



# Nottinghamshire County Council

## LOCAL CODE OF CORPORATE GOVERNANCE

### 1. Defining governance

- 1.1. Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 1.2. The governance framework comprises the culture, values and duties of the Authority, supported by the systems and processes put in place to provide assurance that the culture, values and duties are complied with in practice. The Authority uses this framework to direct and control its work and ensure that it engages with, leads, and accounts to the community it serves. The framework enables the Authority to provide assurance over the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services within the existing legal framework.
- 1.3. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

### 2. Annual Governance Statement and Assurance Mapping

- 2.1. Each year the Council will carry out a review of its governance arrangements to ensure compliance with this Code. The purpose of the review will be to provide assurance that governance arrangements are adequate and operating effectively, or to identify action that is planned to ensure effective governance in the future.
- 2.2. The outcome of the review will take the form of an Annual Governance Statement prepared on behalf of the Leader and Chief Executive. It will be submitted to the Governance & Ethics Committee for consideration and review. The Annual Governance Statement will accompany the Council's Statutory Statement of Accounts, as required by the Accounts and Audit Regulations.
- 2.3. The Council undertakes annual assurance mapping, to co-ordinate the sources of assurance available in the Council in respect of its governance arrangements. The Governance & Ethics Committee receives an annual assurance mapping report, the outcomes of which are used as a further source of evidence for the Annual Governance Statement.

### 3. Core Principles of Good Governance

- 3.1. The County Council has adopted a Code of Corporate Governance based upon the CIPFA / SOLACE document entitled "Delivering Good Governance in Local Government: Framework." The Framework identifies seven core principles of good governance, along with a number of sub-principles. These are set out below, along with details of the actions and behaviours Nottinghamshire County Council adopts to put these principles into practice.

Key governance principles and supporting actions and behaviours:	What the Council does to apply them:
<p><b>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b></p>	<p><b><i>Behaving with integrity:</i></b></p> <ul style="list-style-type: none"> <li>➤ Maintains appropriate Codes of Conduct, for both members and staff, together with a Code on Member and Officer Relationships</li> <li>➤ Complaints relating to breaches of the Code of Conduct for Councillors and Co-opted Members are considered by the Governance &amp; Ethics Committee</li> <li>➤ Sets out the required standards of conduct at meetings</li> <li>➤ Has in place a Member induction and development programme</li> <li>➤ Maintains a comprehensive, online staff induction programme</li> <li>➤ Maintains the Council's Constitution, setting out how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to local people.</li> <li>➤ Incorporates in the Constitution a formal scheme of delegation, setting out the delegated powers of the Authority's most senior officers</li> <li>➤ Implements and publicises a policy and strategy for countering fraud and corruption, along with a Fraud Response Plan.</li> <li>➤ Maintains an up-to-date register of interests for members and staff</li> <li>➤ Maintains an up-to-date register of gifts and hospitality</li> <li>➤ Provides for declarations of interest at all Council and committee meetings</li> </ul> <p><b><i>Demonstrating strong commitment to ethical values:</i></b></p> <ul style="list-style-type: none"> <li>➤ Sets out its shared values in its strategic plan: treating people fairly; value for money; working together.</li> <li>➤ Sets out in the Equality Policy how the Authority aims to achieve its equality objectives, both in terms of the delivery of services and in terms of its employment practices.</li> <li>➤ Carries out equality impact assessments for change proposals, including consultation with the relevant staff networks</li> </ul> <p><b><i>Respecting the rule of law:</i></b></p> <ul style="list-style-type: none"> <li>➤ Allocates to the Head of Paid Service responsibility for reporting to Full Council on the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of officers required for the discharge of functions and the organisation of officers.</li> <li>➤ Allocates to the Monitoring Officer key responsibilities for: <ul style="list-style-type: none"> <li>• ensuring the lawfulness and fairness of decision-making. This includes responsibility, after consulting with the Head of Paid Service and Chief Finance Officer, for reporting to Full Council if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration</li> <li>• contributing to the promotion and maintenance of high standards of conduct.</li> </ul> </li> <li>➤ Includes constitutional comments in reports to Council and Committees to advise on compliance with the policy framework and the Constitution.</li> <li>➤ Allocates responsibility to the Service Director – Finance, Procurement and Improvement to highlight any proposal, decision or course of action which will involve any unlawful expenditure.</li> <li>➤ Relies on the External Auditors to bring to the attention of the Council any concerns over compliance with legislative requirements</li> </ul>

