

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 an updated version of the Local Code of Governance, and to agree the proposed approach to developing and delivering 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 and is attached as Appendix 1 to this report.
- 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. The principles are:
 - Focusing on the purpose of the Council and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area.
 - Councillors and officers working together to achieve a common purpose with clearly defined functions and roles
 - Promoting the values of the Council and demonstrating the values of good governance through behaviour
 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
 - Developing the capacity and capability of Councillors to be effective and ensuring that officers – including the statutory officers - also have the capability and capacity to deliver effectively.
 - Engaging with local people and other stakeholders to ensure robust local public accountability.
- 4 The Code is essentially based on the Council's existing constitution, protocols and procedures but has been updated to include changes to documents and procedures in the last 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. Subsequently, in October 2015 the Committee agreed a response to a consultation by a CIPFA/Solace Joint Working Group on their revised draft document Delivering Good Governance in Local Government. CIPFA issued their new Delivering Good Governance in Local Government: Framework along with comprehensive Guidance in April 2016. The Framework is attached as Appendix 2.

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 compliment the work being developed in the Ways of Working change 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 is proposed.

8. It is suggested that an iterative and measured approach be taking to development of the new Framework over the next 6-9 months so that the new Code can 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 is hoped that this approach would enable development of a meaningful and inclusive code whilst communicating the fundamentals of good governance to officers and councillors.

Recommendations

9 It is recommended that the Audit and Standards Committee:

- (i) approves the current updated Local Code of Governance; and
- (ii) approves the proposed approach to development of the new CIPFA Framework.