

TITLE OF REPORT: **Local Code of Governance**

REPORT OF: **Mike Barker, Strategic Director, Corporate
Services and Governance**

Purpose of the Report

1. This report asks the Audit and Standards Committee to consider and approve an updated version of the Local Code of Governance, based on the new CIPFA Delivering Good Governance in Local Government Framework.

Background

- 2 The Council has a local code of governance, which was originally presented to the Audit Committee in April 2007. The document was developed from a framework document produced by CIPFA and SOLACE. This has been updated on an annual basis.
- 3 The code defines how the Council complies with the principles of good governance laid down by the Independent Commission on Good Governance in Public Services and forms an integral part of the Councils' Annual Governance Statement, which is a legal requirement to demonstrate the level of assurance that can be given by the Council's control systems and governance arrangements.
- 4 The Code is essentially based on the Council's existing constitution, protocols and procedures but is updated to include changes to documents and procedures in the previous year. In particular, it takes account of the following actions achieved:
 - New Corporate Performance Management framework agreed with target and tracker indicators aligned to Council Plan 2015-2020
 - Review of Council Plan and Vision 2030
 - Review of Appraisal & Development
 - Development of the Councillor Engagement and Development Framework
 - Online consultation panel – engagement with residents
 - Corporate Employee Forum developed and Employee Survey 2016.

A number of initial areas for improvement have also been identified:

- Refresh of the corporate approach to performance management as part of the Change Programme new ways of working
- Review the Council's Strategic Partnership arrangements to ensure all 'add value' and effectively utilise partner resources
- Refresh of Gateshead Communities Together Strategy
- Review of Service business planning process

- Internal Communications Review & Communications Strategy
- Customer Strategy and Digital access to services

- 5 The Committee may recall that it was advised in March 2015 that CIPFA were reviewing their framework document (referred to in paragraph 2 above) to ensure that it remained fit for purpose. CIPFA issued their new Delivering Good Governance in Local Government: Framework along with comprehensive Guidance in April 2016. The Framework is attached as Appendix 1.
- 6 The new approach is intended to better assist local authorities, and associated organisations and vehicles through which authorities now work, in reviewing the effectiveness of their own governance arrangements by reference to best practice and using self assessment. The principles of good governance in the framework are:

- Behaving with integrity
- Ensuring openness and comprehensive engagement
- Defining sustainable outcomes
- Determining interventions
- Developing capacity
- Managing risks and performance
- Implementing good practice in transparency

This approach accords with and should complement the work ongoing within the Ways of Working programme workstream.

Proposal

7. The new Framework will require a full re-drafting of the Council's Local Code of Governance although the majority of the information contained in the current Code will be pertinent to the new one. However, rather than just attempting a simple transposing of information, to get the best value from the new Framework a new approach was proposed.
8. At a meeting of this Committee on 6 March 2017 it was agreed that an iterative and measured approach be taken to development of the new Framework over the following 6-9 months so that the new Code could be fully populated and in place for March 2018. This would involve:
 - creation of a core officer working group
 - regular reports to Audit and Standards Committee along with involvement (e.g. by way of workshop sessions) in between
 - regular reports to Strategy Group and Leadership Team.

It was intended that this approach would enable development of a meaningful and inclusive code whilst communicating the fundamentals of good governance to officers and councillors.

9. The following actions have been undertaken.
- a core officer working group was established;
 - update reports were taken to Strategy Group on 29 March and 26 July 2017, along with a full session with the Leadership Team (all Directors) on 10th August 2017. Feedback from all of the sessions was taken into consideration in developing the new code.
 - a workshop session was held on 18 September 2017 involving a number of senior members and members of this Committee. A note of the workshop is attached at Appendix 2. Issues arising from the workshop were again taken into consideration in developing the new code.
10. Taking all of the work into consideration a Self Assessment document is attached at Appendix 3 which it is proposed will comprise the Local Code of Governance to be adopted for the future.

Recommendations

11. It is recommended that the Audit and Standards Committee approves the updated Local Code of Governance based on the new CIPFA Framework.