NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

ANNUAL REVIEW OF GOVERNANCE

Report of the Chief Fire Officer

Date: 25 September 2015

Purpose of Report:

To inform Members of the review of the Authority's governance arrangements that has been recently carried out by the Strategic Director of Finance and Resources.

To seek the approval of the Authority to the signing of the Annual Governance Statement by the Chair of the Authority and the Chief Fire Officer.

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1. BACKGROUND

1.1 Each year the Authority is required to include an annual governance statement in the final accounts. This statement reviews the governance arrangements and comments on any challenges for those arrangements going forward.

1.2 This report seeks the approval of members to the signing off of the governance statement by the Chair and the Chief Fire Officer.

2. REPORT

2.1 The Authority 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".

2.2 The annual governance statement sets out how NFRS has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of an annual governance statement.

2.3 The statement is appended in full as appendix A to this report.

2.4 The key challenges for governance identified in the review are as follows:

   i) Noticeable reductions in central government grant will mean the Authority will have to continue to make significant savings over the next two to three years at least, whilst continuing to maintain a service which meets public expectations.

   ii) The Authority's prudent financial management, as shown in the Medium Term Financial Strategy, will allow it to phase in the impact of budget reductions and consider further implementation of the Fire Cover Review. This will help to provide continuous stability during a period of immense transition.

   iii) During the coming year, the Service will seek to address the above matters through its current structures and processes to further enhance governance arrangements.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications arising directly from this report.

5. EQUALITIES IMPLICATIONS

Equalities is a core value of the Authority and it is evident from the review of the governance framework that equalities issues are properly addressed within it.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising directly from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising directly from this report.

8. RISK MANAGEMENT IMPLICATIONS

8.1   The governance framework of the authority is that series of systems, processes, values and culture which direct and control all decision making and policy development within the organisation. It is important therefore to review this regularly to ensure that this framework remains sufficiently robust and compliant with the code. The risk of not doing so is that the organisation could become dysfunctional and fail to set proper objectives and/or fail to achieve them.

8.2   There is also a requirement under regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of an annual governance statement.

9. RECOMMENDATIONS

9.1   It is recommended that Members approve the content of the annual governance statement.

9.2   It is recommended that a report on the local code on corporate governance be taken to the Policy and Strategy Committee for review and revision as appropriate.

10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER

NOTTINGHAMSHIRE FIRE AND RESCUE AUTHORITY

ANNUAL GOVERNANCE STATEMENT

1.0 SCOPE OF RESPONSIBILITY

1.1 Nottinghamshire Fire and Rescue Authority (the Authority) 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 Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvements in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness.

1.2 In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, use of its resources and including arrangements for the management of risk and the maintenance of an effective internal control environment.

1.3 The Authority 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.*

1.4 This statement sets out how the Authority has complied with the code and also meets the requirements of regulations 4(3) and 4(4) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of an annual governance statement.

2.0 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

2.1 The governance framework comprises the systems and processes, cultures and values, for the direction and control of the Authority and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.

2.2 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 policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is part of an on-going process designed to identify and prioritise the risks to the achievement of Nottinghamshire Fire and Rescue Authority's policies, 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.

2.3   A key element of the Internal Control Environment is the development and maintenance of Strategic, Corporate and Departmental risk registers which are understood and managed by senior managers.

2.4   The governance framework has been in place at the Authority for a number of years however it is kept under regular review and modified periodically.

3.0   **THE GOVERNANCE FRAMEWORK**

3.1   In addition to the Annual Governance Statement the Authority has a Code of Corporate Governance that the Authority will commit to in carrying out its duties and responsibilities. In this document, officers have identified against each of the Code's principles what source documentation or existing practice demonstrates how the Authority complies with the principles that make up the Code.

3.2   In developing a code of corporate governance the Authority has sought compliance with the CIPFA/SOLACE guidelines but has also sought to develop internal governance structures that also follow the broader OECD principles which provide a stronger framework for internal decision making.

3.3   Some elements of governance have recently changed and were agreed by the Fire Authority at the annual general meeting in May 2014 which reported in the last Annual Governance Statement. There were essentially three changes to the governance framework which are reflected in the revised framework:

        Changes in the Committee Structure to remove the performance monitoring committee.

        Changes in the composition of the Corporate Management Board to include a wider group of senior managers and moving meetings to monthly rather than weekly.

