

**Committee:** AUDIT AND REVIEW

**Date:** 15 February 2008

**Report:** CORPORATE GOVERNANCE PRINCIPLES

### **Purpose of the report**

1. To consider the adoption of a revised set of governance principles for the Authority.

### **Strategic Planning Framework**

2. The information and recommendation(s) contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework:

- ***Best Value Performance Plan objectives***

Continue to develop effective corporate governance: establish a Local Code of Corporate Governance.

### **Background**

3. On 2<sup>nd</sup> November 2007, this Committee considered my annual report on corporate governance. In that report, I advised the Committee of the development of a new framework for local authority governance which has been developed by CIPFA and SOLACE. One element of this work had been to review the "core" and "supporting" governance principles originally produced by the Independent Commission on Good Governance in Public Services (and upon which this Authority's governance work has so far been based), and to produce a revised version specifically designed for local government. The CIPFA / SOLACE document specifically referred to National Park Authorities as one type of Authority which might adopt its' work; however, it also encouraged all types of Authority to customise the governance principles to meet their own individual needs.
4. This Committee decided that three members should be asked to look at this in more detail and report back to this Committee with their conclusions. The three Members were the Chairman of this Committee (Steve Macare); the Vice Chair (Yvonne Peacock), and David Heather. The three members met with Clare Bevan on 21<sup>st</sup> November 2007 to carry out this task.
5. The Members' group felt that the principles should be customised for this Authority, because that would make them more fit for purpose and encourage ownership. They also felt that the original wording produced by the Independent Commission was in many cases essentially adequate, and that the CIPFA / SOLACE rewrite was

perhaps overwritten in some areas. The suggested text for this Authority, produced by the Members group, is attached as an Appendix to this report. In the Appendix, the left hand column shows the existing governance principles, and the right hand column shows the proposed new version. For myself, I am perfectly content with the proposed new version as the governance principles for this Authority. If adopted by the Authority, they would then form the basis of the Local Code of Corporate Governance, which matches the performance of this Authority against the governance principles it has adopted: this forms the basis of my annual governance report to this Committee and twice yearly report to the Senior Management Team.

## **RECOMMENDATION**

6. That the Authority be recommended to adopt the revised governance principles set out in the right hand column of the Appendix to this report.

**Richard Daly**  
**Solicitor / Monitoring Officer**

31<sup>st</sup> January 2008

Background documents:

None

Comparison of the original governance principles and the proposed rewrite

<b>Good Governance Standard</b>	<b>Proposed rewrite</b>
<b>Principle 1. Focussing on the organisation's purpose, and on outcomes for citizens and service users.</b>	<b>Principle 1. Focussing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the National Park.</b>
Supporting Principles: 1.1 Being clear about the organisation's purpose and its intended outcomes for citizens and service users.  1.2 Making sure that users receive a high quality service.  1.3 Making sure that taxpayers receive value for money.	Supporting Principles: 1.1 Being clear about the Authority's purpose and its intended outcomes for citizens, service users and stakeholders.  1.2 Making sure that users receive a high quality service.  1.3 Ensuring that the Authority makes best use of resources and that tax payers and service users receive excellent value for money.
<b>Principle 2. Performing effectively in clearly defined functions and roles.</b>	<b>Principle 2. Members and officers working together to achieve a common purpose with clearly defined functions and roles.</b>
Supporting Principles: 2.1 Being clear about the functions of the governing body.  2.2 Being clear about the responsibilities of non-executives and the executive, and making sure that those responsibilities are carried out.  2.3 Being clear about relationships between governors and the public.	Supporting Principles: 2.1 Being clear about the functions of the National Park Authority.  2.2 ensuring that a constructive working relationship exists between Authority members and officers, and that the responsibilities of Authority members and officers are carried out to a high standard.  2.3 Being clear about the relationships of members and officers of the Authority with the public.
<b>Principle 3. Promoting values for the whole organisation, and demonstrating the values of good governance through behaviour.</b>	<b>Principle 3. Promoting values for the Authority, and demonstrating the values of good governance through behaviour.</b>
Supporting Principles: 3.1 Putting organisational values into practice.  3.2 Individual governors behaving in ways that uphold and exemplify effective governance.	Supporting Principles: 3.1 Putting the Authority's core values into practice.  3.2 Members and officers of the Authority behaving in ways that uphold and exemplify effective governance.

<p><b>Principle 4. Taking informed, transparent decisions, and managing risk.</b></p>	<p><b>Principle 4. Taking informed, transparent decisions and managing risk.</b></p>
<p>Supporting Principles:</p> <p>4.1 Being rigorous and transparent about how decisions are taken.</p> <p>4.2 Having and using good quality information, advice and support.</p> <p>4.3 Making sure that an effective risk management system is in operation.</p>	<p>Supporting Principles:</p> <p>4.1 Being rigorous and transparent about how decisions are taken.</p> <p>4.2 Having and using good quality information, advice and support to ensure that services are delivered effectively.</p> <p>4.3 Making sure that an effective risk management system is in operation.</p>
<p><b>Principle 5. Developing the capacity and capability of the governing body to be effective.</b></p>	<p><b>Principle 5. Developing the capacity and capability of members and officers to be effective.</b></p>
<p>Supporting Principles:</p> <p>5.1 Making sure that governors have the skills, knowledge and experience they need to perform well.</p> <p>5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.</p> <p>5.3 Striking a balance, in the membership of the governing body, between continuity and renewal.</p>	<p>Supporting Principles:</p> <p>5.1 Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.</p> <p>5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.</p> <p>5.3 Striking a balance, in the membership of the Authority, between continuity and renewal.</p>
<p><b>Principle 6. Engaging stakeholders and making accountability real.</b></p>	<p><b>Principle 6. Engaging stakeholders to ensure robust public accountability.</b></p>
<p>Supporting Principles:</p> <p>6.1 Understanding formal and informal accountability relationships.</p> <p>6.2 Engaging effectively with institutional stakeholders.</p> <p>6.3 Taking an active and planned approach to dialogue with and accountability to the public.</p> <p>6.4 Taking an active and planned approach to responsibility to staff.</p>	<p>Supporting Principles:</p> <p>6.1 Understanding formal and informal accountability relationships.</p> <p>6.2 Engaging effectively with the Authority's institutional stakeholders.</p> <p>6.3 Taking an active and planned approach to dialogue with and accountability to the public.</p> <p>6.4 Taking an active and planned approach to responsibility to staff.</p>