Key governance principles and supporting actions and behaviours:	What the Council does to apply them:
	<p>highlighted by the audit process</p> <ul style="list-style-type: none"> <li>➤ Conforms with the governance requirements of the CIPFA Statement on the Role of The Chief Financial Officer in Local Government.</li> <li>➤ Maintains an effective Legal Service for the provision of ongoing advice to members and officers on all matters of legality</li> </ul>
<p><b>B. Ensuring openness and comprehensive stakeholder engagement</b></p>	<p><b><i>Openness:</i></b></p> <ul style="list-style-type: none"> <li>➤ Prepares and widely publishes a Strategic Plan, identifying and communicating the Authority's vision and intended outcomes for citizens and service users. Specifically, it provides for the following: <ul style="list-style-type: none"> <li>• Providing a clear statement of the Authority's vision, priorities and values, together with a commitment to treat people fairly, provide value for money and to work together with partners and residents.</li> <li>• Enabling agreed political objectives and statutory requirements to drive the Authority's activities</li> <li>• Enabling the communication of the Authority's priorities to the community of Nottinghamshire, partner organisations and staff.</li> <li>• Providing a broad framework of objectives and performance indicators, to ensure effective performance management.</li> </ul> </li> <li>➤ Sets out on the Council's website a range of information that is freely available to the public under its publication scheme. This covers: organisational structures; priorities and performance; policies and procedures; spending and financial information; decision-making, including schedules of council meetings and supporting papers; land and property; parking; lists and registers; services provided by the council; trade union liaison.</li> <li>➤ Publishes an annual performance report</li> </ul> <p><b><i>Engaging comprehensively with stakeholders, individual citizens and service users:</i></b></p> <ul style="list-style-type: none"> <li>➤ Offers a range of communication channels which are cost-effective and targeted.</li> <li>➤ Has in place an established Social Media Policy</li> <li>➤ Operates a Citizens' Panel to engage with citizens throughout the County on a wide range of issues</li> </ul>
<p><b>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits</b></p>	<p><b><i>Defining outcomes:</i></b></p> <ul style="list-style-type: none"> <li>➤ Sets out the council's intended outcomes in its strategic plan</li> <li>➤ Sets out in a Planning &amp; Performance Management Framework the Council's approach to planning, commissioning and performance management based on outcomes and intelligence.</li> <li>➤ Details in its Planning &amp; Performance Management Framework the Council's plans and the relationship between them as part of the strategic management cycle, linking the outcomes and actions of service plans, the strategic plan and key strategies. As part of this cycle Service Plans should be developed to commence from the beginning of April each year.</li> <li>➤ Regularly monitors and reports on progress against key performance indicators</li> </ul> <p><b><i>Sustainable economic, social and environmental benefits:</i></b></p> <ul style="list-style-type: none"> <li>➤ Approves and publishes a Sustainable Community Strategy, setting</li> </ul>

Key governance principles and supporting actions and behaviours:	What the Council does to apply them:
	<p>out the key priorities for Nottinghamshire over a ten year period</p> <ul style="list-style-type: none"> <li>➤ Maintains a rolling Medium Term Financial Strategy, to serve as the financial plan which underpins the Strategic Plan.</li> <li>➤ Approves the annual budget and capital programme, which includes an update of the Medium Term Financial Strategy.</li> <li>➤ Takes a regular report on the Council's financial position to the Finance and Major Contracts Management Committee, and submits separate progress reports to the Improvement &amp; Change Sub-Committee regarding delivery of the options for change to achieve the required cost savings the Authority needs to make to achieve a balanced budget.</li> <li>➤ Maintains a capital investment strategy and capital programme which is funded within a prudential financial framework.</li> </ul>
<b>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</b>	<p><b>Determining interventions</b></p> <ul style="list-style-type: none"> <li>➤ Develops, and continues to implement, an extensive programme of change in response to the conflicting pressures the Council faces of reducing financial resources at a time of increasing demand for services. The Council's strategic plan seeks to ensure that the Council can deliver the services that the people of Nottinghamshire value in a sustainable way.</li> <li>➤ Develops and presents option appraisals to members.</li> <li>➤ Consults appropriately to ensure the Council's plans for service development are well informed by the input of stakeholders.</li> </ul> <p><b>Planning interventions</b></p> <ul style="list-style-type: none"> <li>➤ Sets out, in the Planning &amp; Performance Management Framework, the Council's planning and control cycles that cover strategic and operational plans, priorities and targets.</li> <li>➤ Aligns the Council's annual budget process with the organisation's objectives and the over-arching Medium Term Financial Strategy.</li> <li>➤ Maintains a list of key strategic services for which a business continuity plan is required to be in place. The Council's Emergency Planning Team oversees and advises on the arrangements in place for disaster recovery.</li> </ul> <p><b>Optimising achievement of intended outcomes</b></p> <ul style="list-style-type: none"> <li>➤ Uses the Medium Term Financial Strategy to balance service priorities, affordability and other resource constraints.</li> <li>➤ Operates a budgeting process that takes account of the full cost of operations over the medium and longer term.</li> </ul>
<b>E. Developing the entity's capacity, including the capability of its leadership and the individuals within it</b>	<p><b>Developing the entity's capacity:</b></p> <ul style="list-style-type: none"> <li>➤ Develops and maintains an effective Workforce Strategy to support the delivery of the Council's strategic priorities.</li> <li>➤ Undertakes regular reviews of activities, outputs and planned outcomes to identify areas for improvement.</li> <li>➤ Makes appropriate use of research and benchmarking to inform priorities for service development.</li> <li>➤ Makes appropriate use of partnerships and collaborative working where added value can be achieved.</li> </ul>

