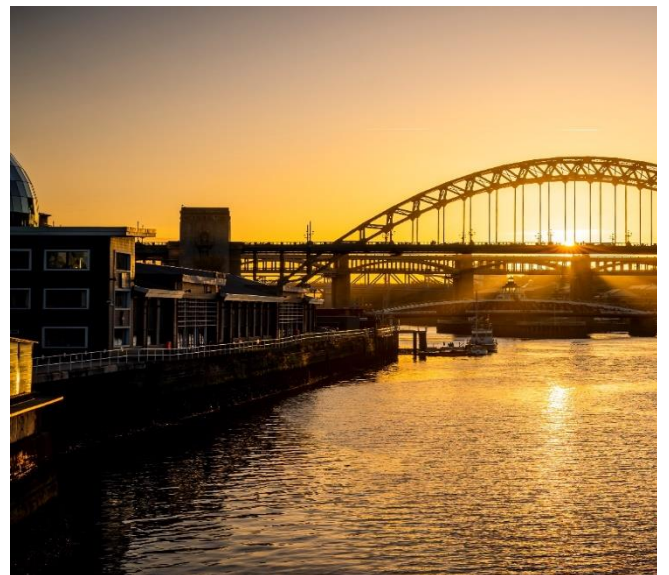




# Annual Governance Statement 2023/24



## 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 included the Chair, 2 other Members of Audit Committee and the Vice Chair of Standards Committee, Council's Chief Finance Officer 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 Corporate Leadership 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 management them efficiently, effectively and economically

## Section 2: Purpose Of The Governance Framework

Corporate governance is a phrase used to describe how organisations direct and control what they do. The Chartered Institute of Public Finance and Accountancy (CIPFAs) publication “Delivering Good Governance in Local Government” (2016 Edition), sets a framework, and the standard, for local authority governance in the UK. The Framework sets out a set of principles which we test our governance arrangements against to consider the extent to which the Council complies with the principles of good governance as set out in the Framework. This is reported through the Annual Governance Statement. It also 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 2024 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.

### Principles of Good Governance

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| <b>A.</b> Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law | <b>E.</b> Developing the entity’s capacity, including the capability of its leadership and the individuals within it |
| <b>B.</b> Ensuring openness and comprehensive stakeholder engagement   | <b>F.</b> Managing risks and performance through robust internal control and strong public financial management      |
| <b>C.</b> Defining outcomes in terms of sustainable economic, social, and environmental benefits                     | <b>G.</b> Implementing good practices in transparency, reporting, and audit to deliver effective accountability      |
| <b>D.</b> Determining the interventions necessary to optimise the achievement of the intended outcomes               |  |



It sets out how we will deliver our priorities, meet our responsibilities and transform our services to ensure they are modern and meet the needs of residents and communities and enable us to maintain financial sustainability.

- 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.
- The City Council is committed to the highest possible standards of openness, probity and accountability. We ensure that there are effective arrangements for "Whistle-blowing" with reporting to the Monitoring Officer and for receiving and investigating complaints from the public. The policy makes it clear that you can do so without fear of victimization, subsequent discrimination or disadvantage.
- All Members' and co-opted Members of the Council are required by law to complete a declaration of interests form 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.
- A register of Members' and co-opted Members Interests, in which Members' disclosable pecuniary interest, personal interests and prejudicial interests are registered. This includes gifts and hospitality received by elected Members. The register is reviewed by Standards Committee annually.
- The Members' Code of Conduct sets out the conduct that is expected of elected and co-opted Members of the

[Policy statement on fraud and corruption](#)

[Anti-money laundering policy](#)

[Policy for confidential reporting of concerns](#)

[Members' Declaration of Interests](#)

[Registration of Gifts and Hospitality 2021-2024](#)

[Code of conduct for members](#)