        Changes to the corporate objectives of Response, Protection, Prevention, Resilience, Diversity and Workforce and Governance Improvement to new Service priorities of Service Delivery, Employees and Workforce, Improvement and Governance, Engagement and Partnerships, Environment and Inclusion and Equality.

3.4   Summarised below are some of the key elements of the systems and processes that underlie the Authority's governance arrangements:

3.5 **Identifying and Communicating the Authority's vision and outcomes for citizens and service users:**

3.5.1 After consulting with the citizens of Nottinghamshire and service users, assessing current risks and service priorities, the Authority prepares an Integrated Risk Management Plan (IRMP) that sets out the vision and service objectives for the organisation. The latest IRMP covers the period 2014–2019 and the Authority consults with the citizens and other stakeholders to formulate its business plans for each financial year within this plan.

3.5.2 The Authority's vision is "Creating Safer Communities" and it strives to deliver this by developing a set of cohesive business plans and working in partnership with others to provide an excellent, affordable service to all the diverse communities of Nottinghamshire. To deliver this the Authority has established six Service Priorities:

Service Delivery

We will deliver a professional, effective and value-for-money emergency response service to all those who live, work and travel in the county of Nottinghamshire.

We will continue to use a risk-based approach to improve our service to individuals, communities and local businesses with an emphasis on creating safer communities, and reducing death and injuries. We will do this through our key themes: preparedness, response, prevention and protection.

Employees and Workforce

We will maintain, support and develop our workforce to ensure an environment in which we can deliver a professional and effective service to the people of Nottinghamshire.

We will ensure that our employees have the capacity and skills to meet our delivery objectives and provide a work place where our employees feel supported, valued and competent to undertake their roles.

Improvement and Governance

We will look to continuously improve upon previous achievements and assure our stakeholders that the organisation has an appropriate infrastructure for governance to support future success.

With increasing demand for services likely across the public sector, NFRS will be required to base its decisions upon robust intelligence and work alongside its partner/agency service providers in a more collaborate manner.

Engagements and Partnerships

We will look to develop and maintain effective strategic and community partnerships.

We will continue to work closely with our partners and community organisations in order to identify and keep safe those members of our communities who are most at risk.

Environment

We aim to reduce the Service's impact on the environment through a combination of measures including considering the environment when making decisions, investing in technology and delivering training and education initiatives.

We will continue to be committed to minimising our impact on the environment by integrating environmental considerations in all aspects of our work, by meeting legal standards, seeking competent advice and adopting best practice.

Inclusion and Equality

Provide services tailored to meet the needs of our communities.

Nottinghamshire Fire and Rescue Service prides itself on its approach to inclusion and equality. We work on the principle that to treat people equally, we may need to treat them differently.

3.6 **Monitoring the achievement of the Authority's objectives through a comprehensive performance management framework:**

3.6.1 The Service operates a system of cascading business plans. The IRMP is the highest level and from this a series of departmental and functional business plans are produced. Progress against these plans is reported on regularly using a piece of specialist software and the performance management team report on progress and outcomes to the relevant committees. These reports had previously been presented to the Performance Committee.

3.6.2 Each of the Strategic Directors are required to report monthly to the Corporate Management Board on performance within their Directorates and give assurances in relation to the achievement of business plans.

3.7 **The Internal Control Environment:**

3.7.1 The Authority's internal control environment comprises many systems, policies, procedures and operations. In reality these split into risk management, internal check/financial control and internal audit. Internal Check and financial control are clearly targeted towards financial matters whereas risk management has a much

broader brief and is more associated with the risk of non-achievement of objectives and targets. The system cannot however eliminate all risks of failure to achieve the Authority's aims and objectives. Once a risk has been identified the Authority, where possible will eliminate that risk. If this is not possible then procedures are established to manage the risk effectively, efficiently and economically. Some of the significant control processes are outlined below:

3.7.2 **Policy and Decision Making Process**

The Authority has democratic control over its activities via an approved committee structure with agreed powers and duties that are periodically reviewed. The Authority has a written constitution that sets out how the Authority operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable. There is a formal briefing process prior to reports being finalised for Committee or Fire Authority meetings thus allowing key Members an opportunity to scrutinise proposed reports in detail The Authority also runs Member away-days, seminars and training sessions to help Members discuss issues in more detail and in a less formal environment.

