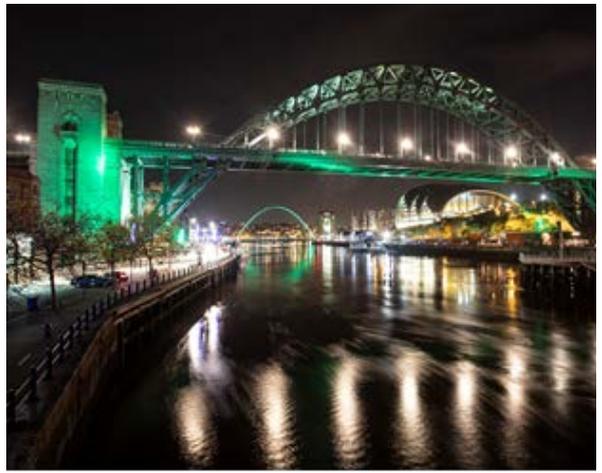


Annual Governance Statement 2018/19



Section 1: Introduction

This Annual Governance Statement (AGS) provides an overview of how the Council's governance arrangements operate, including how they are reviewed annually to ensure they remain effective. The statement also includes activities that may need improvement, but which do not constitute 'significant weaknesses' in our governance and internal control arrangements.

Appendix A of this statement includes the background to the weaknesses and details the actions that will be undertaken to improve their effectiveness.

To help us undertake the review of our governance arrangements an Informal Audit Committee Sub Group of members and officers carry out a review of our governance framework. The Group includes the Chair and 3 Members of Audit Committee and the Chair of Standards Committee, the Council's Director of Resources, Assistant Director of Financial Services and Chief Internal Auditor.

Section 1: Scope Of Responsibility

We (Newcastle City Council) are responsible for ensuring that our business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. We also have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which we exercise our functions, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council's Cabinet and Directors' Team are responsible for putting in place proper arrangements (known as a Governance Framework) for:

- (i) the governance of our affairs and
- (ii) facilitating the effective exercise of our functions, including arrangements for the management of risk.

In relation to (ii) the Council has put in place a system of internal control designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve priorities and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- a) identify and prioritise the risks to the achievement of our policies, aims and objectives; and
- b) evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically.

Section 2: Purpose Of The Governance Framework

Corporate governance generally refers to the processes by which an organisation is directed, controlled, led and held to account. In addition to the above the Council's

Governance Framework comprises the systems, processes, culture, values and activities through which we are directed and controlled and through which we account to, engage with, and lead the community. It enables us to monitor the achievement of the Council's priorities and to consider whether those priorities have led to the delivery of appropriate services which represent value for money.

The Governance Framework has been in place for the year ended 31 March 2019 and up to the date of approval of the Council's Annual Report and Accounts.

This Annual Governance Statement meets the requirements of the Accounts and Audit (England) Regulations 2015 (6) (1) to conduct a review of the effectiveness of the system of internal control required by Regulation 3 which requires the AGS to be prepared in accordance with proper practices in relation to the accounts.

Section 3: The Governance Framework

The core principles and outcomes of our Governance Framework are set out overleaf. This includes examples of how the Council has adhered to its governance commitments set out in the Constitution and includes hyperlinks to sources of further information which include more detail about how the Council has implemented its commitments.

Section 3 – The Governance Framework

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

| <i>The Council's Commitment to Good Governance</i> | <i>How the Council meets these principles</i> | <i>Where you can see Governance in action</i> |
|--|--|---|
| <p>Behaving with Integrity</p> | <ul style="list-style-type: none"> • The Council Plan sets out what we want to achieve in the coming year, structured around five key themed priorities: <ul style="list-style-type: none"> ▪ Employment: creating more and better jobs ▪ Education and Skills: the best learning opportunities for all ▪ Environment: a clean, green and safe Newcastle ▪ Health and Social Care: a healthy, caring city ▪ Housing: building more and better homes • We hold Policy Cabinet meetings on each of the five key themed priorities, providing an update on what we're doing, the key challenges for the city and hearing views from partners and residents. • The Council has a zero-tolerance approach towards fraud and corruption. Administration of the Council's policies on anti-fraud and corruption, and anti-money laundering is undertaken by the Fraud Unit in Internal Audit. • We ensure that there are effective arrangements for "Whistle-blowing" and for receiving and investigating complaints from the public. • All Councillors' and Co-opted Members of the Council are required by law to complete a declaration of interests form | <p>The Council Plan</p> <p>Policy Cabinet Meetings and Agenda</p> <p>Policy statement on fraud and corruption</p> <p>Anti-money laundering policy</p> <p>Policy for confidential reporting of concerns</p> <p>Code of conduct for members</p> |

