

## Audit Committee

22 November 2012

### Local Code of Corporate Governance

### Report of Corporate Management Team



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**Don McLure, Corporate Director Resources**

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#### Purpose of the Report

1. This report seeks approval of the revised Local Code of Corporate Governance, attached in Appendix 2.

#### 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. The Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework – 'Delivering Good Governance in Local Government' and is based upon the 6 core principles. This Code is a public statement, included in the Constitution, 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.
4. In line with agreed practice, the Code has been revised following the completion of our annual review of the effectiveness of the Council's corporate governance arrangements. The revised Code is attached in Appendix 2, **with deletions from the previous Code marked with a strikethrough, and other changes underlined.**

#### Recommendations and reasons

5. To recommend the revised Local Code of Corporate Governance, attached in Appendix 2, to the Constitution Working Group for inclusion in the Council's Constitution.

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**Contact: David Marshall Tel: 0191 3834311**

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## **Appendix 1: Implications**

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**Finance** - Financial planning and management is a key component of effective corporate governance.

**Staffing** - Ensuring the adequate capability of staff meets a core principle of the CIPFA/ SOLACE guidance.

**Risk** – Not a key decision

**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** - 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.

# **DURHAM COUNTY COUNCIL**

## **LOCAL CODE OF CORPORATE GOVERNANCE**

## INTRODUCTION

Corporate governance is a term used to describe how organisations direct and control what they do. As well as systems and processes this includes cultures and values. For local authorities this also includes how a council relates to the communities that it serves. Good corporate governance requires local authorities to carry out their functions in a way that demonstrates accountability, transparency, effectiveness, integrity, impartiality and inclusivity. Corporate governance is also the structure through which strategic objectives are set and performance monitored. Best practice principles in that regard flow from the three core components of the Turnbull report, namely; the assessment of corporate risk; effective management systems and the enabling of the organisational culture.

Durham County Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively.

This Code is a public statement that sets out the way the Council will meet that commitment. As such it represents a key component of the Council's governance arrangements. The Code has been developed in accordance with and is consistent with the CiPFA / SOLACE Delivering Good Governance in Local Government Framework and is based upon the following 6 core principles:

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

In the following tables, the Code details how the Council meets these core 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.

The mechanisms for monitoring and reviewing the Council's corporate governance arrangements are set out in the Code.

## THE COUNCIL'S CORPORATE GOVERNANCE PRINCIPLES

### 1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

Supporting Principle	To achieve this:
1.1 Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users.	<p>The <u>Sustainable Community Strategy 2010-30</u> (SCS) and accompanying three year action plan produced by the Council in conjunction with its partners on the County Durham Partnership (CDP) demonstrates its shared long-term vision for the future of County Durham, namely 'Altogether Better Durham' and is based on consideration of a broad range of information and evidence and consultation with a wide range of stakeholders.</p>
1.2 Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning	<p>The CDP Performance Management Framework, which is a locally led performance framework, measures the impact and progress of the SCS over a three year period, and presents a balanced scorecard, via a of a basket of indicators aligned to the priority themes and key objectives.</p> <p>Timely, objective and understandable information about the Council's activities, achievements, performance and financial position is provided by annually publishing:</p>
1.3 Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money	<ul style="list-style-type: none"> <li>• The <u>Council Plan</u>, which contains the Council's corporate priorities and the key actions to take in support of delivering the longer term goals in the SCS and the Council's own improvement agenda;</li> <li>• Service Plans at a Service Grouping level which detail the planned actions to deliver the Council's vision;</li> <li>• Externally audited Annual Statement of Accounts;</li> <li>• Independently verified performance information.</li> </ul> <p>The Council aims to deliver high quality services by:</p> <ul style="list-style-type: none"> <li>• Developing effective relationships and partnerships with other public sector agencies and the private and voluntary sectors;</li> <li>• Responding positively to the findings and recommendations of external auditors and statutory</li> </ul>