3.7.3 **Management Structure**

The Authority has a clear management structure with defined roles and responsibilities. The Corporate Management Board has recently been extended to include all department heads as well as the Directors. This is because weaknesses were identified in the previous structure of steering groups which could make the decision making process opaque and blur lines of accountability. The current structure empowers managers to make appropriate decisions but also places accountability at the centre of this process.

The Authority has created a new group called the Service Managers Forum which is comprised of all the Departmental Heads and augmented by specialists as required. As part of a more empowering style of management this group has far reaching decision making powers with only the most significant or challenging decisions reserved for the Corporate Management Board. This has both speeded up the process of decision making and improved quality.

The Authority has an approved scheme of delegation to officers that is reviewed periodically by the Chief Fire Officer and the Clerk, with any changes being approved by the Fire Authority.

3.7.4 **Established Policies, Procedures & Regulations**

The Authority ensures compliance with established policies, procedures, laws and regulations. The information regarding policies and procedures is held on the intranet, and these are continually enhanced and developed through the introduction of new policies and procedures as and when required. The Authority has established policies on anti-fraud, fraud response and confidential reporting.

The Authority carries out an annual review of financial regulations which clearly define how decisions are taken and the processes and controls required to manage risk. The list below outlines some of the key policies and process in place to enhance the internal control system, that are reviewed as and when required:

- Treasury Management Strategy
- Procurement Strategy
- Financial Regulations & Standing Orders
- Scheme of Delegation
- Anti-Fraud and Corruption Policy
- Whistleblowing Policy
- Complaints procedure
- Code of Corporate Governance
- Constitution
- Code of Conduct
- Equality and Diversity schemes
- Robust Workforce plan and establishment model
- Full range of robust policies and procedures to underpin the conduct of staff from operational procedures, discipline processes, through to performance development reviews

3.7.5 Internal Audit Function

The Authority has a strong Internal Audit function arrangement with Nottinghamshire County Council, and has well-established protocols for working with External Audit.

3.7.6 Risk Management Strategy

The Authority has a well-established and embedded risk management strategy. This is managed on two levels, firstly at the corporate/strategic level by The Finance and Resources Committee which receives regular reports on risk exposures both in terms of existing and emergent risk. Members closely scrutinise risk registers and require explanations for changes. The Committee is advised by the ACO Finance and Resources and the Authority's Risk Manager on behalf of the Chief Fire Officer. In addition, the Service also maintains an approach to Risk via its business plan monitoring which is administered through its Corporate Services Department. This ensures the service's Risk Manager can support departmental heads in robustly assessing the risks to the achievement of the services objectives.

3.7.7 Best Value Duty

The Authority ensures the economical, effective and efficient use of resources, and secures continuous improvement in the way in which its functions are

exercised, by having regard to a combination of economy, efficiency, and effectiveness as required by the Best Value duty. The focus on best value has increased in recent years by the requirement to reduce budgets but initiatives such as the recent functional analysis work have helped to ensure that service quality is maintained.

3.7.8 **Financial Management**

Financial management in the Authority and the reporting of financial standing is undertaken through a financial system which integrates the general ledger, sales ledger and purchase ledger functions and facilitates good budgetary control.

4.0 **REVIEW OF EFFECTIVENESS**

4.1 The Authority has responsibility for conducting a review of the effectiveness of its governance framework including the system of internal control, at least annually. The review of effectiveness is informed by the work of the Corporate Management Board and other senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Audit annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

4.2 Maintaining and reviewing the effectiveness of the governance framework throughout the financial year has been carried out by the following:

- The Authority and its Committees
- Management Review
- Internal audit
- External bodies

4.3 **The Authority and Its Committees**

4.3.1 **The Authority**

The Authority has reviewed the vision and strategic service objectives as part of the budgeting process which was undertaken between October 2014 and February 2015. This process also had a measure of Member scrutiny with the Chair of Finance and Resources Committee taking an active role.
At the annual general meeting in May the format and structure of its democratic decision process was reafirmed and pproval was given to the powers and make-up of the following committees:

•The Policy and Strategy Committee

•The Finance & Resources Committee

- The Community Safety Committee

- The Human Resources Committee

In addition to the above there are also panels for appointments, Equalities and Personnel matters

Terms of reference and responsibilities for all of these Committees form part of the Authority's Governance arrangements.