| | | |
|--|---|---|
| | <p>to register their financial and other interests that could potentially conflict with their role as a local councillor. They are also required to declare any interests at the start of any council meeting.</p> <ul style="list-style-type: none"> • A register of Members Interests, in which Members' disclosable pecuniary interest, personal interests and prejudicial interests (as defined in the Member Code of Conduct) are registered. This includes gifts and hospitality received by elected Members. • Guidance is provided for Members on the procedures for interest, gifts and hospitality and has been published in Standards Committee report 13 July 2018. • Our Employee Code of Conduct sets the standards of conduct that the Council expects of its employees in the performance of their duties. | <p>Members' Declaration of Interests</p> <p>Registration of Gifts and Hospitality 2017/18 (agenda Item 4)</p> <p>Employee Code of Conduct</p> |
| <p>Demonstrating Strong Commitment to Ethical Values</p> | <ul style="list-style-type: none"> • We develop, communicate and embed codes of conduct set out in the Newcastle Charter (Part 5), defining standards of behaviour for members and staff. • The Standards Committee deals with issues of conduct and generally promotes high standards of ethical governance from elected members and the Council. A summary of its work is included in its Annual Report to City Council. • Our Freedom of Information Scheme is published on our website. | <p>The Newcastle Charter</p> <p>Standards Committee – Annual Report 2018/19 (draft agenda item 6.1)</p> <p>Freedom of Information</p> |

| | | |
|----------------------------|---|--|
| | <ul style="list-style-type: none"> The Council's Commissioning and Procurement Plan details our commitment to work with businesses that employ high ethical standards within their practice and those who want to work to improve their ethical approach. | Commissioning and Procurement Plan 2016/17 to 2019/20 (Part Two: Strategic Planning and Commissioning for Social Value). |
| Respecting the Rule of Law | <ul style="list-style-type: none"> The Council has measures to address breaches of its legal and regulatory powers. The Council's Monitoring Officer (The Assistant Director Legal Services) has statutory reporting duties in respect of lawful decision making and maladministration. We review and update our standing orders, standing financial instructions, scheme of delegation and support procedure notes/manuals – these clearly define how decisions are taken and the processes and controls required to manage risks. We ensure compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful Our financial management arrangements conform to the CIPFA Statement on the Role of the Chief Finance Officer (Director of Resources). The Monitoring Officer (Assistant Director Legal Services) advised on compliance with our policy framework, ensuring that decision making is lawful and fair and ethical. | Monitoring Officer Protocol Rules of Procedure (Part Four) |

B. Ensuring openness and comprehensive stakeholder engagement

| <i>The Council's Commitment to Good Governance</i> | <i>How the Council meets these principles</i> | <i>Where you can see Governance in action</i> |
|--|---|--|
| <p>Ensuring Openness</p> | <ul style="list-style-type: none"> • Our Council Plan demonstrates how we will work to achieve our vision. We ensure that we are clear on our priorities and the intended outcomes for residents and service users, ensuring these are effectively communicated internally and externally through Let's Talk Newcastle. • The Council's website has been redesigned to give it a fresh new look and make it more accessible for users, with a stronger focus on communicating news and events from across the City, as well as integrating with the Council's community engagement platform 'Let's Talk Newcastle'. • The Council's commitment to openness is set out in the Newcastle Charter Part 1, which sets out how decisions are made ensuring that they are efficient, transparent and accountable to local people. • All Council and Committee meetings are held in public (other than where there is consideration of confidential or exempt information) • Access to the internet to view committee papers is available at the City Library and other libraries across the city. A Forward Plan is available which contains matters | <p>The Council Plan</p> <p>Council Website</p> <p>The Newcastle Charter</p> <p>Committees of the Council Agendas and Reports</p> |

