



NOTTINGHAMSHIRE

Fire & Rescue Service

Creating Safer Communities

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

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. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting, and audit to deliver effective 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.

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 Leaders 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 CIPFA / Solace 2016 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. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

a. Behaving with integrity by:

- i) Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation;
- ii) Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood (built on the Seven Principles of Public Life);
- iii) Leading by example and using these standard operating principles or values as a framework for decision making and other actions;
- iv) Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.

b. Demonstrating strong commitment to ethical values by:

- i) Seeking to establish, monitor and maintain the organisation's ethical standards and performance;
- ii) Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation;
- iii) Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values;
- iv) Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.

c. Respecting the rule of law by:

- i) Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations;
- ii) Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements;

- iii) Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders;
- iv) Dealing with breaches of legal and regulatory provisions effectively;
- v) Ensuring corruption and misuse of power are dealt with effectively.

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

- Local Code on Corporate Governance;
- Code of Conduct;
- Declarations of interests at meetings;
- Governance structures for decision-making;
- Core values communicated;
- Anti-fraud and corruption policy;
- “Whistle-blowing” policy;
- Complaints policy.

2. Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

a. Demonstrating openness by:

- i) Ensuring an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness;
- ii) Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided;
- iii) Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear;
- iv) Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.

b. Engaging comprehensively with institutional stakeholders by:

- i) Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably;
- ii) Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively;

- iii) Ensuring that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.
- c. Engaging stakeholders effectively, including individual citizens and service users by:
- i) Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes;
 - ii) Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement;
 - iii) Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs;
 - iv) Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account;
 - v) Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity;
 - vi) Taking account of the interests of future generations of tax payers and service users.

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

- Statement of Assurance;
- Freedom of Information Act publication scheme;
- Online council tax information;
- Integrated Risk Management Plan;
- Website;
- Constitution;
- Forward plan of Authority and Committee meetings;
- Public consultation;
- Fire Cover Review.

3. Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

- a. Defining outcomes by:
- i) Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions;
 - ii) Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer;
 - iii) Delivering defined outcomes on a sustainable basis within the resources that will be available;
 - iv) Identifying and managing risks to the achievement of outcomes;
 - v) Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.
- b. Taking account of sustainable economic, social and environmental benefits by:
- i) Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision;
 - ii) Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints;
 - iii) Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs;
 - iv) Ensuring fair access to services.

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

- Integrated Risk Management Plan;
- Public consultation and consultation framework;
- Stakeholder analysis for communication strategy;
- Business plan;
- Statement of Assurance;
- Fire Authority and Committee reports;
- Performance management framework;
- Capital Programme and Treasury Management Strategy;
- Medium Term Financial Strategy;

4. Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

a. Determining interventions by:

- i) Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided;
- ii) Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.

b. Planning interventions by:

- i) Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets;
- ii) Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered;
- iii) Considering and monitoring risks facing each partner when working collaboratively including shared risks;
- iv) Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances;
- v) Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured;
- vi) Ensuring capacity exists to generate the information required to review service quality regularly;
- vii) Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan;
- viii) Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.

c. Optimising achievement of intended outcomes by:

- i) Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints;

- ii) Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term;
- iii) Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage;
- iv) Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes".

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

- Induction for new members and on-going training for members including member seminars;
- Constitution;
- Medium Term Financial Strategy;
- Performance management framework;
- Budget guidelines and budget reports to Fire Authority and Committee;
- Integrated Risk Management Plan and business plan;
- Project and programme management framework;
- Equality Impact Assessments.

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

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

a. Developing the entity's capacity by:

- i) Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness;
- ii) Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently;

- iii) Recognising the benefits of partnerships and collaborative working where added value can be achieved;
 - iv) Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.
- b. Developing the capability of the entity's leadership and other individuals by:
- i) Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained;
 - ii) Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body;
 - iii) Ensuring the leader and the Chief Fire Officer have clearly defined and distinctive leadership roles within a structure whereby the Chief Fire Officer leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority;
 - iv) Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks;
 - v) Ensuring that there are structures in place to encourage public participation;
 - vi) Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections;
 - vii) Holding staff to account through regular performance reviews which take account of training or development needs;
 - viii) Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

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

- Fire Cover Review;
- Property, Vehicle and ICT strategies;
- Research and benchmarking via Peer Review, CFOA, Family Group 4, Nottingham Trent University;
- Workforce Plan;
- Scheme of delegation;
- Performance Development Reviews, Continuing Professional Development, member seminars, induction programmes;
- Annual review of governance;
- HR policies and procedures, representative body panels.
- Occupational Health provision

6. Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisation and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

a. Managing risk by:

- i) Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making;
- ii) Implementing robust and integrated risk management arrangements and ensuring that they are working effectively;
- iii) Ensuring that responsibilities for managing individual risks are clearly allocated.

b. Managing performance by:

- i) Monitoring service delivery effectively including planning, specification, execution and independent post implementation review;
- ii) Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook;
- iii) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making;
- iv) Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement;
- v) Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements).

c. Robust internal control by:

- i) Aligning the risk management strategy and policies on internal control with achieving the objectives;
- ii) Evaluating and monitoring the authority's risk management and internal control on a regular basis;

- iii) Ensuring effective counter fraud and anti-corruption arrangements are in place;
 - iv) Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor;
 - v) Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: a) provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and b) that its recommendations are listened to and acted upon.
- d. Managing data by:
- i) Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data;
 - ii) Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies;
 - iii) Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.
- e. Strong public financial management by:
- i) Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance;
 - ii) Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

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

- Business Risk Manager post and Risk champion at Strategic Leadership Team;
- Risk management implications in all committee and internal reports;
- Risk management policy and risk management strategy statement, strategic and corporate risk registers reviewed regularly;
- Responsibilities assigned to corporate risks;
- Performance management framework;
- Constitution and terms of reference for committees;
- Scheme of financial management;
- Annual Governance Statement;
- Information governance officer post;
- Data protection policy, data sharing agreements;
- Medium Term Financial Strategy; budget monitoring reported quarterly to Finance and Resources Committee.

7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

- a. Implementing good practice in transparency by:
 - i) Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate;
 - ii) Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.

- b. Implementing good practices in reporting by:
 - i) Reporting at least annually on performance, value for money and the stewardship of its resources;
 - ii) Ensuring members and senior management own the results;
 - iii) Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement);
 - iv) Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate;
 - v) Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.

- c. Assurance and effective accountability by:
 - i) Ensuring that recommendations for corrective action made by external audit are acted upon;
 - ii) Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon;
 - iii) Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations;
 - iv) Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the Annual Governance Statement;

- v) Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.

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

- Website;
- Statement of Assurance;
- Statement of Accounts including Narrative Statement with performance information;
- Publication of committee agenda and minutes;
- Annual Governance Statement;
- Internal Audit reports to the Finance and Resources Committee;
- Internal Audit complies with Public Sector Internal Audit Standards;
- Integrated Risk Management Plan;
- Compliance with Transparency Code of Practice;