4.4 Management Review

4.4.1   Included in the day to day management of the organisation are a number of key officers, systems and procedures designed to provide core elements of the internal control mechanism, with a nominated lead officer responsible for reviewing the effectiveness of these systems.

4.4.2   There is a comprehensive system of performance management and review embedded within the Authority's management structure and processes. The 2014/19 Integrated Risk Management Plan sets out the Authority's key objectives and these are reflected in annual departmental business plans. These plans are then monitored by the Corporate Services department and managed by the individual departmental management teams. .

4.4.3   Risk management at the strategic/corporate level forms part of the overall responsibilities of The Finance and Resources Committee and Members of this committee take a keen interest in Risk Management. This Committee have considered the desirable risk appetite of the organisation in a proactive way, and set risk targets for the Service to report against. Risk Management is an integral part of project management and business planning within the Corporate Services department and both this and operational risk management, which is managed within the Risk Response function, are considered strong. The Service also maintains a comprehensive approach to health and safety which is undertaken by the Service's Health and Safety advisor and monitored by the Health Safety and Wellbeing Committee. This group of Officers and representative Bodies reports quarterly to the Corporate Management Board.

4.4.4   The Authority employed appropriate professional staff:

- A Statutory Monitoring Officer is responsible for ensuring the legality of Authority actions and supporting the Committee decision making process. No actions of the Authority were deemed ultra vires in the year and all relevant laws and regulations have been complied with. The monitoring officer is a qualified solicitor provided on a contractual basis to the Authority by the Legal Services Department of Nottingham City Council.

This arrangement also includes support for the Authority's wider governance structure.

- A Responsible Finance Officer has been appointed as the independent Treasurer to the Authority to ensure the proper and effective administration of the financial affairs of the Authority. The Strategic Management Team ensure that the Authority approve a realistic and affordable financial plan for both revenue and capital expenditure which links to the IRMP. The Authority continued to ensure it had strong arrangements for managing its finances including strong leadership throughout the year. The financial planning process is well embedded and understood across the Authority by staff and Members. An in house financial team managed by the ACO Finance and Resources maintain the correct competencies and ensure that the Strategic Team receive all appropriate information to support the key decisions and objectives of the service.

4.4.5 In addition to the Treasurer the Authority also employs a Director of Finance and Resources who fulfils the role of Chief Financial Officer. This Director is a member of the Strategic Management Team and the Corporate Management Board and is responsible for advising both senior managers and elected members on all financial matters. In effect this is a role shared with the Treasurer who is seen to act independently of the Strategic Management Team advice to the Fire Authority. In reality these two officers work very closely together. Both of these officers are professionally qualified and have many years' experience within Local Government finance.

4.4.6 A review has been carried out of the role of Chief Financial Officer and, always accepting that the key statutory responsibilities under Section 114 and Section 151 are held by the Treasurer, all of the principles set out in the CIPFA document *The role of the Chief Financial Officer* are met.

4.4.7 Budget monitoring remains robust at both strategic and service level via the production of monthly financial monitoring reports for both Capital and Revenue budgets. These reports as well as being scrutinised by budget managers are also reported monthly to the Corporate Management Board and quarterly to the Finance and Resources Committee.

4.4.8 Functional Heads also exercise a detailed degree of budget monitoring against the capital programme.

4.4.9 The External Auditor approved an unqualified Statement of Accounts for 2013/14 and it is anticipated this will be repeated in 2014/15. A presentation by the Director of Resources on the final accounts together with a detailed year-end report to the Authority helped communicate the year-end position to Members in a clear and understandable format.

4.4.10 Specific training is to be organised for elected Members to fully understand the format and nature of the accounts such that they can apply meaningful scrutiny and ask relevant and searching questions of officers

4.5 **Internal Audit**

4.5.1 The Authority procured its internal audit service under a contract with Nottinghamshire County Council and the arrangement and service was in accordance with the CIPFA Code of Practice for Internal Audit in Local Government 2006. The internal audit plan for 2014/15, prioritised by a combination of the key internal controls, assessment and review on the basis of risk, was approved by the Authority during the year. All internal audit reports included an assessment of the internal controls and prioritised action plans, if relevant, to address any areas needing improvement. These reports were submitted to Chief Fire Officer, the Director of Finance and Resources and the relevant managers as appropriate. All finalised reports were submitted to the Finance and Resources Committee acting in its role as Audit Committee. Audit reports are also fed into the performance management function within the Corporate Services Department to ensure that recommendations are implemented to agreed timescales.