| | | |
|---|---|--|
| | <p>which are expected to be the subject of key decisions taken by the Council.</p> <ul style="list-style-type: none"> • We publish a register of key decisions to notify the public of the most significant decisions the Council is due to take. Details of each decision are included within the Forward Plan 28 days before the report is considered and any decision is taken. This allows an opportunity for people to find out about major decisions that the Council is planning to take. • In June 2017 the Council commissioned a resident's perception survey. This is a robust measure of how the Council is perceived and helps the Council have a better understanding of perceptions of services. • We have a foreign language translation service. Providing interpretation, translation and communication support when required. | <p>Notice of proposed key decisions</p> <p>Foreign language translation services</p> |
| <p>Engaging Comprehensively with Institutional Stakeholders</p> | <ul style="list-style-type: none"> • The Council maintains a list of significant partners and commercial ventures. Signed assurance statements are received from each partner which contains an assessment of their governance and internal control systems. The statements provide additional evidence for this AGS. | |
| <p>Engaging stakeholders effectively, including individual citizens and service users</p> | <ul style="list-style-type: none"> • The Council supports different ways for residents to present their individual and community's concerns to elected members, for example via Ward coordination. • We measure the quality of services for users, ensuring | <p>Ward Committees and Annual Ward Events</p> |

they are delivered in accordance with our objectives and that they represent the best use of resources, through the performance management framework and procurement and commissioning activity, as well as through feedback from Let's Talk Newcastle and surveys of residents, service users, partners and other stakeholders.

- Citylife is our resident's magazine which is published twice a year. Residents can also keep up to date with the city news sent direct to their inbox by signing up to e-Citylife.
- The Council invited residents through our Let's Talk Newcastle People's Budget, to comment on the proposed budget cuts and an online budget simulator allowed them to contribute their ideas and help us shape a balanced budget.
- The Council have published their figures comparing men and women's average pay across the organisation and it is reported on the Gov.uk web-site.
- Digital communication has become one of the preferred ways for residents to get in touch with us and find out what's going on in the city.
- We continue to use Facebook and Twitter as primary social media platforms and we're planning to grow this with better monitoring and analytical tools.
- To promote transparency and wider engagement with Council decisions, residents can use Social Media, such

[Let's Talk Newcastle](#)

[Citylife – Your council magazine](#)

[People's Budget](#)

[The Council's Gender Pay Gap Report March 2018](#)

[Digital by Choice – A vision for consultation](#)

| | | |
|--|--|--|
| | <p>as Facebook and Twitter. Our social networks were set up to provide information on new, events and jobs for residents, businesses and visitors.</p> <ul style="list-style-type: none"> • Newcastle’s Youth Democracy Group provides opportunities for 11-18 year olds to use their elected voice to bring about social change through meaningful representation and campaigning. | <p>Youth Democracy Group</p> |
|--|--|--|

| C. Defining outcomes in terms of sustainable economic, social, and environmental benefits | | |
|---|---|--|
| <i>The Council’s Commitment to Good Governance</i> | <i>How the Council meets these principles</i> | <i>Where you can see Governance in action</i> |
| <p>Defining Outcomes</p> | <ul style="list-style-type: none"> • The Council sets a Medium-Term Financial Plan which sets out how we are dealing with the continued public sector austerity whilst delivering our bold ambitions for the city. The Plan outlines the steps we propose to take over the next three years. • We have established clear channels of communication with the community and other stakeholders through Let’s Talk Newcastle. An example of this is the Newcastle Waste Strategy consultation which ended in October 2018. • The Council has a process in place to identify and manage risks to the achievement of its objectives, as set out in the Risk Management Policy and Strategy. The Strategic and Corporate risk register is part of this | <p>Shaping our future together: our medium-term plan 2019-20 to 2021-22</p> <p>Let’s Talk Newcastle Waste Strategy</p> <p>Strategic and Corporate Risk Monitoring Report (agenda item 8)</p> |