Supporting Principle	To achieve this:
	<p>inspectors and putting in place arrangements for the implementation of agreed actions;</p> <ul style="list-style-type: none"> <li>• Ensuring procurement practices are effective and securing external funding where available;</li> <li>• Identifying performance improvements through the development and monitoring of Council and Service plans.</li> <li>• Linking other governance processes and procedures, such as the Asset Management Plan and Partnership Governance Framework, to the Council priorities.</li> </ul> <p>The Council has appropriate performance frameworks for specific areas of service and for partnership arrangements:</p> <ul style="list-style-type: none"> <li>• The Council Plan, the SCS, Area Action Partnerships, and the Medium Term Financial Plan (MTFP), contribute into the corporate performance management arrangements, and the Council has a framework of quarterly reporting to Cabinet and Overview and Scrutiny on corporate performance;</li> <li>• The Development Improvement Group, which oversees the performance management arrangements of the CDP, <del>consists of two groups, namely a performance group that meets quarterly to consider performance, and a strategic group made up of high level officers from the Council, Police, Fire and Health which meets monthly. This latter group considers how key public sector plans for change align, and where efficiencies and greater value for money can be achieved through strategic integration, shared services and joint commissioning;</del></li> <li>• The Improvement and Planning Group (IPG) oversee Council performance management issues;</li> <li>• <u>The Council has a locally led performance management framework;</u></li> <li>• Quarterly performance sessions in each Service to review performance;</li> <li>• Extended Management Team meetings; consisting of Chief Executive, Directors and Heads of Service, which include a programme of activity linked to the strategic management of the Council;</li> <li>• <u>Project Boards and Task and Finish Groups;</u></li> <li>• A Quarterly Performance Management <u>Report</u> to Cabinet produced by all Service Groupings which includes a summary of achievements and identifies areas with significant performance challenges where a more in depth analysis of performance and improvement work should be</li> </ul>

Supporting Principle	To achieve this:
	<p>carried out;</p> <ul style="list-style-type: none"><li data-bbox="658 300 2072 368">• Members robustly scrutinise performance through a number of scrutiny reviews of Council services;</li><li data-bbox="658 376 2072 483">• A comprehensive schedule of the necessary savings to enable us to deliver a balanced budget and MTFP are achieved. Detailed and frequent monitoring of this programme is undertaken by CMT and Cabinet;</li><li data-bbox="658 491 2072 560">• The performance and quality of service delivery of the Community and Voluntary sectors is measured against a standard Service Level Agreement that they all work to.</li></ul>

## 2. Members and officers working together to achieve a common purpose with clearly defined functions and roles

Supporting Principle	To achieve this:
2.1 Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function	<p>The Council ensures that the necessary roles and responsibilities for the governance of the Council are identified and allocated so that it is clear who is accountable for decisions that are made. The Council does this by:</p> <ul style="list-style-type: none"> <li>• Electing a Leader of the Council and nominating a Cabinet made up of Cabinet Members with defined executive responsibilities;</li> <li>• Clearly describing, in the Council's <u>Constitution</u>, the roles of the Members and Senior Officers;</li> <li>• <del>the role of the Leader and Deputy Leader of the Council, Executive Members, Executive Support Members, the Chairman and Vice Chairman of the Council, the Chairman and Vice Chairman of a Committee, Opposition Group Leader, Frontline Councillors, Corporate Parenting Panel Members, Non-Elected Members, the Chief Executive and other Statutory senior management appointments;</del></li> <li>• <del>Detailing the collective role and management arrangements for the Corporate Management Team and Extended Management Team in the Corporate Management Framework;</del></li> <li>• Agreeing a scheme of delegated responsibilities to Directors;</li> <li>• The Chief Executive being responsible and accountable for all aspects of operational management (Head of Paid Service);</li> <li>• A nominated Senior Officer being responsible for the proper administration of its financial affairs (S151 Officer) <u>and to fulfil the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). The CFO also provides an opinion under section 25 of the Local Government Act 2003 on the reserves for the County Council, which Members consider when setting the budget. A nominated Senior Officer being responsible for actions taken in accordance with Statute and Regulation (Monitoring Officer);</u></li> <li>• Annually appointing Committees to discharge the Council's Regulatory and Scrutiny responsibilities;</li> <li>• Maintaining effective and comprehensive arrangements for the scrutiny of services and for holding the Cabinet to account;</li> <li>• Maintaining protocols that ensure effective communications between Members and Officers;</li> </ul>
2.2 Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard	
2.3 Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other	