The Annual Internal Audit Report to the Finance and Resources Committee on 10 July 2015 concluded that:

> "From the work carried out during the 2014/15 financial year, we have been able to satisfy ourselves that the overall level of internal control is satisfactory and provides a good basis for effective financial and resource management".

4.6 **External Review**

4.6.1 The External Auditors are required by the International Standard on Auditing 260 (ISA 260) to communicate about the audit of the Authority's financial statements with those charged with governance. This communication is in the form of a written report which was presented to Members in September 2014.

4.6.2 The principal purposes of the Auditors' report are:

- To present key issues identified during the audit of the financial statements for the year ended 31 March 2014 and any material misstatements in the accounts
- To report on any key issues for governance
- To report on the Auditors' Value for Money conclusion
- To give an "audit opinion" on the financial statements
- To report on the implementation of any recommendations in the previous year's ISA 260 report

- To seek approval to the management representation letter, which confirms the Authority's responsibilities and actions in relation to the financial statements

4.6.3 The ISA 260 report confirmed that the accounts production and audit processes were good, with no specific risks identified. In addition, the organisational control environment was found to be effective overall, with no significant weaknesses in controls over key financial systems.

5.0 **SIGNIFICANT ISSUES FOR GOVERNANCE**

5.1 Noticeable reductions in central government grant will mean the Authority will have to continue to make significant savings over the next two to three years at least, whilst continuing to maintain a service which meets public expectations.

5.2 The Authority's prudent financial management, as shown in the Medium Term Financial Strategy, will allow it to phase in the impact of budget reductions and consider further implementation of the Fire Cover Review. This will help to provide continuous stability during a period of immense transition.

5.3 During the coming year, the Service will seek to address the above matters through its current structures and processes to further enhance governance arrangements.

Signed……………………………………   Signed…………………………………………
Cllr Darrell Pulk   John Buckley
CHAIRMAN   CHIEF FIRE OFFICER

NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE AND RESCUE AUTHORITY

LOCAL CODE ON CORPORATE GOVERNANCE

AIMS OF THE LOCAL CODE ON CORPORATE GOVERNANCE

Nottinghamshire and City of Nottingham Fire and Rescue Authority and its Officers are committed to ensuring that it has an excellent system of corporate governance. The Authority embraces the principles of good governance: openness, inclusivity, integrity and accountability.

The Authority is dependent on its Members and officers in delivering excellent corporate governance, and requires them to conduct themselves in accordance with the high standards expected by the citizens of Nottinghamshire. The Service will respond positively to the recommendations of external audit and statutory inspectors and implement agreed actions effectively.

AIMS

The Authority is committed to delivering excellent corporate governance in all aspects of its work, including:

1.   Focusing on the community

The Authority and its Officers will:

- Work for and with our communities;
- Exercise leadership in our local communities;
- Contribute to and promote the well-being of our communities.

2.   Arrangements for service delivery

The Authority and its Officers will:

- Aim to improve its services to local communities;
- Ensure that its policies are implemented;
- Act upon its decisions.

3.   The structures and processes in place

The Authority and its Officers will maintain effective political and managerial structures and processes to govern decision making and the exercise of authority within the organisation.

4.   Managing risk and establishing internal control

The Authority and its Officers will establish and maintain a strategy, framework and processes to manage risk and demonstrate effective internal control.

5.   Maintaining standards of conduct

The Authority will work to ensure that high standards of behaviour are shown by its Members, officers and agents. The Service has drawn together a detailed framework for establishing excellent corporate governance as set out in this statement. Compliance with the framework will be monitored each year and reported to the Policy and Strategy Committee.

LOCAL CODE ON CORPORATE GOVERNANCE

LOCAL CODE ON CORPORATE GOVERNANCE

Nottinghamshire and City of Nottingham Fire and Rescue Authority is committed to ensuring that it has an excellent system of corporate governance and embraces the core principles of good governance:

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

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

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

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

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

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

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. By publishing this Local Code on Corporate Governance the Authority is demonstrating its commitment to achieving these aims.

The Authority, in embracing the core principles, will contribute to leadership for Nottinghamshire by providing a vision for our Fire and Rescue Service and leading by example in the way it makes decisions, and implements those decisions.