| | | |
|---|---|--|
| | <p>framework and is used to inform decision making and provide assurance over actions being taken to manage key risks.</p> <ul style="list-style-type: none"> • We incorporate good governance arrangements in our partnerships and reflect these in our overall governance arrangements. | |
| <p>Sustainable, Economic, Social and Environmental Benefits</p> | <ul style="list-style-type: none"> • The environment is a priority for the Council. We believe that everyone deserves to live in a clean, pleasant neighbourhood and that everyone should feel safe in their communities respecting future generations by protecting the environment. • Education and skills are a priority for the Council. We want Newcastle to be recognised as a great place to be born, grow up, raise a family and develop a career. We work in partnership with schools to raise standards and educational attainment. Our ambitions are to be a city that give the young people the best start in life and which shields the most vulnerable from harm. • As part of the business planning process the Council sets out how it will work towards its agreed Equality Objectives. Cumulative impact assessments are carried out every year as part of our budget and planning process. This considers the emerging cumulative impacts of our proposals and how these will affect our residents. • Newcastle is committed to putting equality at the heart of | <p>Environment: a clean, green and safe Newcastle – page 10</p> <p>Education and Skills – Page 8</p> <p>Equality and Diversity</p> |

| | | |
|--|---|--|
| | our decision-making. Our equality objectives have recently been reviewed and refreshed. | Refresh of equality objectives |
|--|---|--|

| D. Determining the interventions necessary to optimise the achievement of the intended outcomes | | |
|--|---|---|
| <i>The Council's Commitment to Good Governance</i> | <i>How the Council meets these principles</i> | <i>Where you can see Governance in action</i> |
| Determining Interventions | <ul style="list-style-type: none"> • Shaping our future together: our medium-term plan 2019-20 to 2021-22 sets out how we are delivering our bold ambitions for the city and outlines the steps we propose to take over the next three years. We have undertaken Integrated Impact Assessment for proposals that will impact on services in 2019-20 • Strategic risks are owned by our Directors Team and reported to Cabinet on a regular basis. | Shaping our future together: our medium-term plan 2019-20 to 2021-22 Newcastle City Council |
| Planning Interventions | <ul style="list-style-type: none"> • The Council monitors its performance regularly. To help us improve in the right areas and demonstrate progress we use performance management. We produce a performance dashboard every three months. This shows how the city is doing as a whole and what we are doing as a Council to make a difference. | Council Performance 18 March 2019 (agenda Item 8) Council Delivery Plan 2018/19 |
| Optimising Achievement of Intended Outcomes | <ul style="list-style-type: none"> • The Council integrates and balances service priorities, affordability and other resource constraints, supporting it to take into account the full cost of operations over the medium and longer term. | Shaping our future together: our medium-term plan 2019-20 to 2021-22 Newcastle City Council |

| | | |
|---|---|--|
| <p>Developing the Capability of the Organisation's Leadership and Other Individuals</p> | <ul style="list-style-type: none"> • We identify and aim to address the development needs of members and senior officers in relation to their strategic roles, and support these with appropriate training through the Workforce Learning and Development Plan and individual member Learning and Development Plans. • To improve leadership across the Council all managers are included in our Newcastle Manager Programme which includes specific training in leadership and management competencies. • We recognise that we need to create the right environment to become a self-sufficient, fit for purpose Council towards 2020, creating the right environment to achieve this we have agreed our three values: <ul style="list-style-type: none"> ✓ Proud – take pride in and celebrate each other's achievements ✓ Fair – be honest and treat people equal to their needs ✓ Ambitious – to be passionate, determined, enthusiastic and want to succeed • To engage all employees to live and breathe our new values we have created a network of values champions who are role models for the Council and its values, keeping senior officers and members in touch with how employees across the organisation are feeling to improve communication. • As part of our appraisals programme we have an | |
|---|---|--|

approach called 'My Conversation'. Which is a framework of on-going dialogue managers have with employees throughout the working year. The framework of My Conversation also includes the series of one-to-ones with officers over the year.

