

## Written Statements and Narrative Report Annual Governance Statement

### Introduction

The governance framework is the system, processes, culture and values by which the Council is directed and controlled and how it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Council has adopted a Code of Corporate Governance which has been produced to the standards prescribed in the best practice guidance in order to prepare the Annual Governance Statement (AGS). The best practice guidance is recognised as the CIPFA Framework Delivering Good Governance in Local Government, which was updated and issued in 2016. The AGS is used by the Council to report publicly on the extent to which the Council has complied with its adopted Code, which is a requirement of the Accounts and Audit Regulations (England) 2015.

The AGS also applies to the Council's only wholly owned subsidiary, Advance Northumberland, an arm's length company which is the Council's primary regeneration delivery vehicle.

The Council works in close partnership with a number of other bodies including:

- Active Northumberland, a registered charity delivering Northumberland's leisure services;
- Northumbria Healthcare NHS Foundation Trust which delivers social care support for ill or disabled adults on behalf of the County Council through a partnership agreement;
- Northumberland, Tyne and Wear NHS Foundation Trust which provides support for working age adults with mental health problems on behalf of the County Council through a partnership agreement;
- Town and Parish Councils which as a distinct tier of local government have responsibility for specific services and, in some instances, commission the County Council to deliver services on their behalf; and
- Other local authorities and health organisations where shared service arrangements have been established and overviewed by joint boards, specifically audit and risk management (with North Tyneside Council); procurement (with Northumbria Healthcare NHS Foundation Trust and Hull City Health Care Partnership); Occupational Health (with

Northumbria Healthcare NHS Foundation Trust); local government pensions administration (with South Tyneside Council); and fire pensions administration (with the West Yorkshire Pension fund).

The Council is working collaboratively with other authorities. The North of Tyne Combined Authority (Northumberland, Newcastle and North Tyneside) was legally established on 1 November following the laying of the Order in Parliament. A simultaneous Order was also laid that altered the geographical boundary of the North East Combined Authority (NECA) so the three North of Tyne authorities left that body (which also included Durham, Gateshead, South Tyneside and Sunderland) on the same day. The seven local authorities continue to work together through regular meetings at Leader, Chief Executive, Economic Director and Finance Director levels on matters of shared interest. All seven Leaders also form part of the Board of the North East Local Enterprise Partnership.

The Council is also working in partnership with Carlisle City Council, Cumbria County Council, Dumfries and Galloway Council, and Scottish Borders Council as a Borderlands Partnership with the initial aim being to secure an Inclusive Growth Deal from the UK and Scottish Governments to achieve a 10-year investment programme to promote economic growth across the area. Legal advice is currently being taken as to the subsequent governance arrangements that are required to meet the responsibilities associated with this programme. Two accountability bodies have been identified - Northumberland County Council for the English side and Dumfries and Galloway for the Scottish side.

A refreshed version of the Partnership Agreement with Northumberland Clinical Commissioning Group (CCG), under which the Council commissions and arranges case management for NHS Continuing Healthcare and related services on the CCG's behalf, is now largely complete. This will bring the commissioning of aftercare services under the Mental Health Act within the scope of the Agreement, clarifying the arrangement for these.