	<p>Council when they are acting in that capacity. Where there is evidence of a breach of the Code it will be referred to Standards Committee where appropriate recommendations will be made - such as formal disapproval, training, or removal from Committees.</p> <ul style="list-style-type: none"> <li>• Our Employee Code of Conduct sets the standards of conduct that the Council expects of its employees in the performance of their duties.</li> </ul>	<p><a href="#">Employee Code of Conduct</a></p>
<p>Demonstrating Strong Commitment to Ethical Values</p>	<ul style="list-style-type: none"> <li>• We develop, communicate and embed codes of conduct set out in the Newcastle Charter (Part 5), defining standards of behaviour for members and staff.</li> <li>• The Standards Committee dealt with issues of conduct and generally promotes high standards of ethical governance from elected members and the Council. From the beginning of the 2024/25 municipal year a new joint Audit and Standards Committee will replace the existing Audit Committee and Standards Committee.</li> <li>• Our Freedom of Information Scheme is published on our website.</li> <li>• 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.</li> <li>• The Newcastle Charter – Part 5 describes the Council's Ethical Governance Framework.</li> </ul>	<p><a href="#">The Newcastle Charter</a></p> <p><a href="#">Annual report to City Council September 2023</a></p> <p><a href="#">Audit and Standards Committees – future arrangements</a></p> <p><a href="#">Freedom of Information</a></p> <p><a href="#">Commissioning and Procurement Plan 2020/21-2023/24</a> (Part Two: Strategic Planning and Commissioning for Social Value.</p> <p><a href="#">The Newcastle Charter Ethical Governance Framework</a></p>
<p>Respecting the Rule of Law</p>	<ul style="list-style-type: none"> <li>• The Council has measures to address breaches of its legal and regulatory powers. The Council's Monitoring Officer (The Assistant Director Legal Services) has</li> </ul>	<p><a href="#">Monitoring Officer Protocol</a></p> <p><a href="#">Report on the Monitoring Officer Protocol</a></p>

	<p>statutory reporting duties in respect of lawful decision making and maladministration.</p> <ul style="list-style-type: none"> <li>• The Council appoints Statutory Officers who have the skills, resources and support necessary to ensure the Council's statutory and regulatory requirements are complied with.</li> <li>• 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.</li> <li>• We ensure compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful.</li> <li>• Our financial management arrangements conform to the CIPFA Statement on the Role of the Chief Finance Officer. The Monitoring Officer (Assistant Director Legal Services) advised on compliance with our policy framework, ensuring that decision making is lawful and fair and ethical.</li> </ul>	<p><a href="#">21 April 2023</a></p> <p><a href="#">Rules of Procedure (Part Four)</a></p>
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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>
<b>Ensuring Openness</b>	<ul style="list-style-type: none"> <li>• The Council maintains a list of significant partners and commercial ventures. Signed assurance statements are received from each partner which contains an</li> </ul>	

Engaging Comprehensively with Institutional Stakeholders	assessment of their governance and internal control systems. The statements provide additional evidence for this AGS.	
	<ul style="list-style-type: none"> <li>As a member of the North of Tyne Combined Authority (NTCA), the Council worked with the Mayor and members of NTCA during 2023/24 to deliver the Authority's vision, seeking opportunities to secure additional resources and powers from Government.</li> <li>Following a new devolution deal Newcastle will become a member of the new North East Mayoral Combined Authority which will be formed on 7 May 2024, replacing NTCA and NECA.</li> </ul>	<p><a href="#">North Of Tyne Combined Authority</a></p> <p><a href="#">Interim Corporate Plan for the new North East Mayoral Combined Authority</a></p>
Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> <li>Cost of Living Support For Newcastle – Our website provides useful links and we offer a range of advice and support for our residents supported by a dedicated seven day a week free hotline</li> <li>Council Tax Support – We offer support for working age people which can reduce the amount of council tax they pay</li> <li>Active Inclusion - Newcastle the Council's partnership which aims to better align public, voluntary and community sector resources to support resident with the impact of the welfare reforms.</li> <li>Citylife Line: Looking after your welfare and wellbeing – providing help and support</li> <li>Newcastle City Council's website includes benefit advice services for our residents and benefit offices in Newcastle.</li> </ul>	<p><a href="#">Cost of Living Support web link</a></p> <p><a href="#">Cost of Living Support guide for residents</a></p> <p><a href="#">Council Tax Support Website</a></p> <p><a href="#">Active Inclusion Newcastle – briefing note 2023/24</a></p> <p><a href="#">Active Inclusion Programme 2023</a></p> <p><a href="#">Citylife Line</a></p> <p><a href="#">Benefit advice services in Newcastle</a></p>