- Our last staff survey was undertaken in 2017 and from this we have implemented a structured listening programme as a direct result of the findings from our surveys. A pulse survey was sent to all staff in February 2019, encouraging staff to have their say and make sure their voice is heard. The corporate results are:
 - 78% of all staff are satisfied with how much time they can spend with their managers to discuss what is important to them
 - 74% of all staff agree that the corporate values of being proud, fair and ambitious are part of the everyday of their team
- The Council is committed to promoting the physical and mental health and wellbeing of the workforce. There is a wide range of self-led support available via the 24-hour employee support lines (Health Assured) and there is a number of self-led support available on the intranet. We continue to build on this support and look at proactive and preventative projects such as our Health and Wellbeing Board which was formed in December 2018, to sustain employees at work who are experiencing difficulties at or outside of work.

[Great staff doing great things](#) – Page 18

[Health Assured](#)

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

| <i>The Council's Commitment to Good Governance</i> | <i>How the Council meets these principles</i> | <i>Where you can see Governance in action</i> |
|--|--|--|
| Managing Risk | <ul style="list-style-type: none"> Our Risk Management Policy and Strategy outlines our arrangements for managing risk. Risk management is an integral part of our decision-making processes, therefore a core management discipline. To inform decision making all committee reports include a section which highlights the key risks to the decisions or proposed recommendations and how they are being addressed. | Financial Regulation Five – Risk Management – Page 13 |
| Managing Performance | <ul style="list-style-type: none"> Council performance in working towards the ambitions of the Council Delivery Plan 2018-19 is presented regularly to Cabinet as a suite of dashboards accompanied by a summary of our financial position and strategic risks. | Council Performance 18 March 2019 (agenda item 8) |
| Effective Overview and Scrutiny | <ul style="list-style-type: none"> The Overview and Scrutiny Committee is responsible for carrying out all of the Council's scrutiny activities (apart from health and social care related areas), however they have responsibility for overseeing aspects of the Health Scrutiny Committee. We also have a Finance & Budget Monitoring Scrutiny Sub-Committee which closely monitors the council's budget, financial systems and performance against Council priorities and service delivery standards, identifying areas requiring further examination and | Overview and Scrutiny Committee Health Scrutiny Committee Finance & Budget Monitoring Scrutiny Sub-Committee |

| | explanation. | |
|-------------------------|---|---|
| Robust Internal Control | <ul style="list-style-type: none"> The Council has a robust internal control process in place which supports the achievement of its objectives while managing risks. The Council's Audit Committee acts as the principal advisory committee to the Council and Cabinet providing independent assurance on the adequacy of the risk management framework and internal control environment. An assessment of the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the Council's internal auditors. The Chief Internal Auditor will provide an annual opinion for 2018/19 to support this AGS. The Council's website has a link to reporting fraud. Administration of the Council's policies on anti-fraud and corruption and anti-money laundering is undertaken by the Fraud Unit in Internal Audit. | <p>Audit Committee</p> <p>Reporting fraud to Newcastle City Council</p> |
| Managing Data | <ul style="list-style-type: none"> We have an Information Governance Strategy and framework in place to ensure the effective safeguarding, collection, storage and sharing of the Council's data. A Data Protection Officer has been appointed to oversee the Council's data protection strategy and its implementation to ensure compliance with the General Data Protection Regulations. The Council regularly reviews policies relating to records management, data quality, data protection and | <p>Data Protection Policy</p> |