## **Written Statements and Narrative Report**

### **Annual Governance Statement**

#### **The process**

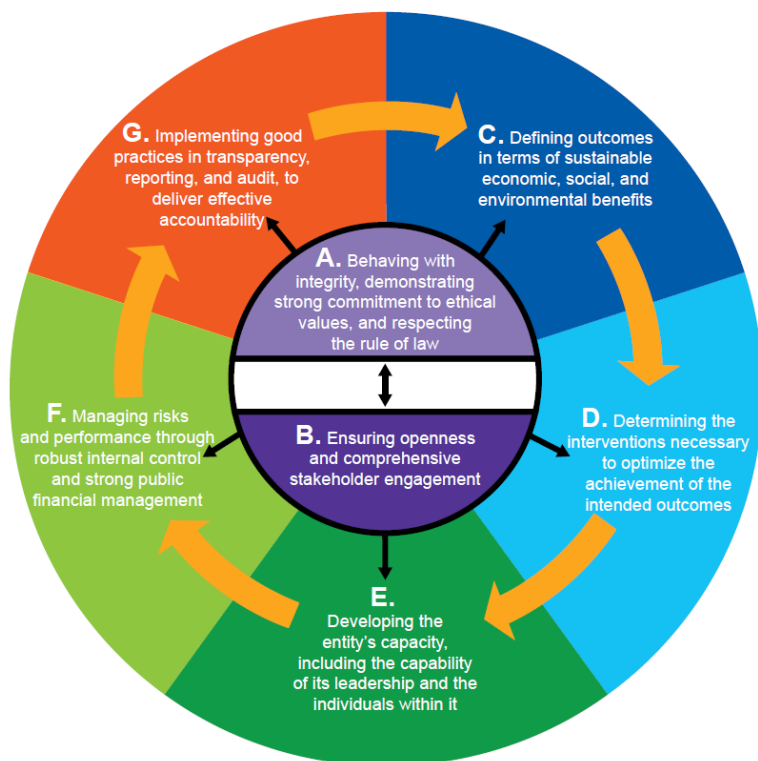
The County Council is responsible for conducting at least annually a review of the effectiveness of its governance framework which is attached at Appendix A. The Executive agreed a process and timetable for all heads of service, lead officers in provision of shared services for procurement and internal audit and the managing director of Advance Northumberland to complete returns reviewing compliance with the governance framework during 2018-19, summarising changes and improvements to governance during the year and identifying further improvements to be implemented during 2019-20. From the information contained within the returns, a draft AGS was prepared by the Service Director – Finance and acting Section 151 Officer for discussion with the Executive and agreement on scoring of the seven principles of good governance and an appropriate corporate improvement plan before submission to the Audit Committee. The AGS is also reviewed by Internal Audit to provide assurance on its accuracy and completeness.

## International Framework: Good Governance in the Public Sector

**CIPFA** The Chartered Institute of  
Public Finance & Accountancy

cipfa.org

**Achieving the Intended Outcomes  
While Acting in the Public Interest at all Times**



The Council's compliance with the seven principles is outlined below.

### **Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

The Monitoring Officer, supported by staff in Democratic Services, has maintained the Councillors' register of interests established following the elections in May 2017 as required under the Localism Act 2011 which is available online for public inspection. The register includes the declaration of gifts and hospitality received by members in connection with their official duties.

Advice has been given throughout the year to Members with regard to the need to make appropriate declarations of interests under both the 2011 Act and the local members' code of conduct. As of the end of February 2019 twenty one member code of conduct complaints were received under the arrangements adopted by the Council under the 2011 Act. The number of complaints received represented an increase of over 61% on the number of complaints received in the previous year

The Council's Standards Committee welcomed the opportunity to contribute to the Committee on Standards in Public Life's consultation in respect of the local government ethical framework and is to consider the recommendations from that review at its meeting in April 2019.

No matters arose during the year which caused the Monitoring Officer to consider exercising powers under section 5 of the Local Government & Housing Act 1985 in relation to the contravention, or potential contravention, of any enactment or rule or law or in relation to an instance of maladministration.

Roles and responsibilities of executive, non-executive, scrutiny and officer functions are clearly defined through terms of reference and job descriptions, ensuring effective leadership. Regular appraisals for staff ensure an awareness of the requirements and expectations of each role.

Terms of reference for all Committees can be found on the Council's website. Clear delegation arrangements are set out in the Finance and Contract Rules, which form part of the Council's Constitution. In relation to finance, the Council's management arrangements conform to the

## **Written Statements and Narrative Report Annual Governance Statement**

requirements of CIPFA's "Statement on the role of the Chief Financial Officer in Local Government".

A constructive working relationship exists between officers and elected members which ensures that both are able to operate effectively. The Council's Monitoring Officer has responsibility for ensuring that the Council acts within its legal powers at all times, and the Section 151 Officer is responsible for ensuring the proper administration of the Council's financial affairs. Within their respective roles, both have a duty to report formally any adverse matters, a requirement which is set out in the Constitution.

The Council operates a whistleblowing policy, and has a robust complaints process, designed to ensure that all issues are properly investigated. The Council has also introduced Safecall which provides an independent, confidential service where employees can report any concerns. The hotline does not replace internal reporting procedures, but is used alongside them to provide an alternative for employees who, for a number of reasons, may not wish to use the internal options.

### **Ensuring openness and comprehensive stakeholder engagement**

The Council's Constitution describes how decisions are to be made and the processes which must be followed to ensure efficiency, transparency and accountability. Decisions are made by the Cabinet, working within the agreed budget and policy framework. The Cabinet is held to account by the Council's Overview and Scrutiny Committees. Notice of forthcoming decisions to be taken by the Cabinet is published via the forward plan. Meetings are generally held in the public domain, although of necessity a small number of items may be considered in private. Regulatory matters are dealt with by specific committees established for the purpose. Reports are provided to a standard template.