The Authority will produce an annual governance statement in order to report publicly on the extent to which it complies with the core principles including how it has monitored the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period. This complies with regulation 4(2) Accounts and Audit regulations.

The Service's Chief Fire Officer will be responsible for overseeing the implementation and monitoring of the Local Code on Corporate Governance, reviewing its operation in practice and recommending any changes that may be necessary to maintain it and ensure its effectiveness in practice. The Chief Fire Officer and Strategic Directors will be responsible for ensuring that officers in their departments are aware of and embrace the principles of good corporate governance set out in this Code.

The core principles have been translated into a framework which seeks to ensure that they are fully integrated in the conduct of the Service's business and establishes a means of demonstrating compliance. The framework is based on the SOLACE/CIPFA 2007 publication "Delivering Good Governance in Local Government".

The authority will respond positively to the recommendations of external audit and statutory inspectors in respect of corporate governance and implement agreed actions effectively.

THE CORE PRINCIPLES - FRAMEWORK

1. Focusing on the purpose of the service and on outcomes for the community and creating and implementing a vision for the local area, by:

a. Exercising strategic leadership by developing and clearly communicating the Service's purpose and vision and its intended outcomes for citizens and service users. To achieve this, the Authority will:

   i)   Develop and promote the Service's purpose and vision
   ii)   Review on a regular basis the Service's vision for the area and its implication for the Service's governance arrangements
   iii)   Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners
   iv)   Produce an annual report to coincide with the Statement of Accounts, by the 30 September each year

b. Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning. To achieve this, the Authority will:

   i)   Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.
   ii)   Put in place effective arrangements to identify and deal with failure in service delivery.

c. Ensuring that the Authority makes best use of resources and that tax payers and service users receive excellent value for money. To achieve this, the Authority will:

   i)   Maintain a Value For Money programme to ensure that Value for Money can be demonstrated.

Examples of how the Authority demonstrates commitment to this core principle:

- Local Code on Corporate Governance;
- Partnership protocols;
- Annual financial statements;
- Annual business plan;
- Performance management framework;
- Customer Comments Procedure.

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

a. Ensuring effective leadership throughout the Service and being clear about the boundaries that exist between Officer and Members functions and of the roles and responsibilities of the scrutiny function. To achieve this, the Authority will:

   i)   Set out a clear statement of the respective roles and responsibilities of the Strategic Management Team (SMT) and of SMTs Members individually and the Service's approach towards putting this in to practice.
   ii)   Set out a clear statement of the respective roles and responsibilities of other Officers and Members generally.

b. Ensuring that a constructive working relationship exists between Elected Members and officers and that the responsibilities of Members and officers are carried out to a high standard. To achieve this, the Authority will:

i) Determine a scheme of delegation and reserve powers within the Members Handbook including a formal schedule of those matters specifically reserved for collective decision of the Authority, taking account of relevant legislation, and ensure that it is monitored and updated when required.
ii) Make the Chief Fire Officer responsible and accountable to the Authority for all aspects of operational management.
iii) Develop protocols to ensure that the Chair of the Fire Authority and Chief Fire Officer negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.
iv) Make the Authority's Section 151 Officer responsible to the Authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.
v) Make the Clerk to the Fire Authority responsible to the Authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

c. Ensuring relationships between the Authority, its partners and the public are clear so that each knows what to expect of the other. To achieve this, the Authority will:

i) Develop protocols to ensure effective communication between Members and officers in their respective roles
ii) Set out the terms and conditions for remuneration of Members and officers and an effective structure for managing the process, including an effective remuneration panel if required
iii) Ensure that effective mechanisms exist to monitor service delivery
iv) Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated
v) When working in partnership, ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Authority
vi) When working in partnership ensure that there is clarity about the legal status of the partnership and ensure that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions

Examples of how the Service could demonstrate its commitment to this core principle:

- The Authority's Standing Orders;
- Records of decisions and supporting materials;
- Conditions of employment;
- Scheme of delegation;
- Job descriptions/specification;
- Member/officer protocol;
- Corporate plans;
- Budgets;
- Protocols for partnership working including an assessment toolkit and exit strategies.