| | | |
|--|---|--|
| | <p>information security and provides data protection training. These policies and additional guidance are easily accessible by all staff via the intranet.</p> <ul style="list-style-type: none"> • All staff must undertake data protection e-learning training annually and this forms part of the induction process for new staff. The programme of training and awareness for all staff and members continues with refresher training scheduled for early 2019. • Information Governance is overseen by the Information Governance Board, which is chaired by the Director of Resources, who is the Senior Information Risk Owner for the Council. • The Council is committed to sharing appropriate data safely with other agencies; where this improves effective and efficient service delivery, supports its objectives and the vision for the city and is compatible with the rights of individuals. • The Council complies with the Local Government Transparency Code 2015 by publishing accurate data within appropriate time frames in the areas mandated by the Code. • The Council make information available to the public via the information access regimes provided for by the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. Individuals may also access their own personal data by exercising the right of | <p>Local government transparency code 2015</p> <p>Freedom of Information</p> |
|--|---|--|

| | | |
|------------------------------------|--|--|
| | subject access under the Data Protection Act 2018 | |
| Strong Public Financial Management | <ul style="list-style-type: none"> The control and financial management arrangements are reviewed by internal and external audit throughout the year. The outcomes for 2018/19 are noted in Section 4 of this Annual Governance Statement - Annual Review of Effectiveness of Governance Framework. | |

| G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability | | |
|---|---|---|
| <i>The Council's Commitment to Good Governance</i> | <i>How the Council meets these principles</i> | <i>Where you can see Governance in action</i> |
| Implementing Good Practice in Transparency | <ul style="list-style-type: none"> Section 4 of this Annual Governance Statement provides the views of our internal and external auditors. Auditors report regularly to Audit Committee and provide their annual opinion on the adequacy and effectiveness of our governance, risk and control framework. We ensure that our Audit Committee undertakes the core functions identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities and Police 2018. This includes undertaking an annual survey on its effectiveness. The Council's website | <p>Purpose of Audit Committee</p> <p>Evaluation of Effectiveness of Audit Committee June 2018 (agenda item 10.2)</p> <p>Council website</p> |

| | | |
|---|---|---|
| <p>Implementing Good Practices in Reporting</p> | <ul style="list-style-type: none"> • Production of the Annual Report and Accounts | <p>Annual Report & Accounts 2018/19 accounting policies (agenda item 7)</p> |
| <p>Assurance and Effective Accountability</p> | <ul style="list-style-type: none"> • The Council monitors the implementation of internal and external audit recommendations. Audit Committee receive regular reports summarising performance re implementation of recommendations. • This AGS contains a section 'Annual review of the effectiveness of the governance framework', which sets out how the Council has gained assurance regarding the effectiveness of its Internal Audit service. | <p>Audit Committee Agenda & Reports Pack March 2019 – (agenda item 6)</p> |

Section 4: Annual Review Of Effectiveness Of Governance Framework

We have a legal responsibility to conduct an annual review of the effectiveness of our governance framework, including the system of internal control. The review is led by an informal sub group of officers, including the Council's Chief Internal Auditor, the Chair and 3 members of Audit Committee and the Chair of Standards Committee, who provide independence and challenge. The outcomes of the review are considered by Audit Committee and Constitutional Committee (which is charged with final approval of this statement). The implications of the review are considered by the Directors' Team and incorporated within our improvement plans.

The review is informed by:

- (a) The views of our internal auditors, reported to Audit Committee through regular progress reports, and the Annual Internal Audit Opinion. The Chief Internal Auditor reported to the June 2019 Audit Committee the opinion that "the overall adequacy and effectiveness of Newcastle City Council's governance, risk and control framework during 2018/19 was that there has been an effective system of control in place. No system of control can give absolute assurance against material misstatement or loss and, accordingly, this opinion does not provide such absolute assurance.
- (b) An annual review of the effectiveness of internal audit (as required by the Public Sector Internal Audit Standard).
- (c) The views of our external auditors, regularly reported to Audit Committee through regular progress reports, the Annual Audit Letter and Annual Governance Report. The external auditors Annual Audit Letter for 2018/19 provides an unqualified opinion on the financial statements. The report confirms that the Council has proper arrangements in place to secure financial resilience, and for challenging how it secures economy, efficiency and effectiveness in the use of resources.
- (d) The independent views of regulatory agencies such as Ofsted and the Care Quality Commission.
- (e) The activities and operations of Council directorates and significant partnerships through written assurance statements.
- (f) Your Homes Newcastle (YHN), our arm's length management organisation who are responsible for managing Council properties on behalf of the Council. They play a significant role in delivering the Council's priority outcomes. The main features of their governance and internal control arrangements are assessed each year through written assurance statements and their accounts have been consolidated into the Council's group accounts on a line by line basis.
- (g) The views of the Council's Monitoring Officer, Chief Finance Officer and Senior Information Risk Owner through written statements.
- (h) The views of Members through the ongoing activities of Standards Committee, Audit Committee and the Overview and Scrutiny Committee. (Audit Committee provides independent assurance on the effectiveness of the governance and internal control environment; Standards Committee ensures that effective arrangements are in place to