The Council has also established five Local Area Councils which cover: North Northumberland; Tynedale; Castle Morpeth; Cramlington, Bedlington and Seaton Valley; and Ashington and Blyth. Their overall aim is to empower citizens, strengthen communities and improve services. Councillors are involved for each particular area and meetings are held in public. Everyone is welcome to attend the meetings and regular items include public question time, submitting

and considering petitions and updates on local neighbourhood services and highways issues. The Local Area Councils also deal with local planning applications.

Development of the Local Plan has involved extensive public consultation in advance of the final plan being submitted to Government in May 2019, with a series of 23 public consultation events. These drop-in events have provided opportunities for residents, businesses, community and voluntary groups, town and parish town councils, and anyone with an interest in the future of Northumberland to find out more and have their say.

To enable a more streamlined process, responsibility for certain decisions is delegated to chief and senior officers, in line with powers set out in the Constitution.

The Council periodically carries out extensive Northumberland Residents' Perception surveys commissioned through independent firms which provided a range of quality of life perception data statistically valid at Local Area Council level. The most recent surveys were conducted in 2012, 2015 and 2018 and it is intended to repeat the survey in 2020.

The Council's website provides details on information governance including the Council's policies covering data protection, freedom of information, environmental information regulations and records management. The publication scheme advises the public about how to get the information they seek from the Council and the transparency pages on the website meet the requirements of the Local Government Transparency Code 2015.

### **Defining outcomes in terms of sustainable economic, social and environmental benefits**

The Council's Corporate Plan was adopted in February 2018 alongside the medium term financial plan for 2018-22 and the budget for 2018-19. The Plan covers the period up until 2021 and identifies priority areas around:

- We want to be efficient, open and work for everyone [How]
- We want you to feel safe, healthy and cared for [Living]
- We want you to love where you live [Enjoying]
- We want you to have access to the things you need [Connecting]

## Written Statements and Narrative Report Annual Governance Statement

- We want you to achieve and realise you potential [Learning]
- We want to attract more and better jobs [Thriving]

which are framed by the Council's vision, values and operating principles.

Each service prepares a Service Statement annually setting out its priorities in delivering the Council's Corporate Plan together with a performance framework identifying key measures of performance, current performance levels and targeted performance levels. Measures of performance are captured in the Council's web-enabled performance management system which is regularly updated with current performance so that the information is readily accessible to members, managers, staff, the public, partners and other stakeholders.

The Council's Local Plan sets out the long term spatial vision and strategic planning policies of the Council. It identifies the scale and distribution of new development which is required to deliver the Council's economic growth ambitions. It also provides the strategic planning principles that will be used to inform Neighbourhood Development Plans across Northumberland. Preparation of the Local Plan has now reached the 'Publication' stage. Representations on the soundness and legal compliance of the Local Plan were invited from 30 January 2019 to 13 March 2019 prior to the proposed submission of the Local Plan to government for independent examination in May 2019 with the aim of the Plan being adopted in March 2020.

### **Determining the interventions necessary to optimise the achievement of the intended outcomes**

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. A framework of policies and procedures is in place as set out in the Financial and Contract rules. A comprehensive review of these rules is currently underway and is scheduled for completion in July 2019.

Planning protocols were fully reviewed and implemented in 2015-16 with increased delegation to officers and more effective engagement with applicants at pre-submission stage. The protocols have led to improved

performance in dealing with applications and are set out on the Council's website.

The Council has a clear process for the preparation and publication of Service Statements which set out the priorities for each service in delivering the Council's Corporate Plan. These priorities are described in greater detail in specific strategies and delivery plans. The Medium Term Financial Plan for the period 2019-22 was approved by the Council at its meeting on 20 February 2019.

### **Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The Workforce Committee (an officer group) continues to provide regular scrutiny, challenge and accountability for all workforce related improvement initiatives. Monthly publication of workforce intelligence data and performance reports is used to monitor and steer improvement actions. The Committee continues to monitor compliance levels for all mandatory required learning, completed inductions and appraisal. In April 2018 all employees were assigned General Data Protection Regulations training and performance as of 31st January 2018 was 85.22% compliance.

A new Human Resources/Organisational Development Plan has been published which clearly aligns people and organisational improvement activities against the principles and priorities outlined within Council's Corporate Plan 2018-21.

Results for the 2018 staff survey show improvements in both response rate up from 68% to 71% rate and across many of the elements with 15 significant areas of improvement and no responses significantly down from 2017.