- World Habitat Awards - Newcastle has received the highest classification, a Gold Award 2020, for our long-term approach to homelessness prevention.
- 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 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 informs, consults and involves residents in significant decisions including service and budget changes. Their views are submitted to those making decisions for consideration. 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.
- As part of its consideration the need of the current and future service users in the city the Council produces a Future Needs Assessment.
- We continue to use Facebook and Twitter as primary social media platforms.
- To promote transparency and wider engagement with Council decisions, residents can use social media, such

[World Habitat Gold Award](#)

[Local Councillors](#)

[Let's Talk Newcastle](#)

[Citylife magazine Spring 2024 edition](#)

[Let's talk Newcastle - Consultations](#)

[Newcastle Future Needs Assessment](#)

	<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"> <li>Newcastle's Youth Council and Youth Parliament – a way for young people in the city to have their voices heard and acted on by decision makers.</li> </ul>	<p><a href="#">Newcastle Youth Council and Youth Parliament website</a></p>
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**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"> <li>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.</li> <li>We have established clear channels of communication with the community and other stakeholders through Let's Talk Newcastle, which gives people the opportunity to have their say about the things that affect the people who live and work in Newcastle.</li> <li>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 framework and is used to inform decision making and provide assurance over actions being taken to manage key risks.</li> </ul>	<p><a href="#">Medium-term financial plan</a></p> <p><a href="#">Let's Talk Newcastle</a></p>

	<ul style="list-style-type: none"> <li>• We incorporate good governance arrangements in our partnerships and reflect these in our overall governance arrangements.</li> <li>• We published our Education and Skills priorities for 2023/24. We continue working with our education partners to improve the outcomes of Newcastle’s children and young people.</li> </ul>	<p><a href="#">Education and Skills Priorities 2023/24</a></p>
<p>Sustainable, Economic, Social and Environmental Benefits</p>	<ul style="list-style-type: none"> <li>• 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 – The New Tyne West Development Partnership build programme meets the original plan and supports delivery of the building more and better homes priority.</li> <li>• The Council has declared a Climate Emergency and will play its full part in limiting the impacts of climate change, and we will be on a path to carbon neutrality by 2030.</li> <li>• We continue to work in partnership across the city to shape our approach to climate change and ultimately the future of our city.</li> <li>• A Climate Change Committee is in place to advise Cabinet and Council on actions and resources required to deliver on the city’s climate change ambitions as well as update on progress towards agreed targets and outcomes.</li> <li>• The Council sets out the climate change implications it has taken into consideration when making decisions in reports, which are available on its website.</li> </ul>	<p><a href="#">Climate change website</a></p> <p><a href="#">Climate Change Committee</a></p>

- Children & Families Newcastle – A group of services and organisations working together to ensure services and support is accessible to children and families
- Education and skills are a priority for the Council - Working with partners to keep children safe, be included, continue to learn and ultimately to have the skills to move into the world of work is important for children and young people and for the future of our city.
- The Council is part of a Strategic Education Partnership – working with schools and local businesses to promote economic growth, reduce dependency and help people gain the skills needed to access jobs in the city.
- 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 our decision-making.
- Urban Green Newcastle has received Green Flag Awards for our parks across the city, recognising how well our parks and green spaces are managed.