maintain high standards of conduct and behaviour; Overview and Scrutiny Committee is responsible for carrying out or arranging for the carrying out of all Council's scrutiny activities).

Audit Committee continue to focus on the key risks facing the Council in relation to its statutory delivery of social care to adults and children, in particular progress made with the horizon scanning activity which monitors the legislative, economic demographic and partnership environment and the supporting scenario planning activity which identifies the potential risks and their business impact.

- (i) Performance information which is reported to Cabinet, Overview and Scrutiny and Directorate/Divisional Management Teams on a regular basis.
- (j) Progress made in addressing significant weaknesses and issues requiring significant improvement identified in previous annual governance statements.

Section 5: North of Tyne Combined Authority and Devolution

On 2 November 2018 the North of Tyne Combined Authority (NTCA) was established and Newcastle City Council as one of its constituent members, along with North Tyneside and Northumberland, have agreed a historic devolution deal that will bring unprecedented new powers and investment from Government to the North of Tyne, giving us the chance to make our own decisions about our own future, so we can target investment where we know we need it most.

The Authority's vision has 6 key pillars of ambition which represent the most important groups, issues and goals we need to invest in, in order to achieve a more prosperous and inclusive future:

- Champion of enterprise
- Leaders of tomorrow
- Hotbed of talent
- Spark of innovation
- Network of connections
- Pride of place

The Council will work with the elected Mayor and members of NTCA to deliver the Authority's vision, seeking opportunities to secure additional resources and powers from Government.

Section 6: Significant Weaknesses in Governance and Internal Control

The system of governance (including the 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, that value for money is being secured and that significant risks impacting on the achievement of our objectives have been mitigated.

The review did not identify any significant weaknesses in our governance and internal control arrangements during 2018/19.

Section 7: Improvements Needed to Governance and Internal Control

The review also identifies activities that may need improvement, but which do not constitute “significant weaknesses” in our governance and internal control arrangements. These are set out in Appendix A and will be monitored as part of the next review.

Our 2017/18 Annual Governance Statement included an item which required improvement around the Governance of Major Projects. This item has been removed from the 2018/19 Statement following the successful delivery of the action plans put in place to improve governance arrangements.

Section 8: Conclusion

We consider the governance and internal control environment operating during 2018/19 to provide reasonable and objective assurance that any significant risks impacting on the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. There are however, three items that require improvement as detailed in Appendix A.

Systems are in place to continually review and improve the governance and internal control environment. Mid-year checks are undertaken to provide assurance that improvements are being implemented and that the assessment is improving.

The annual review has shown that arrangements are in place and operating as planned.

We have been advised on the implications of the review by the AGS Informal Sub Group. We propose over the coming year to improve our governance and internal control arrangements as noted in this statement and are satisfied that this will address the need for the required level of improvement. We will monitor the implementation and operation of the improvements, as part of our next annual review.

Pat Ritchie

Chief Executive

Date: 26.7.19

Joyce McCarty

Deputy Leader of the Council

Date: 26 July 2019

Information Governance

Background/Risk

The Council has identified a risk that the “Failure to meet the requirements of the General Data Protection Regulations (GDPR) could result in information security and integrity being compromised and action being taken by the Information Commissioner’s Office” (ICO). To address this risk the Council must ensure the consistent application of information security controls across the organisation to prevent the security and integrity of information being compromised which could impact upon individuals and severely damage the Council’s reputation. The Information Commissioner has a number of sanctions open to them if personal data is not properly secured including under General Data Protection Regulations, significantly increased fines.