A Leadership & Management Development pathway has been established which utilises the Council's Apprenticeship Levy and offers high quality accredited learning and talent development from Level 2 through to Level 7. The Council's HR/OD service continues to work collaboratively with services, Trade Unions and the Joint Consultative Committee to manage a programme of policy development and review, ensuring all legislative changes are tracked and incorporated within key people management policies. The Council continues to exceed the 2.4% public service duty requirement for apprentices within the workforce (3.9%).

## Written Statements and Narrative Report Annual Governance Statement

Centralisation of the Council's recruitment process within HR/OD has led to improved levels of assurance for safer recruitment practice whilst supporting a more efficient and expedient on-boarding experience.

### Managing risks and performance

The Council's risk management framework provides a structured approach to the management of risk. The objectives of this framework are to: provide standard definitions to underpin the risk management process; co-ordinate the approach to risk management across the Council, providing a consistent and integrated output through the clarification of key concepts; formally document the Council's risk management methodology; clearly identify roles and responsibilities for managing risk, raising awareness of the need for risk management by staff at all levels within Northumberland County Council; implement an approach which is fully integrated and embedded throughout the organisation; and ensure that risks are managed in accordance with best practice. The framework incorporates the policy and strategy for risk management, along with details of the key features of the Council's approach. The risk management policy is approved by the Cabinet and signed off by the Leader of the Council and the Chief Executive. Supporting this document is the strategy, which gives the scope, direction and priorities for risk management. The Council's risk management policy, strategy and methodology are set out in the Risk Management Framework which is usually reviewed and updated on an annual basis; the current edition was approved in July 2016, however, and substantive improvements to the process to enhance management of risk were identified during 2017-18 and rolled out in 2018-19.

The Council's performance management framework is published to the website and performance information is updated regularly. The data is input to the corporate system by services and publicly available reports map the information to services, Corporate Plan priorities, Cabinet member portfolios and overview and scrutiny committees.

The Council benchmarks its services against a number of national and regional comparators and each service includes details of its benchmarking in its annual service statement.

During 2018-19 four Overview and Scrutiny Committees were in operation - Corporate Services and Economic Growth; Communities and Place; Health and Well-Being; Family and Children's Services - supporting the work of the Cabinet and the Council as a whole. They allow citizens to have a greater say in Council matters by holding inquiries into matters of local concern. Overview and Scrutiny Committees also monitor the decisions of the Cabinet. The scrutiny process allows for a decision made by the Cabinet, but not yet implemented, to be 'called in'. This enables them to consider whether the decision is appropriate. Members may recommend the Cabinet reconsider the decision. They may also be consulted by the Cabinet or the Council on forthcoming decisions and the development of policy.

An annual personal development process (PDP) and six monthly review process exists for all members. An online learning management system provides electronic records of individual learning plans and member development activity. The outcome of PDPs and development needs arising from various political committee and meeting structures inform the annual member development programme and member briefing sessions. The Chairmen's Group and Member Service Working Group contribute to the identification, monitoring and management of member capacity and capability. A full induction programme was delivered for all members of the Council following the elections in May 2017.

A dedicated resource is available within the Corporate Fraud Team to lead investigations into breaches of policy and suspected irregularities, with an element of the role being dedicated to pro-active work, and developing an anti-fraud culture. The Audit Committee receives regular updates on all fraud investigations.

The Council's Internal Audit Service plays a key role in the assessment of the control environment, and will make suggestions for improvement where necessary. The Service operates in accordance with the Accounts and Audit (England) Regulations 2015, the Public Sector Internal Audit Standards (revised 1 April 2016) and the related Local Government Application Note published jointly by the Chartered Institute of Public Finance and Accountancy and Institute of Internal Auditors (April 2013). Following wide consultation with stakeholders and assessment of risk, a Strategic Audit Plan

## **Written Statements and Narrative Report Annual Governance Statement**

is presented annually to the Audit Committee to consider and review the planned work and proposed coverage of Internal Audit. From 2016-17, an increased focus on 'assurance mapping' – using the Authority's own assessment of risks, and focusing assurance on the effectiveness of the controls in place – has been reflected in our audit planning.

The Council established a shared arrangement with North Tyneside Council for Internal Audit and Risk Management Services. The Shared Service Management Board which includes the respective Chief Executive and relevant Portfolio Holder of Northumberland County Council and North Tyneside Council oversees the arrangements across the two councils.