Supporting Principle	To achieve this:
	<ul style="list-style-type: none"> <li>• Maintaining a Councillor Compact outlining the mutual expectations of the Officers and Members;</li> <li>• The Leader of the Council regularly reviewing the Cabinet member portfolios.</li> </ul> <p>The Council enhances constructive working relationships between authority Members and Officers by:</p> <ul style="list-style-type: none"> <li>• The Leader of the Council and Chief Executive meeting on a weekly basis to discuss emerging issues, management and policy items;</li> <li>• Members and Officers working together on the workload of the Cabinet which is managed through a system of Cabinet pre-agenda meetings;</li> <li>• Corporate Directors holding regular briefing sessions with Cabinet Portfolio Members and support Members;</li> <li>• <u>The Head of Legal and Democratic Services meets with the Chairman and Vice-Chairman immediately prior to each Council meeting to discuss the arrangements of business;</u></li> <li>• <u>Member remuneration is overseen by an independent panel;</u></li> <li>• Clear principles of how media relations work with elected Members.</li> </ul> <p>When working in partnership, the Council ensures that:</p> <ul style="list-style-type: none"> <li>• Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority;</li> <li>• There is clarity about the legal status of the partnership;</li> <li>• Representatives of the organisations both understand and make clear to all other parties the extent of their authority to bind their organisation to partner decisions;</li> <li>• Formal guidance is provided for Members when representing the Council on outside bodies and partnerships.</li> </ul>

### 3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Supporting Principle	To achieve this:
3.1 Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	<p><u>The key elements of the Council’s approach to communicating and embedding the expected standards of behaviour for Members and staff are detailed in the Council Constitution. The Council’s Codes of Conduct included in the Constitution also apply to its partnership working.</u></p> <p>The Council fosters a culture of behaviour based on shared values, high ethical principles and good conduct. The Council does this by establishing and keeping under review:</p>
3.2 Ensuring that organizational values are put into practice and are effective	<ul style="list-style-type: none"> <li>• <u>Protocols and Codes of Conduct as described in the Council’s Constitution</u></li> <li>• <del>The Code of Conduct for Elected Members, Voting Co-opted Members and Independent Members of the Standards Committee;</del></li> <li>• <del>The Code of Conduct for Employees;</del></li> <li>• <del>The Code of Practice for Members and Officers dealing with planning matters;</del></li> <li>• <del>A Protocol governing Member/Officer relations;</del></li> <li>• <del>Key protocols, such as the Contract Procedure Rules and the Financial Procedure Rules;</del></li> <li>• The Council’s own values on Leadership as enshrined in the Council Plan and evidenced in Codes of Conduct that sets a standard for behaviour;</li> <li>• The Statutory Declaration of Acceptance of Office, which all Members are required to sign. Similar arrangements exist for independent members of the Standards Committee and Voting Co-opted members of the Scrutiny Committee;</li> <li>• The roles of Members and Officers in decision-making;</li> <li>• Appropriate and timely advice and guidance to both Members and Officers;</li> <li>• Systems for reporting and dealing with any incidents of fraud and corruption;</li> <li>• A Register of Interests and declaration of Gifts and Hospitality accepted;</li> <li>• The Single Equalities Scheme and supporting Equality and Diversity Policy;</li> <li>• <u>The Councillor Compact, as described in the Constitution;</u></li> <li>• <u>The Chairman of the Council has the capacity to act as the conscience of the Council.</u></li> </ul>