The Council continues to deliver the GDPR work programme and activities from project work streams which were established to ensure compliance with the 12 key steps issued by the ICO which would ensure the Council is compliant with GDPR. Outcomes from the work programme are now reported directly to the Council’s Information Governance Board which is chaired by the Director of Resources with representation from the Council’s Data Protection Officer (DPO).

All staff have been trained during 2018/19, as have most Members, as part of an annual mandatory programme.

Information Asset Owners have been identified and asset registers developed which record the lawful purposes for which we hold information, where it is held and length of time we retain it. The Information Asset Register also includes a risk assessment of this information which will be used in future compliance audit work required as part of the role of the DPO.

Accountable Officer: Director of Resources

| Action(s) required to enhance effectiveness | Implementation date |
|---|-------------------------------------|
| The Information Governance Board (IGB) continues to monitor progress with the implementation of actions identified through the project to prepare for GDPR. | Progress reviewed bi-monthly by IGB |
| A programme of training and awareness will continue for all staff and members, with full refresher training scheduled for July 2019. | August 2019 |

Major Incident Planning

Background/Risk

The Council’s Risk Register already includes a risk around “Failure to respond adequately to a major emergency or issue of concern impacting upon residents and members during the immediate aftermath and long-term post incident recovery”. The risk is kept under review as incidents such as the Manchester bombings, Grenfell and Salisbury demonstrate the need to ensure the organisation is prepared for the changing nature of hazards and threats, recognising the possibility of a multi-incident event, which could result in a large number of city residents being made homeless across the city at one time.

The Audit Committee have received a number of reports during 2018/19 with a particular focus on housing, students and new threats, and work has been undertaken to strengthen the arrangements with Newcastle Universities, acknowledging the existing partnership arrangements between the Universities and Newcastle Hospitals. This has strengthened the agreed protocol with the Universities and the Council’s mutual aid framework.

The Council has also agreed with the Voluntary Sector Liaison Group, a structure to ensure the effective management of spontaneous volunteers during a major incident in the city.

Accountable Officer: Director of Operations and Regulatory Services

| Action(s) required to enhance effectiveness | Implementation date |
|---|----------------------------|
| Newcastle to contribute to the following Local Resilience Forum activity: <ul style="list-style-type: none"> • Review existing Local Resilience Forum media protocol • Review Local Resilience Forum multi-agency Site Clearance Plan • Newcastle will develop a single agency Site Clearance Plan which will be shared with partners | September 2019 |
| A Resilience Review Group has been established to review the Council’s resilience arrangements following the tragic events in Manchester and Grenfell. A workplan has been developed which will be overseen by the Group (representatives and specialists from across all Directorates and YHN and now includes the Council’s Major Incident Duty Officer). The Group report regularly to Directors Team. | July 2019 |

| | |
|---|----------------------------|
| <p><u>Business Continuity Planning</u></p> <p><u>Background Risk</u></p> <p>The Council’s risk register includes a Business Continuity risk which is regularly reported to Audit Committee.</p> <p>To ensure the Council can continue its business in the event of a major disruption to services it has:</p> <ul style="list-style-type: none"> • Established a cross Council Continuity Coordination Group as part of the overarching Resilience governance structure • Completed Business Impact Assessments • Developed business continuity plans across the organisation. <p>Accountable Officer: Director of Operations and Regulatory Services</p> | |
| Action(s) required to enhance effectiveness | Implementation date |
| All services have completed Business Impact Assessments and individual Service Business Continuity Plans continue to be developed. | July 2019 |
| The testing of Service Impact Assessments and Business Continuity Plans were recently undertaken during two live incidents (loss of ICT and interruption to water supply). A debrief exercise is underway for both incidents and lessons learned will be shared with all services and where necessary reflected in individual assessments and plans. | August 2019 |