The Audit Committee plays a key role in the assurance process, advising on the adequacy and effectiveness of the authority's risk management arrangements, the control environment, corporate governance and associated anti-fraud and anti-corruption arrangements; and seeking assurances that action is being taken on risk-related issues identified.

The Committee considers the scope and remit of external audit, and internal audit and risk management and receives regular reports from each throughout the year. It also considers and advises upon any significant reports of inspection agencies where these have not been referred to a more relevant Overview and Scrutiny Committee. Audit Committee monitors management actions in response to the issues raised and recommendations made.

The role of Audit Committee includes being satisfied that the authority's assurance statements properly reflect the risk environment and any actions required to improve it. Annually, it receives a report from the Chief Internal Auditor, assessing the adequacy and effectiveness of the framework of governance, risk management and control; and provides an assurance to the County Council that its systems of governance are operating effectively through approval of the Annual Governance Statement.

The Audit Committee meets at least six times per annum, with additional ad hoc meetings as required. The work programme for the Committee is reviewed annually to ensure compliance with all professional guidance.

The Council has reviewed the role of the Information Governance group and concluded that it was no longer meeting its objectives. Therefore, to better meet needs a Strategic Information Governance Group has been introduced to look at policy and an Operational Group to consider day to day issues. The groups meet on regular bases to ensure that all Information Governance and Information Security policies and procedures are fully implemented across the organisation and that issues of non-compliance are raised at these meetings. The minutes of the operational group are reported to the strategic group and these are reported to the Council's Digital Board which provides governance on all Information and Digital activities undertaken by the organisation. All services are represented on the Digital Board by senior officers.

Finance officers meet regularly with budget holders across the Council and prepare a monthly financial monitoring statement which is shared with the Executive and reported to the Cabinet.

### **Implementing good practices in transparency, reporting and audit to deliver effective accountability**

As outlined earlier, the website provides a platform for the Council's openness in governance with its transparency pages, publication scheme, access to committee agendas, papers and records of decision and up to date performance information.

At service level there has continued to be regular regulatory inspections of Adult and Children's Services and reports are provided to the Audit Committee to inform members of the findings of inspections and provide assurance of how the actions resulting from inspections are implemented and monitored.

Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS) has conducted an assessment of Northumberland Fire and Rescue Service during 2018-19 focusing on:

- Effectiveness - Including prevention, protection, resilience, and response;

## **Written Statements and Narrative Report**

### **Annual Governance Statement**

- Efficiency - How well it provides value for money, allocates resources to match risk, and collaborates with the police and ambulance services; and
- How well does it look after people - How well it promotes its values and culture, trains its staff and ensures they have the necessary skills, ensures fairness and diversity for the workforce and develops leadership and service capability.

The final report by HMICFRS is expected in June 2019.



## Written Statements and Narrative Report

### Annual Governance Statement

#### Overall assessment of governance arrangements in place

In line with best practice, the Corporate Governance Group has scored the Council's level of compliance with each of the seven principles:

**Grade 1 : Outstanding** - A principle rated as outstanding is highly effective in supporting the delivery of outcomes that provide exceptionally well for all Council services. This ensures that the Council is very well equipped to continue to make best use of resources in meeting the needs of Northumberland.

**Grade 2 : Good** - A principle rated as good is effective in supporting the delivery of outcomes that provide well for all Council services. This ensures that the Council is well prepared to make best use of resources in meeting the needs of Northumberland.

**Grade 3 : Requires improvement to become good** - A principle that requires improvement has some gaps in its performance framework or is not being applied consistently across all Council services. Appropriate activity has been identified in the corporate or service governance improvement plan to effect development.

**Grade 4 : Inadequate** - A principle that has serious weaknesses is inadequate overall and requires significant improvement. Remedial action has been identified in the corporate governance improvement plan.