Supporting Principle	To achieve this:
	<p><u>The Standards Committee has the key governance role of promoting and monitoring high standards of conduct by elected members, independent members and co-opted members. The Committee has responsibilities for:</u></p> <ul style="list-style-type: none"> <li>• <u>A strategic overview of the Council's complaints handling regime;</u></li> <li>• <u>Oversight of other relevant codes and protocols;</u></li> <li>• <u>Promoting and monitoring the application and delivery of these codes and protocols and promoting positive and trusting relationships within the Council;</u></li> <li>• <del>The local assessment of Member conduct complaints in accordance with the Localism Act 2012;</del></li> <li>• <del>Reporting annually to the Council on its business which includes details of Member conduct complaints and Local Government Ombudsman investigations;</del></li> <li>• <u>Communicating openly to a wider public through its Annual Report publicised as part of the Full Council papers;</u></li> <li>• <u>Dealing with any breach of the Member Code under Standards Committee procedures.</u></li> </ul> <p><del>The Council's Standards Committee has an independent Chair and has been given a deliberately broad remit, with responsibilities for:</del></p> <ul style="list-style-type: none"> <li>• <del>All complaints handling and oversight of other relevant codes and protocols;</del></li> <li>• <del>The local assessment of Member conduct complaints in accordance with the Standards Committee (England) Regulations 2008;</del></li> <li>• <del>Promoting and monitoring the application and delivery of these codes and protocols and promoting positive and trusting relationships within the Council;</del></li> <li>• <del>Monitoring complaints handling by Services, including dip sampling of completed investigations;</del></li> <li>• <del>Reporting annually to the Council on its business which includes details of Member conduct complaints and Local Government Ombudsman investigations;</del></li> <li>• <del>Communicating openly to a wider public through its Annual Report publicised as part of the Full Council papers;</del></li> <li>• <del>Dealing with any breach of the Member Code under Standards Committee Procedures.</del></li> </ul>

Supporting Principle	To achieve this:
	<p>The Confidential Reporting Code (Whistle blowing policy) and the Council's <u>complaints procedures</u> provide mechanisms for the public to raise concerns about potential breaches of conduct. They are accessible on the Council's website, are communicated to all Officers and Members, and have been brought to the attention of School Governing Bodies. These procedures form part of the Council's approach to counter-fraud and are linked to the Councils' <u>Counter Fraud and Corruption Strategy</u>.</p> <p>All <del>Standards Board</del> investigations into Member conduct are maintained and monitored by the Monitoring Officer and her staff.</p> <p>Any breach of the Employee Code of Conduct is investigated in accordance with the Council's disciplinary procedure.</p> <p>Under the Member Code of Conduct, Members (including Co-Opted Members with voting rights):</p> <ul style="list-style-type: none"> <li>• are required to register details of their <u>disclosable pecuniary interests and other personal registerable interests</u> in the Authority's <u>Register of Gifts, Interests and Hospitality</u>, which is available on-line;</li> <li>• who become aware of any changes to his/her interests to provide details of that change to the Monitoring Officer within 28 days;</li> <li>• are required to review their declarations of standing interests on an annual basis.</li> </ul> <p><u>In terms of disclosure of gifts, hospitality and interests, assurance is gained over Member declarations and registrations by the Monitoring Officer maintaining and monitoring the Register of Gifts, Interests and Hospitality for Members.</u></p> <p><u>Disclosable pecuniary interests</u>, gifts and hospitality, conflicts of interest and other <u>registerable personal interests</u> are registered as and when required throughout the year, and details are available online. Member declarations and registrations, <u>which are available online</u>, are maintained and monitored by the Monitoring Officer and her staff.</p>

Supporting Principle	To achieve this:
	<p>The Monitoring Officer issues advice and guidance (usually on an annual basis) reminding Corporate Directors of their responsibilities under the Code of Conduct in relation to gifts and hospitality. Staff declarations are maintained and monitored by their Head of Service.</p> <p><del>Quarterly statistics and annual returns containing information about the effectiveness of local standards arrangements are submitted online to the Standards Board for England by the Council's Monitoring Officer.</del></p> <p><del>The Council uses the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority.</del></p> <p><del>The Council's partnership governance framework makes clear reference to Codes of Conduct applying to any partnership working.</del></p> <p>In pursuing the vision of a partnership, the Council agrees a set of behavioural values with our key partners, against which decision making actions can be judged. Such values are demonstrated by partners' behaviour both individually and collectively.</p>