Key governance principles and supporting actions and behaviours:	What the Council does to apply them:
	<p><b>Developing the capability of the entity's leadership and other individuals:</b></p> <ul style="list-style-type: none"> <li>➤ Establishes protocols to ensure a shared understanding between members and the Chief Executive and the Corporate Leadership Team of respective roles and objectives.</li> <li>➤ Ensures the Leader and the Chief Executive have clearly defined and distinctive leadership roles</li> <li>➤ Has in place a scheme of delegation which is reviewed annually.</li> <li>➤ Maintains its standing orders and financial regulations</li> <li>➤ Maintains an effective induction and development programme both for members and officers.</li> </ul>
<p><b>F. Managing risks and performance through robust internal control and strong public financial management</b></p>	<p><b>Managing risk:</b></p> <ul style="list-style-type: none"> <li>➤ Operates a Risk, Safety and Emergency Management Board to oversee the process of risk management in the Council. The Board meets periodically throughout the year. The corporate risk register is reviewed at each of the Board's meetings, to determine whether additional steps are required to mitigate key risks.</li> <li>➤ Supports the Board through Risk, Safety and Emergency Management Groups, one for each department. The Groups are responsible for having an overview of risk management in each department and for maintaining a departmental risk register.</li> </ul> <p><b>Managing performance:</b></p> <ul style="list-style-type: none"> <li>➤ Implements and complies with a performance management framework to monitor delivery of the Council's strategy and key plans.</li> </ul> <p><b>Robust internal control:</b></p> <ul style="list-style-type: none"> <li>➤ Operates an effective Governance &amp; Ethics Committee which meets regularly during the year and fulfils the recommended core functions as set out in CIPFA's publication, 'Audit Committees – Practical Guidance for Local Authorities'.</li> <li>➤ Ensures the Council's Internal Audit service is delivered in accordance with the requirements of the Public Sector Internal Audit Standards</li> <li>➤ Reviews and publicises the Council's counter-fraud and counter-corruption strategy</li> </ul> <p><b>Managing data:</b></p> <ul style="list-style-type: none"> <li>➤ Implements a data management framework, featuring procedures and policies for the safe collection, storage, use and sharing of data. Particular emphasis is given to safeguarding personal data.</li> <li>➤ Employs a designated data protection officer with primary responsibility for promoting awareness of the Council's information management policies and procedures.</li> <li>➤ Ensures effective arrangements are in place for sharing data with other bodies.</li> </ul> <p><b>Strong public financial management:</b></p> <ul style="list-style-type: none"> <li>➤ Ensures an effective system of budgetary control is in operation at all levels of financial planning and control.</li> </ul>
<p><b>G. Implementing good</b></p>	<p><b>Implementing good practice in transparency:</b></p>

Key governance principles and supporting actions and behaviours:	What the Council does to apply them:
<p><b>practices in transparency, reporting, and audit to deliver effective accountability</b></p>	<ul style="list-style-type: none"> <li>➤ Complies with the local government transparency code and publishes all information in a timely manner</li> <li>➤ Puts in place effective, transparent and accessible arrangements for dealing with complaints</li> <li>➤ Keeps under review, publicises and reports on the Council's Whistleblowing Policy</li> <li>➤ Establishes, monitors and reports on the Council's complaints procedure</li> </ul> <p><b>Implementing good practices in reporting:</b></p> <ul style="list-style-type: none"> <li>➤ Publishes a formal, annual report covering performance, value for money and stewardship of resources</li> <li>➤ Publishes the annual financial statements in a timely manner</li> <li>➤ Prepares and publishes an Annual Governance Statement to assess the Council's compliance with this Code of Corporate Governance, identifying any areas for improvement and proposed actions to address them.</li> </ul> <p><b>Assurance and effective accountability:</b></p> <ul style="list-style-type: none"> <li>➤ Complies with CIPFA's Statement on the Role of the Head of Internal Audit</li> <li>➤ Allows its Internal Audit service direct access to Members, such that assurance can be provided with regard to effective governance, risk management and control</li> <li>➤ Provides regular updates on actions taken to implement agreed Internal Audit recommendations</li> <li>➤ Ensures that the recommendations of external audit and of other regulatory bodies and inspectorates are properly considered and acted upon.</li> </ul>