and the [Audit Committee](#), and signed by the Leader of the Council and Chief Executive.
- 4.64. The Council seeks to ensure that it produces financial statements on a consistent and timely basis, in accordance with Financial Reporting Standards, in a way that enables comparison with other, similar organisations.

G3 Assurance and effective accountability

- 4.65. The Council seeks to provide assurance with regard to its arrangements for governance and internal control by,
- Operating an Internal Audit service, with direct access to members, as a key part of the Council's corporate governance arrangements with the primary aim of supporting the Council to achieve its objectives by helping services to identify, assess, and manage risks, which may prevent or hinder objectives being achieved effectively.
 - Ensuring that agreed recommendations made by Internal Audit and External Audit are acted upon by tracking and reporting their progress to [Audit Committee](#).
 - Complying with CIPFA's Statement on the Role of the Head of Internal Audit (2010).
 - Applying the [Public Sector Internal Audit Standards](#) within all of procedures of the Internal Audit Service.
- 4.66. The Council welcomes peer challenge, reviews and inspections from regulatory bodies and seeks to ensure that recommendations are implemented.
- 4.67. The Council seeks to gain assurance on risks associated with delivering services through third parties by,
- Managing relationships with partners through the [Partnership Governance Framework](#), which seeks to ensure that:
 - members are clear about their roles and responsibilities;
 - there is clarity about the legal status of the partnership;

- representatives both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.

5. Monitoring and Review

5.1. The [Audit Committee](#) and the [Standards Committee](#) are responsible for monitoring and reviewing the various aspects of the Council's Corporate Governance arrangements.

5.2. The [Audit Committee](#) is responsible for the Council's arrangements relating to:

- Monitoring and reviewing the risk, control and governance processes, and associated assurance processes to ensure internal control systems are effective and that policies and practices are in compliance with statutory and other regulations and guidance;
- Approving the Council's Accounts prior to approval by the County Council;
- Reviewing a draft of this Code of Corporate Governance and recommending any amendments required before it is considered for approval by the Constitution Working Group and Full Council;
- External audit and internal audit;
- Risk Management;
- Making recommendations concerning relevant governance aspects of the [Constitution](#);
- Reviewing the effectiveness of Internal Audit.

5.3. Each year the Council is required to publish a Governance Statement. This process is managed by the Resources Management Team and overseen by the [Audit Committee](#) who is responsible for approving it. The Annual Governance Statement provides an overall assessment of the Council's corporate governance arrangements and an appraisal of the key controls in place to manage the Council's principal governance risks, together with proposed improvements that will be made. This governance review process helps inform any amendments required to this Code of Corporate Governance.

5.4. The Annual Governance Statement will be published as part of the Council's Annual Statement of Accounts and will be reviewed by our External Auditors as part of their annual audit process.

5.5. The [Standards Committee](#) is responsible for promoting high ethical standards across the Council, overview of the Member and Officer codes and other relevant protocols.

5.6. These two Committees will ensure that the Council's governance arrangements are kept under continual review through;

- Reports prepared by officers with responsibility for aspects of this Code;
- The work of Internal Audit;
- External Audit opinion;
- Other review agencies and Inspectorates;
- Opinion from the Council's Statutory Officers.

- 5.7. The Council also has an Overview and Scrutiny Management Board and six Overview and Scrutiny Committees who support the work of the Executive and the Council as a whole. They allow a greater involvement in Council business by involving non-councillors from the wider public sector, and voluntary and community groups to help them in their work, and also work with Partners, including the [County Durham Partnership](#). They may also be consulted by the Executive or the Council on forthcoming decisions or the development of policy. The terms of reference of the Overview and Scrutiny Management Board and its Committees are described in the [Constitution](#).
- 5.8. Within their terms of reference, the Overview and Scrutiny Management Board and Overview and Scrutiny Committees will:
- Review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;
 - make reports and/or recommendations to the full Council and/or the Cabinet in connection with the discharge of any functions; consider any matter affecting the area or its inhabitants; and
 - exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the Executive in accordance with the Overview and Scrutiny Procedure Rules.
 - Work to ensure that communities are engaged in the scrutiny process; and consider and implement mechanisms to encourage and enhance community participation in the development of policy options.
 - Promote equality and diversity across all of its work and the work of the County Council.