#### 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Supporting Principle	To achieve this:
4.1 Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	<p>The Council's <u>Constitution</u> sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are effective, transparent and accountable to local people and is reviewed and amended on an annual basis as required.</p> <p>The Council is transparent about how decisions are taken and recorded. The Council does this by:</p>
4.2 Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs	<ul style="list-style-type: none"> <li>• Ensuring that all decisions are made in public and recording those decisions and relevant information and making them available publicly (except where that information is exempt under the provisions of the Freedom of Information Act or determined as being confidential by Government or otherwise exempt by the Council);</li> <li>• Rules and procedures which govern how decisions are made;</li> <li>• Publishing details of statutory and delegated responsibilities on the Council website as part of the Constitution on the on DCC website;</li> <li>• Publishing an <u>Executive Forward Plan</u> of decisions for next 4 months on the Council website;</li> <li>• A Freedom of Information publication scheme.</li> </ul>
4.3 Ensuring that an effective risk management system is in place	
4.4 Using their legal powers to the full benefit of the citizens and communities in their area	<p><u>Overview and Scrutiny, which consists of an Overview and Scrutiny Management Board and six committees, has the key role to make decision-making processes transparent, accountable and inclusive and to improve services for people by being responsive to their needs.</u></p> <p>The Council ensures that effective, transparent and accessible arrangements are in place for recording and dealing with complaints.</p> <p>The Council ensures that appropriate legal, financial and other professional advice is always considered as part of the decision-making process and the Council will always observe both specific requirements of legislation and general responsibility by law.</p>

Supporting Principle	To achieve this:
	<p>The Council recognises the limits of lawful activity placed on the authority by, for example, the ultra vires doctrine, and observes both the specific requirements of legislation and the general responsibilities placed on the authority by public law but also strives to utilise its powers to the full benefit of the community.</p> <p><del>A Committee Management System is in place to streamline the reporting and decision-making process.</del></p> <p>The Council observes all specific legislative requirements placed upon the authority, as well as the requirements of general law, in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into its procedures and decision making processes.</p> <p>Key CIPFA codes, such as the Code on a Prudential Framework for Local Authority Capital Finance, and the Treasury Management Code, are complied with.</p> <p>The Council operates a risk management approach that aids the achievement of its strategic objectives, supports its decision making processes, protects the Council’s reputation and other assets and is compliant with statutory and regulatory obligations. The Council annually reviews its risk management strategy and policy, which outlines the formal approach to identifying and managing risk.</p> <p>The Council has an Audit Committee with responsibility for 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.</p> <p>The Constitution is reviewed by the Constitution Working Group (CWG), which consists of the lead Members from each political party and is chaired by the Leader of the Council.</p> <p>Information is provided for senior officers to understand what they can or cannot do under the Scheme of Delegation <u>which is reviewed annually.</u></p>

Supporting Principle	To achieve this:
	<p>The Council has appointed the Corporate Director of Resources as Chief Financial Officer (CFO) and Section 151 Officer. The CFO is involved in all Corporate Management Team discussions, and reviews all reports to Cabinet which have financial implications. The CFO also provides an opinion under section 25 of the Local Government Act 2003 on the reserves for the County Council, which Members consider when setting the budget.</p> <p>The Council ensures the services it delivers are effective and meet the community's needs by:</p> <ul style="list-style-type: none"> <li>• Delivering services to meet local needs through the SCS, and putting in place policies and processes to ensure that they operate effectively in practice;</li> <li>• <u>Performance and budgetary monitoring and reporting;</u></li> <li>• <u>Consultation and engagement with stakeholders;</u></li> <li>• <del>Comprehensive consultation to develop the SCS and the accompanying three year action plan</del></li> <li>• <del>Recording and reviewing the number and type of complaints, average time to respond and the number of satisfied customers who have used this process. These reports can be found on the Council's intranet and website;</del></li> <li>• Comparing information about our services with services provided by similar organizations assessing why levels of efficiency, effectiveness and quality are different elsewhere and considering other alternative means of service provision to maximise opportunities and improve value for money where appropriate;</li> <li>• <del>Holding various public consultation events;</del></li> <li>• Multi-agency Area Action Partnerships (AAP) who are fully engaged with identifying and resolving local priorities, and utilise locality budgets allocated to each AAP to drive improvements to service quality. Progress on achieving these improvements is monitored by the AAP Boards;</li> <li>• <del>Producing a Performance Statement quarterly that includes a summary of achievements and identifies areas with significant performance challenges where a more in depth analysis of performance and improvement work should be carried out;</del></li> </ul> <p>Regularly presenting to Cabinet and Corporate Management Team reports on the budgetary control statement and quarterly outturn reports.</p>