Principle	2017-18 Score	Evidence summary	2018-19 Score
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	3	Systems and processes are generally considered to be well documented, robust and consistently applied across most of the Council. Significant work has been carried out during 2018-19 to address previous failings in governance in relation to The Arch Group and Active Northumberland.	2
Ensuring openness and comprehensive stakeholder engagement	3	There are many examples of good stakeholder engagement on an individual service basis, for example development of the Core Strategy and options for schools reorganisation. There is a gap, however, in the consistent publication of all engagement to support understanding of the aggregate impact of potential policy change across the Council. This gap has previously been identified and is still outstanding.	3
Defining outcomes in terms of sustainable economic, social and environmental benefits	2	Processes in terms of developing proposals and building robust business cases are well embedded across the Council.	2
Determining the interventions necessary to optimise the achievement of the intended outcomes	2	There is a clear link between the Corporate Plan, Service Statements and the Council's performance framework which are all publicly available. Effective decision making is supported by Overview and Scrutiny Committees, Risk Appraisal Panels, Planning Committee, Audit Committee and Local Area Councils.	2
Developing the entity's capacity, including the capability of its leadership and the individuals within it	2	Performance levels in conducting appraisals and completing statutory and mandatory training have continued to improve during 2018-19. Significant investment has been agreed for apprenticeships and engagement through the annual staff survey has increased. The increase in agile working has supported capacity within the Council.	2
Managing risks and performance through robust internal control and strong public financial management	2	Performance management is seen to be consistent across the Council and is reported via the Council's website. There is robust internal control of financial management.	2
	3	The risk management process has been refreshed and developed during 2018-19 and will become embedded over the next 12 months.	3
Implementing good practices in transparency, reporting and audit to deliver effective accountability	3	Strategic reviews of The Arch Group and Active Northumberland, the audit programme, the Council's committee structure, service specific consultation and publication of information on the website demonstrate transparency.	2

## Written Statements and Narrative Report Annual Governance Statement

### Improvement planning

Last year's AGS included a high level improvement plan which is attached at Appendix B along with commentary on progress. All actions have been progressed appropriately with the exception of a framework for the consistent publication of all Council public consultation which has been carried forward into 2019-20.

25 services were required to provide returns reviewing compliance with Council's corporate governance framework summarising changes and improvements to governance during 2018-19 and identifying further improvements to be implemented in 2019-20. As well as service-specific issues, a number of common themes have emerged from these improvement plans:

- Engagement with users through better communication, consultation and dealing with complaints
- Engagement with staff in achieving a more rigorous approach to carrying out performance appraisals and acting on results from the staff survey
- Information governance
- Reviewing performance indicators to better reflect priorities and customer interests

A corporate governance improvement plan for 2019-20 forms Appendix C to this AGS.

### Conclusion

Any system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, that material errors or irregularities are either prevented or would be detected within a timely period, and, that significant risks impacting on the achievement of the Council's objectives have been mitigated.

As a result of reviewing the evidence the Executive has taken the view that, as a whole, the governance arrangements in operation during 2018-19 within the Authority were adequate. The Chief Internal Auditor's Annual Report provides further assurance. There are areas where improvements can be made, however, and these have been identified in the corporate and service improvement plans for 2019-20.

Signed:

Peter Jackson, Leader of the County Council

Daljit Lally, Chief Executive and Head of Paid Service

Alison Elsdon, Service Director - Finance & Acting  
Section 151 Officer

**Written Statements and Narrative Report  
Annual Governance Statement**

**Appendix A – Northumberland County Council Corporate Governance Framework**

The International Framework defines governance as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The Framework also states that to deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times. In local government, the governing body is the full council.

Core Principles		A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	B. Ensuring openness and comprehensive stakeholder engagement	C. Defining outcomes in terms of sustainable economic, social and environmental benefits	D. Determining the interventions necessary to optimise the achievement of the intended outcomes	E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	F. Managing risks and performance through robust internal control and strong public financial management	G. Implementing good practices in transparency, reporting and audit to deliver effective accountability
Evidence of Good Governance	Member Code of Conduct	Annual report	Corporate vision	Option appraisals	Regular reviews of activities, outputs and planned outcomes	Risk management protocol	Northumberland County Council website	
	Officer Code of Conduct	Freedom of Information Act publication scheme	Corporate Plan	Financial strategy	Research and benchmarking-Northumberland Knowledge	Risk management strategy	Annual report	
	Induction for new Members and staff on standard of conduct expected	Online council tax information	Service Statements	Calendar of dates for developing and submitting programme/project plans	Workforce Plan	Agendas and minutes of meetings	Annual financial statements	
	Performance appraisals	Northumberland County Council website	Performance reports	Internal communication strategy	Organisational Development Plan	Terms of reference for Committees	Head of Internal Audit's Annual Report	
	Communicating shared values with members, staff, the community and partners	Record of decision making	Risk management protocol	Risk management protocol	Job descriptions	Audit Plan	External Audit of Accounts	