3. **Promoting values for the Service and demonstrating the values of good governance through upholding high standards of conduct and behaviour, by**

   a. Ensuring the Authority's Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance. To achieve this, the Authority will:

      i)   Ensure that the Authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect
      ii) Ensure that standards of conduct and personal behaviour expected of Members and officers, of work between Members and officers and between the Authority, its partners and the community are defined and communicated through codes of conduct and protocols
      iii) Put in place arrangements to ensure that Members and officers of the Authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice

   b. Ensuring that organisational values are put into practice and are effective. To achieve this the Authority will:

      i)   Develop and maintain shared values including leadership values for both the Authority Members and officers reflecting public expectations, and communicate these with Members, officers, the community and partners
      ii) Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice
      iii) Develop and maintain an effective Standards Committee
      iv) Use the organisations shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Authority
      v)   In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively

Examples of how the Service could demonstrate its commitment to this core principle:

- Codes of conduct;
- Performance appraisal;
- Customer Comments procedures;
- Anti-fraud and –corruption policy;
- Standing Orders;
- Financial Regulations;
- Regular reporting to Full Authority;
- Decision-making practices;
- Gifts and hospitality policy;
- Protocols for partnership working.

4. **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk, by**

   a. Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny. To achieve this the Authority will:

i) Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the Authority's performance overall

ii) Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based

iii) Put in place arrangements to safeguard Members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice

iv) Develop and maintain an effective Performance Committee which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee

v) Ensure that effective, transparent and accessible arrangements are in place for dealing with Customer comments

b. Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs. To achieve this the Authority will:

i) Ensure that those making decisions for the Authority are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications

ii) Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately

c. Ensuring that an effective risk management system is in place. To achieve this the Authority will:

i) Ensure that risk management is embedded into the culture of the Authority, with Members and Officers at all levels recognising that risk management is part of their jobs

ii) Ensure that effective arrangements for whistleblowing are in place to which officers, staff and all those contracting with or appointed by the Authority have access

d. Using their legal powers to the full benefit of the citizens and communities in their area. To achieve this the Authority will:

i) Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities

ii) Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law

iii) Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision-making processes

Examples of how the Service could demonstrate its commitment to this core principle:

- Members' code of conduct;
- Training for committee Members;

- Publication of SMT and PaCT meetings within the service;
- Customer Comments procedure;
- Risk management protocol;
- Standing orders and financial regulations;
- Whistleblowing policy;
- Monitoring officer provisions.

5. **Developing the capacity and capability of members and officers to be effective, by**

   a. Making sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles. To achieve this the Authority will:

      i) Provide induction programmes tailored to individual needs and opportunities for Members and officers to update their knowledge on a regular basis
      ii) Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Council

   b. Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group. To achieve this the Authority will:

      i) Assess the skills required by Members and officers and make a commitment to develop those skills to enable roles to be carried out effectively
      ii) Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed
      iii) Ensure that effective arrangements are in place for reviewing the performance of the Strategic Management Team as a whole and of individual Members and agreeing an action plan which might, for example, aim to address any training or development needs

   c. 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. To achieve this the Authority will:

      i) Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Authority
      ii) Ensure that career structures are in place for Members and officers to encourage participation and development

Examples of how the Service could demonstrate its commitment to this core principle:

- Training and development plans;
- Induction programme;
- Personal development reviews;
- Update courses/information;
- Succession planning;
- Provision and maintenance of the Members' Handbook.

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

a. Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships. To achieve this the Authority will:

   i) Make clear to themselves, all officers and the community to whom they are accountable and for what
   ii) Consider those institutional stakeholders to whom the Authority is accountable and assess the effectiveness of the relationships and any changes required

b. 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. To achieve this the Authority will:

   i) Ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively
   ii) Hold meetings that are open to the public unless there are good reasons for confidentiality
   iii) Ensure that arrangements are in place to enable the Authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands
   iv) Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result
   v) On an three year basis, publish a community safety plan which will be updated annually, giving information on the Authorities vision, strategy, plans and as well as information about its outcomes achievements the in the previous period
   vi) Ensure that the Authority as a whole is open and accessible to the community, service users and its officers and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so

c. Making the best of human resources by taking an active and planned approach to meet responsibility to officers. To achieve this the Authority will:

   i) Develop and maintain a clear policy on how officers and their representatives are consulted and involved in decision making

Examples of how the Service could demonstrate its commitment to this core principle:

- Annual report;
- Partnership framework;
- Community Safety plan and annual updates;
- Standing Orders.