## 5. Developing the capacity and capability of members and officers to be effective

Supporting Principle	To achieve this:
<p>5.1 Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles</p>	<p>The Council ensures that those charged with the governance of the Council have the skills, knowledge and experience they need to perform well. The Council does this by:</p> <ul style="list-style-type: none"> <li>• Operating robust recruitment and selection processes;</li> <li>• Implementing a Member Development Strategy;</li> <li>• Maintaining the Investor in People Standard;</li> <li>• Cascading regular information to Members and Staff;</li> <li>• Investing in Member and Officer Leadership Training;</li> <li>• Providing resources that support Member and Officer Development;</li> <li>• Promoting schemes and supporting ongoing professional development;</li> <li>• Consistent application of the People and Organisational Strategy;</li> <li>• An Employee Support Programme to support employees through the restructuring process associated with the MTFP outcomes;</li> <li>• Personal Development Plans;</li> <li>• Providing training to help Members understand their role on committees;</li> <li>• Assessing personal development needs as part of the induction process for both Members and Officers;</li> <li>• A Member Training and Development Strategy and Member Learning and Development Programme;</li> <li>• Evaluating the effectiveness of Member development planning and evaluation via the Member Development Group which is chaired by a Member;</li> <li>• Individual personal development of <del>senior</del> <u>all</u> officers as part of the Council's employee performance appraisal arrangements.</li> </ul>
<p>5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group</p>	
<p>5.3 Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal</p>	

## 6. Engaging with local people and other stakeholders to ensure robust public accountability

Supporting Principle	To achieve this:
6.1 Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships	<p>The Council seeks and responds to the views of stakeholders and the community by:</p> <ul style="list-style-type: none"> <li>• Forming and maintaining relationships with the leaders of other organisations;</li> <li>• Ensuring Partnership arrangements demonstrate clear, appropriate governance accountabilities;</li> <li>• Producing plans for service delivery within the community;</li> <li>• A County Durham Partnership Community Engagement and Empowerment framework developed by the CDP to shape and support a common vision and approach for community engagement by partners in County Durham, so that people feel able to influence decision making;</li> <li>• Using an approach that recognises that people are different and gives everyone the same or an equal opportunity to information, advice and support in ways that are suited to the needs or circumstances of the individual;</li> </ul>
6.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning	<ul style="list-style-type: none"> <li>• Encouraging a climate of openness by holding regular Cabinet meetings at various locations throughout County Durham including former district council offices;</li> <li>• Encouraging and supporting the public in submitting requests for aspects of the Council's Service to be scrutinised;</li> <li>• Providing and supporting ways for citizens to present community concerns to the Council;</li> <li>• Providing for the public the opportunity to ask questions or make representations at full Council, Cabinet and Regulatory Committees;</li> <li>• Publishing annually a Council Plan providing information in relation to the Council;</li> <li>• Continually developing clear channels of communication;</li> </ul>
6.3 Making best use of human resources by taking an active and planned approach to meet responsibility to staff	<ul style="list-style-type: none"> <li>• Providing a modernised ICT Service that meets the needs and aspirations of the organisation and the communities we serve;</li> <li>• Issuing the Council's newsletter, Durham County News, to every household in the County;</li> <li>• Developing, <u>maintaining and supporting</u> AAPs in fourteen areas of the County to help determine the local priorities for their area which will be fed into the community planning process;</li> <li>• Consulting AAPs and the wider community on the development <u>and implementation</u> of our MTFP to identify local priorities for action, test strategic priorities at a local level and seek innovative ideas from local people on how to realise efficiencies by working more closely with our partners;</li> </ul>

