

APPENDIX A: NORTH HERTFORDSHIRE DISTRICT COUNCIL 'S LOCAL CODE OF CORPORATE GOVERNANCE

1. INTRODUCTION

- 1.1 North Hertfordshire District Council (NHDC) is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through its Local Code of Corporate Governance to reflect current best practice.
- 1.2 This document sets out and describes NHDC's commitment to corporate governance, and identifies the arrangements that have been and will continue to be made to ensure its ongoing effective implementation and application in all aspects of the Council's work.

2. WHAT IS CORPORATE GOVERNANCE?

- 2.1 ***“ Governance is about how local government bodies ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and value, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.”***
(Source CIPFA/SOLACE framework June 2007).
- 2.2 The corporate governance framework brings together an underlying set of legislative requirements, governance principles and management processes. The publication of an annual governance statement will make NHDC's adopted practice open and explicit.
- 2.3 To achieve such objectives, NHDC must be able to demonstrate the following in all its operations:

Openness and inclusivity are required to ensure that stakeholders can have confidence in the decision-making and management processes of local authorities, and in the approach of the individuals within them. Being open through genuine consultation with stakeholders and providing access to full, accurate and clear information leads to effective and timely action and lends itself to necessary scrutiny. Openness also requires an inclusive approach, which seeks to ensure that all stakeholders and potential stakeholders have the opportunity to engage effectively with the decision-making processes and actions of local authorities. It requires an outward focus and a commitment to partnership working. It calls for innovative approaches to consultation and to service provision.

Integrity comprises both straightforward dealing and completeness. It is based upon honesty, selflessness and objectivity, and high standards of propriety and probity in the stewardship of public funds and the management of an authority's affairs. It is dependent on the effectiveness of the control framework and on the personal standards and professionalism of the members and staff within the authority. It is reflected in the authority's decision-making procedures, in its service delivery and in the quality of its financial and performance reporting.

Accountability is the process whereby local authorities, and the members and staff within them, are responsible for their decision and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate external scrutiny. It is achieved by all parties having a clear understanding of those responsibilities, and having clearly defined roles through a robust structure.

These principles are based on the Cadbury principles adapted to reflect the public sector and the Nolan seven principles of public life.

- 2.4 Through the application of the CIPFA/SOLACE guidance NHDC aims to develop a culture that is underpinned by the principles of corporate governance.
- 2.5 NHDC aims to develop effective corporate governance arrangements in the six dimensions of Council business identified in the CIPFA / SOLACE Framework:

- **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.**

2.6 To ensure that its corporate governance framework is effective, NHDC will:

- Review the existing governance arrangements against this Code;
- Develop and maintain an up-to-date local code of governance, including arrangements for ensuring its ongoing application and effectiveness;
- Prepare a governance statement in order to report publicly on the extent to which we comply with the Code on an annual basis, including how we have monitored the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.

3. NHDC'S VISION

3.1 The principle of leadership has been expanded to emphasise the role of authorities in 'leading' their communities and therefore this concept 'overarches' the other principles.

3.2 NHDC's Vision is:

'Making North Herts a vibrant place to live, work and prosper'

3.2 Alongside the vision for the area, NHDC has developed its own mission statement :

' To work collaboratively with our partners and communities to deliver the vision for the district of North Hertfordshire '

This statement recognises that in order to achieve the overarching vision the Council must work with many partners.

3.3 NHDC's internal corporate business planning process supports the delivery of the Vision in terms of what we do and the collaborative work we carry out in conjunction with our partners. The Council's Priorities for the District Document has three areas of focus – our priorities. For 2014/15 the Priorities have been revised as follows:

- **Promoting Sustainable Growth;**
- **Working With Our communities;**
- **Living within our Means**

3.4 The Council aspires to achieve its priorities in an open and transparent manner having due regard to equal opportunities and the opportunities and benefits proffered by innovative and flexible partnership working.

4. NHDC'S AIMS

- 4.1 North Herts is entirely committed to developing its arrangements for corporate governance in order to ensure its procedures support the effective governance of its affairs and the stewardship of the resources at its disposal. To this end NHDC aims to:

Focus on the purpose of the authority and on outcomes for the community and create and implement a vision for the local area

- exercise strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users;
- ensure that users receive a high quality of service whether directly, or in partnership, or by commissioning;
- ensure that the authority makes best use of resources and that tax payers and service users receive excellent value for money.

Ensure that Members and officers will work together to achieve a common purpose with clearly defined functions and roles

- ensure effective leadership throughout the authority with clear executive and non-executive functions and clear roles and responsibilities of the scrutiny function;
- ensuring that a constructive working relationship exists between authority Members and officers and that the responsibilities of authority members and officers are carried out to a high standard;
- ensuring relationships between NHDC and the public are clear so that each knows what to expect of the other.

Promote values for the authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour

- ensuring authority Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance;
- ensuring that organisational values are put into practice and are effective.

Take informed and transparent decisions which are subject to effective scrutiny and managing risk

- being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny;
- having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs;
- ensuring that an effective risk management system is in place;
- using their legal powers to the full benefit of the citizens and communities in their area.

Develop the capacity and capability of members and officers to be effective

- making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles;
- developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group;
- 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.

Engage with local people and other stakeholders to ensure robust public accountability

- exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships;
- 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;
- making best use of human resources by taking an active and planned approach to meet responsibility to staff.

5. CONCLUSION

To ensure that it keeps its aims, NHDC will;

- Monitor all arrangements in place for practical effectiveness;
- Review practices, procedures and guidelines on a regular basis;
- Develop an Action Plan to identify areas of the Code where further work is required, including the allocation of appropriate time scales and the designation of Lead Officers;
- Provide an Annual Governance Statement on how NHDC is complying with the Code, including how it has maintained the effectiveness of its corporate governance arrangements during the year, and any planned changes for the forthcoming year;
- Ensure that actions identified in the annual Corporate Governance Statement Action Plan are provided for and properly resourced, within the corporate business planning process.

Review date – 13 February 2014

This Code will be reviewed by 31st March 2017 unless any significant changes are required in the interim.