## Written Statements and Narrative Report Annual Governance Statement

Core Principles	A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	B. Ensuring openness and comprehensive stakeholder engagement	C. Defining outcomes in terms of sustainable economic, social and environmental benefits	D. Determining the interventions necessary to optimise the achievement of the intended outcomes	E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	F. Managing risks and performance through robust internal control and strong public financial management	G. Implementing good practices in transparency, reporting and audit to deliver effective accountability
	Declarations of interests made at meetings	Northumberland County Council Constitution	Service standards	Planning protocol	Scheme of delegation	Audit reports	Audit Committee
	Conduct at meetings	Report pro-formas	Capital programme	Performance reports	Standing orders and financial regulations	Annual Governance Statement	Independent Remuneration Panel
	Effective standards committee	Meeting reports show details of advice given	Capital investment strategy	Medium term financial plan	Induction programme	Internal Audit Function	Open data and transparency code
	Anti-fraud and corruption policies	Calendar of dates for submitting, publishing and distributing timely reports	Fair access protocols	Budget management	Update/courses on new legislation	Audit Committee	Freedom of Information Act publication scheme
	Register of interests (members and staff)	Consultation feedback	Cabinet business	Service Statements	Policy digest	Data management framework and procedures	
	Register of gifts and hospitality	Citizen survey		Operating agreements with partners	Personal development plans for members and officers	Data protection policies and procedures	
	Whistleblowing policy	External communication strategy			Training and development programme	Designated data protection officer	
	Safecall						

**Written Statements and Narrative Report  
Annual Governance Statement**

Core Principles	A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	B. Ensuring openness and comprehensive stakeholder engagement	C. Defining outcomes in terms of sustainable economic, social and environmental benefits	D. Determining the interventions necessary to optimise the achievement of the intended outcomes	E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	F. Managing risks and performance through robust internal control and strong public financial management	G. Implementing good practices in transparency, reporting and audit to deliver effective accountability
Evidence of Good Governance	Complaints policy	Local Area Councils			Succession planning	Data quality procedures and reports	
	Ethical awareness training	Database of stakeholders with whom the authority should engage			Residents' panel	Budget monitoring reports	
	Staff appointments policy	Partnership framework			Stakeholder forums	Financial rules and regulations	
	Procurement policy	Record of public consultations			Peer reviews		
	Protocol for partnership working	Joint strategic needs assessment			Human Resource policies		
	Northumberland County Council Constitution	Management of complaints and customer service standards					
	Job description/specification for statutory officers and other key post holders						

**Written Statements and Narrative Report  
Annual Governance Statement**

Core Principles	A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	B. Ensuring openness and comprehensive stakeholder engagement	C. Defining outcomes in terms of sustainable economic, social and environmental benefits	D. Determining the interventions necessary to optimise the achievement of the intended outcomes	E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	F. Managing risks and performance through robust internal control and strong public financial management	G. Implementing good practices in transparency, reporting and audit to deliver effective accountability
Job description/specifications for Members							
Record of legal advice provided by officers							

**Written Statements and Narrative Report  
Annual Governance Statement**

**Appendix B – Review of 2018-19 Improvement Plan**

Area for Improvement	Agreed action	Responsible Officer	Progress
Active Northumberland	Implement the recommendations of the strategic review as endorsed by the Council at its meeting on 21 February 2018.	Daljit Lally	<p>The jointly commissioned review of Active Northumberland (AN) presented to Council in February 2018 identified significant failings of governance and numerous gaps in the expected level of strategic and operational capability and capacity in the organisation. It was stated that these poor oversight arrangements had severely impacted on the organisation's capacity and day to day operational capacity. A large number of the recommendations from the review have been implemented during 2018-2019 with an understanding of the remaining measures to be finalised. A clear Operating Agreement has been developed and will be in place by 1 April 2019. As per the recommendation NCC has provided clarity of purpose to AN by decommissioning their involvement with Libraries and Visitor Information. Transfer of staff involved in Libraries, Visitor Information, the County Sport Partnership and Sport Development into NCC took place in June 2018. A recruitment exercise resulted in the appointment of a new Chief Executive for the Trust in May 2018. The appointed individual has proven leisure trust management and business transformation experience. Active Northumberland have launched a three year strategy (2019-22) to transform their services and operating model. The strategy is based on a new vision and values with clearly specified deliverables and financial goals. The senior management team has been reconfigured with a clear structure comprising an Executive Leadership Team, General management Team, Corporate Lead responsibilities and Corporate Lead support. The three year strategy has been considered by the NCC Health and Wellbeing OSC - Improving Health and Fitness</p>