Supporting Principle	To achieve this:
	<ul style="list-style-type: none"> <li>• Consulting with partners when developing the council's own three year MTFP, working with key agencies to develop complementary proposals and consulting on a joint basis with the Police and NHS County Durham and Darlington;</li> <li>• Drawing upon the locality arrangements of other public service providers such as the Police, the County Durham and Darlington NHS Foundation Trust and the Tees, Esk and Wear Valley NHS Foundation Trust through its partnership arrangements;</li> <li>• The Engagement and Third Sector team promoting and supporting the Council's approach to community engagement and supporting Members in their community leadership role;</li> <li>• Providing Member support at County Hall;</li> <li>• Community Development Officers working closely with the Council and communities in building partnerships that strengthen the voice of local people and help the Council improve the way it listens and responds to the people of County Durham;</li> <li>• Undertaking a Countywide <u>Residents Survey</u> on a regular basis;</li> <li>• Consulting effectively with children and young people, service users and carers and key client groups to help plan and be involved in the design, delivery and evaluation of local services;</li> <li>• Staff surveys and consultations with staff and Trade Unions;</li> <li>• 'Open Doors', a responsive staff engagement mechanism which captures and quickly responds to questions, compliments, suggestions and complaints raised by staff.</li> <li>• <u>The Staff Recognition scheme;</u></li> <li>• <u>The Councillor Call for Action process;</u></li> <li>• <u>An appeals mechanism to ensure that the Council has a robust mechanism in place for Petitions, and that petitioners have an opportunity to challenge Council inaction regarding a particular petition issue.</u></li> </ul> <p>The Council has developed a partnership governance framework (PGF) to enable partnerships to be identified, recorded and reported upon to provide a mechanism for their effectiveness to be assessed.</p> <p>To strengthen community governance, the AAP boards comprise seven Members of the public selected through open recruitment; seven Members chosen from partner agencies working in the area and seven selected from local elected Members - including town and parish councillors - on a politically balanced</p>

<b>Supporting Principle</b>	<b>To achieve this:</b>
	<p>basis for that area. They have a rotating chair, so that they are not indefinitely controlled by the County Council administration.</p> <p>The Durham Local Councils Charter outlines the relationship between the County Council and Town and Parish Councils.</p>

## MONITORING AND REVIEW

The Council has two Committees that are responsible for monitoring and reviewing the various aspects of the Council's Corporate Governance arrangements.

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;
- External audit;
- Internal audit;
- Risk Management;
- Making recommendations concerning relevant governance aspects of the Constitution;
- Reviewing the effectiveness of Internal Audit.

The **Standards Committee** has responsibility for promoting high ethical standards across the Council, overview of the Member and Officer codes and other relevant protocols together with the Council's complaints handling regime.

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.

Within Durham County Council there is one 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.

~~The main Overview and Scrutiny Management Board has the following remit:~~

- ~~• To oversee and co-ordinate the work of Overview and Scrutiny and its Committees;~~
- ~~• To ensure effective liaison across the work of the committees re: cross cutting issues;~~
- ~~• To be the strategic driver of the Overview and Scrutiny function;~~
- ~~• To consider as appropriate scrutiny member involvement in regional scrutiny;~~

- ~~Arrangements within the context of the Sub National Review/Single Integrated Regional Strategy and associated issues;~~
- ~~The establishment of appropriate liaison with the Executive in the interests of achieving common aims and continuous improvement for the Council;~~
- ~~To encourage appropriate community involvement in the Overview and Scrutiny role.~~

In general, they 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;
- Exercise the right to ask the Cabinet to reconsider any decisions they have made (call-in).

