



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Policy and Strategy Committee

REVIEW OF THE LOCAL CODE OF CORPORATE GOVERNANCE

Report of the Chief Fire Officer

Date: 29 April 2016

Purpose of Report:

To provide Members with a review of the local Code of Corporate Governance following an interim review to highlight key, current and future challenges to the Authority's governance arrangements.

CONTACT OFFICER

Name : Craig Parkin
Assistant Chief Fire Officer

Tel : 0115 967 0880

Email : craig.parkin@notts-fire.gov.uk

Media Enquiries Contact : Therese Easom
(0115) 967 0880 therese.easom@notts-fire.gov.uk

1. BACKGROUND

- 1.1 Each year the Authority is required to include an Annual Governance Statement in its Statement of Accounts. This statement reviews the governance arrangements and comments on any challenges for those arrangements going forward.
- 1.2 Previous 'Annual Governance Review' reports have centred upon the financial aspects and this latest report seeks to update Members to proposed amendments and updates to the approach taken in previous years.
- 1.3 The introduction of the Annual Statement of Assurance in recent years to Nottinghamshire Fire and Rescue Service (NFRS), has also placed a requirement upon the Authority to report upon the operational, financial and governance arrangements it has in place. Clearly this presents some potential for duplication within the organisation.
- 1.4 Governance information is central to the transparency arrangements within a public body and this information is made routinely available, for example, by the Service website and the established publication scheme.
- 1.5 Following the outcomes of the national consultation on wider emergency service collaboration, future governance arrangements of the Authority will need to be considered and this report highlights a range of current and future challenges to the existing provisions.

2. REPORT

- 2.1 The Authority previously 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 complies 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 Regulations 2015 in relation to the publication of an annual governance statement.
- 2.3 The CIPFA/SOLACE framework is in the process of being updated, and when published there will be a full review of its implications by officers with any proposed changes presented to a future Policy and Strategy Committee for consideration by Members.
- 2.4 The current local Code of Corporate Governance is attached at Appendix A and is considered fit for purpose pending the revised CIPFA/SOLACE guidance.

2.5 The annual review of governance has been carried out and the results will be included in the Annual Governance Statement, which will be presented to the Fire Authority for approval in September and included in the Authority's Statement of Accounts. The review shows that over the past year a number of notable changes and events have taken place which directly impact upon governance arrangements for the Authority. These include:

- Changes to the Principal Management Team, reducing from four to three Officers and the consequent wider changes to responsibilities for Officers within the Strategic Leadership Team (SLT), notably the Finance, People and Procurement roles;
- Staff have attended three winter conferences with Principal Officers to engage the wider workforce and discuss future challenges facing the Service to deliver high quality services; an engaged and motivated workforce; within a framework of financial stability and strong governance;
- The Authority also recruited to the post of independent Treasurer and with this appointment retained experience and continuity of knowledge;
- The completion of a Peer Challenge also saw the themes of Leadership and Governance specifically examined and reported upon.

2.6 A range of key future challenges identified in the review include:

- Reductions in central government grant will mean the Authority will be required to make significant savings, whilst continuing to maintain a service which meets public expectations;
- As of 5th January, the Home Office is now lead government department for Fire and Rescue;
- The Police and Crime Bill is demonstrating clear intention from central government on local emergency services collaboration, and for the future role of the Police and Crime Commissioners;
- Proposals for an inspectorate to be created within the Home Office.

2.7 The Finance and Corporate Support teams are working to ensure that duplication of effort around the organisation's governance reporting arrangements are removed and the Authority continues to meet its statutory obligations. Members can be reassured that initial meetings and work has commenced.

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 is a requirement under Regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 The governance framework of the Authority is the framework of systems and processes which direct and control all decision making and policy development within the organisation, these include the creation and maintenance of strategic and corporate risk registers.
- 8.2 It is important therefore to review this regularly to ensure that this framework remains sufficiently robust and compliant with the CIPFA/SOLACE code. The risk of not doing so is that the organisation could fail to set proper objectives and adequately monitor its success.
- 8.3 The current arrangements for governance as agreed within the Authority's constitution contributes to the management of risk within the organisation, as this ensures Members are suitably informed of the framework in place and provided with timely and sufficient information to apply scrutiny.

9. RECOMMENDATIONS

It is recommended that Members:

- 9.1 Ratify the use of the current local Code of Corporate Governance as the basis for the 2015/16 Annual Governance Statement; and,
- 9.2 Agree to receive further reports once the revised CIPFA/SOLACE framework has been produced and considered by Officers.

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

None.

John Buckley
CHIEF FIRE OFFICER



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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 Combined Fire Authority as part of the Annual Review of Governance and Annual Governance Statement.



NOTTINGHAMSHIRE

Fire & Rescue Service

Creating Safer Communities

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 the Accounts and Audit Regulations 2015.

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 a Statement of Assurance and a 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) Ensure that Value for Money principles are embedded in its procurement policies and procedures.

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 Principal Officer Team and the Service's approach towards putting this in to practice.
- 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 remit 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) Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Authority
 - iv) 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 minutes of Strategic Leadership Team and Executive Delivery Team 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 Authority

- 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 Leadership 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 Statement of Assurance;
- Consultation Framework
- Partnership framework;
- Community Safety Plan (IRMP);
- Standing Orders.