**Written Statements and Narrative Report  
Annual Governance Statement**

Area for Improvement	Agreed action	Responsible Officer	Progress
			Working Group. A Finance, Audit and Performance Sub Committee has been created within AN to strengthen governance and Board oversight. The Operating Agreement will include a requirement to provide detailed quarterly performance information to NCC and report progress against management of cost reduction, performance against budget and contribution towards increasing health and wellbeing. A comprehensive outcomes framework will be developed during 2019-20 to clearly demonstrate progress against key NCC strategic health and wellbeing objectives. A leisure client unit has been established within NCC to oversee development and monitoring of AN performance.
Arch	Implement the recommendations of the strategic review as endorsed by the County Council at its meeting on 3 January 2018.	Daljit Lally	Complete – transition to Advance Northumberland completed in November 2018.
Service Statements	Publish Service Statements for all services to provide detail and accountability for delivery of the Corporate Plan in the period to 2021.	All Executive and Service Directors	Service Statements were published to the Council's website. A refreshed suite of Service Statements is currently being prepared for publication in May 2019.
Local Plan	Maintain progress in development of a revised Local for consultation and submission within a timescale acceptable to the Government.	Paul Johnston	Preparation of the Local Plan has now reached the 'Publication' stage. Representations on the soundness and legal compliance of the Local Plan were invited from 30 January 2019 to 13 March 2019 prior to the proposed submission of the Local Plan to government for independent examination in May 2019.
Constitution and scheme of officer delegations	Ensure that the Council's Constitution and scheme of officer delegations maintain step with organisational change.	Liam Henry	Constitution and scheme of officer delegations amended as appropriate.  A Constitution Working Group has been established by the



**Written Statements and Narrative Report  
Annual Governance Statement**

Area for Improvement	Agreed action	Responsible Officer	Progress
			Council which will meet from March 2019.
Devolution	Review the Council's governance arrangements in relation to the North East Combined Authority, establishment of the North of Tyne Combined Authority and the Borderlands Growth Deal.	Paul Johnston	<p>Dedicated member working group on "Economic Deals" established and meets regularly. It includes the Leaders of all the parties as well as the Council's scrutiny representative to the North of Tyne Combined Authority.</p> <p>A member group has been established to maintain an overview of developments in the North of Tyne, Borderlands and Brexit.</p> <p>An inter-departmental officer group is also in place and meeting regularly to allow information exchange across the various thematic work streams associated with both North of Tyne and Borderlands.</p>
Consultation	Establish a framework for the consistent publication of all Council consultation.	Kelly Angus	Consultation at service level is effective but there is no common framework or corporate publication of feedback. This action has been carried forward to the 2019-20 improvement plan at Appendix C.
Data Protection	Ensure the Council and all of its services comply with the requirements of the General Data Protection Regulations (GDPR).	Neil Arnold	The Council successfully managed the introduction of GDPR in May 2018 and has introduced a new role of Information Governance Manager to take on the role of the Council's Data Protection Officer.
International	Carry out an audit of compliance of service systems and processes.	Allison Joynton	Northumbria Healthcare Foundation Trust carried out an Audit of Transformation Team in 2018. No concerns were raised. The County Council's shared audit service has been requested to include an audit on their plan for 2019-20.

**Written Statements and Narrative Report  
Annual Governance Statement**

**Appendix C – 2019-20 Improvement Plan**

<b>Area for Improvement</b>	<b>Proposed action</b>	<b>Responsible Officer</b>
Local Plan	Submit the Local Plan to the government in May 2019 for independent examination with a view to the Plan being adopted in March 2020.	Paul Johnston
Consultation	Establish a framework for the consistent publication of all Council consultation (carried forward from 2018-19).	Kelly Angus
Active Northumberland	Ensure an Operating Agreement is in place for 2019-20 for Active Northumberland with appropriate monitoring arrangements in place. Ensure a formal process is in place for measuring customer satisfaction with an annual report to the Council.	Kelly Angus
Advance Northumberland	Ensure an Operating Agreement is in place for 2019-20 for Advance Northumberland with appropriate monitoring arrangements in place.	Paul Johnston
Operational delivery	Establish a framework for strategic and operational performance which demonstrates delivery and assurance of key operational and strategic indicators and which gives assurance on delivery of the Corporate Plan and in delivery of physical processes including Local Transport Plan, Capital Programme and Regeneration projects.	Daljit Lally
Programme of Service Reviews	Establish a series of service reviews to challenge current service delivery arrangements and provide assurance that value for money is being achieved.	Daljit Lally
Partnership with NHS bodies	Consider whether there is need to be changes to current partnership arrangements as the restructuring of the NHS set out in the Long-Term Plan takes shape	Cath McEvoy-Carr