### **The Annual Governance Statement**

Each year the Council will publish a Governance Statement. This process is managed by the Resources Management Team and will provide 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. The Statement will also provide details of where improvements need to be made in accordance with the Accounts and Audit (England) Regulations 2011.

The Annual Governance Statement will be published as part of the Council's Annual Statement of Accounts and will be ~~audited~~ reviewed by our External Auditors.

## CORPORATE GOVERNANCE FRAMEWORK

**Corporate Governance comprises the systems and processes, cultures and values, by which the Council is directed and controlled and through which we account to, engage with and where appropriate, lead the community**

1. Focus on purpose of the authority, vision for local area and outcomes for the community	2. Members and officers working together to achieve a common purpose	3. Promoting values and upholding high standards of conduct and behaviour
4. Taking informed and transparent decisions, scrutinised and risk managed	5. Developing capacity of Members and Officers to be effective	6. Engaging with local people to ensure public accountability



### Key Documents which support the achievement of the core principles

- Annual Governance Statement
- Annual Statement of Accounts
- Anti Money Laundering Policy
- Asset Management Plan
- Asset Register
- Cabinet and Committee Reports
- Benefits Fraud Policy and Booklets
- Benefits Sanctions Policy
- Budgetary Control Statement
- Business Contingency Plans
- Buzz Magazine (employee)
- Code of Conduct - Members
- Code of Conduct – Employees
- Code of Conduct – Benefit Officers
- Complaints Policy and Procedures
- Council Consultation and Engagement Strategy
- Counter Fraud and Corruption Strategy
- Confidential Reporting Code
- Constitution
- Contract Procedure Rules
- Contracts Register
- Corporate Management Framework
- Councillor Compact
- Council Plan
- County Durham Compact
- County Durham Trade Union Partnership Agreement
- Countywide Resident Survey
- Data Protection Policy
- Data Quality Policy
- Disciplinary Policy and toolkit
- Durham County News (countywide magazine)
- Employee Appraisal Records
- Employee Support Programme
- External Audit Reports
- Financial Procedure Rules
- Forward Plan of Decisions
- Forecast Outturn Reports
- Freedom of Information Policy
- HR Policies

- Health and Safety Policy, Procedures and Handbook
- Induction Pack
- Information Security Policy and Manual
- Inspection Reports
- Internal Audit Plan
- Internal Audit Reports
- Job Description
- Key Performance Indicators
- Local Code of Corporate Governance
- Local Member Consultative charter
- Media Relations Strategy/Protocol
- Medium Term Financial Plan
- Members Allowance Scheme and Procedures
- Member Handbook
- Member Personal Development Plans
- Minutes of meetings
- Officer & Member Declaration of Interest Register and Policies
- Officer and Member Gifts & Hospitality Register and Procedures
- Officer Subsistence and Travel Procedures
- Overview and Scrutiny Annual Report
- Partnership Governance Framework
- People and Organisational Development Strategy
- Performance Management Reports
- Policy Framework Procedure Rules
- Procurement Strategy
- Records Management Policy
- Risk Management Strategy and Policy
- Single Equality Scheme
- Strategic Risk Registers
- Scheme of Delegation
- Service Plans
- Sustainable Community Strategy
- Town and Parish Council Charter
- Transparency Webpage
- Treasury Management Policy and Strategy

### Contributory Processes/Regulatory Monitoring

- Access to Information
- Budget Process
- Communication Framework
- Consultation Framework
- Democratic Engagement
- Member Briefings
- Internal Audit
- External Audit
- Improvement and Planning Group
- Development Improvement Group
- Cabinet
- Corporate Management Team
- Service Management Teams
- Audit Committee
- Overview and Scrutiny Committee
- External Inspection and Review Agencies
- Partnerships
- Constitution Working Group
- Monitoring Officer
- Member Officer Working Group for capital
- Member Development Group
- Planning and Performance Group
- Standards Committee
- Strategic Procurement Network
- Corporate Risk Management Group
- Information Governance Group
- Equality and Diversity Steering Group
- Corporate Consultation Group
- Resources Management Team