[Children & Families Newcastle](#)

[Education and Skills Priorities 2023/24](#)

[Our approach to Equality and Diversity](#)

[Urban Green Newcastle Website](#)

## 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"> <li>• Our Medium-Term Financial Plan sets out the latest assessment of the financial challenges we continue to face,</li> <li>• Strategic risks are owned by our Corporate Leadership Team and reported to Audit Committee and Standards Committee on a regular basis.</li> </ul>	<a href="#">Medium-term financial plan</a>
Planning Interventions	<ul style="list-style-type: none"> <li>• The Council monitors its performance regularly. To help us improve in the right areas and demonstrate progress we use performance management.</li> </ul>	
Optimising Achievement of Intended Outcomes	<ul style="list-style-type: none"> <li>• 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.</li> <li>• In 2015 the Council made a commitment to getting the most Social Value out of every £1 that it spends. Each time that we commission something externally we consider how Social Value can influence the commissioning and procurement opportunity.</li> </ul>	<a href="#">Social Value Commitment</a> <a href="#">Commissioning and Procurement Plan</a>

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

<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>Developing the Organisation's Capacity</p>	<ul style="list-style-type: none"> <li>• We have defined and documented in our constitution (the Newcastle Charter) the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication. The collective and individual roles and responsibilities of the Cabinet, councillors and officers have been agreed by the Council, Constitutional Committee and/or the Leader of the Council as appropriate.</li> <li>• The Council is committed to its values of equality and fairness, priding ourselves as being open and inclusive without exception for our employees and wider community. This has been demonstrated by our commitment to embedding lesbian, gay, bisexual and transgender (LGBT), inclusion from employee policies to recruitment practices and internal communications. Our achievements have been recognised by Stonewall, the national LGBT workplace equality index, declaring us their employer of the year in 2020.</li> </ul>	<p><a href="#">The Newcastle Charter – Part 3</a></p> <p><a href="#">Equality and diversity</a></p>
<p>Developing the Capability of the Organisation's Leadership and Other Individuals</p>	<ul style="list-style-type: none"> <li>• We identify the development needs of members and relevant 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.</li> <li>• To improve leadership across the Council all managers attended our Newcastle Manager Programme which</li> </ul>	



included specific training in leadership and management competencies.

- We recognise that our workforce is our greatest asset and the importance of developing a people-centred organisational culture that will support our colleagues. Our values are:
  - 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.
- 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.

[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>
<p>Managing Risk</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The role of Audit and Standards Committees is to act as the principal advisory committee to the Council and the Cabinet to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. The Committee also has responsibility for standards functions - including promoting and maintaining high standards of conduct by councillors and co-opted members – City Council agreed to establish a combined Audit and Standards Committee to replace the existing Audit and Standards Committees at its meeting in March 2024. The new arrangements will commence after the Council's annual meeting on 22 May 2024, with appointments to the new joint committee being made at that meeting.</li> <li>• The Council's Major Incident Plan (MIP) includes a 'command and control' structure and specific governance arrangements to support the Council's response to a major incident.</li> </ul>	<p><a href="#">Financial Regulation Five – Risk Management</a> – Page 13</p> <p><a href="#">Audit and Standards Committee</a></p>

	<ul style="list-style-type: none"> <li>• The Corporate Health and Safety Policy sets out the arrangements for ensuring resources are available to effectively and proportionately manage, monitor and review health and safety risks and where necessary improve H&amp;S performance.</li> <li>• Health and Safety risk assessment are in place for all high-risk activities and are reviewed annually.</li> <li>• Health and Safety performance reporting is reported regularly to Leadership Teams.</li> </ul>	
Managing Performance	Council performance in working towards the ambitions of the Medium-Term Plan.	
Effective Overview and Scrutiny	<ul style="list-style-type: none"> <li>• The Overview and Scrutiny Coordination Committee's role is to influence the policies and decisions made by the council and other organisations in delivering public services. This Committee also acts as the council's Crime and Disorder Committee.</li> <li>• We also have a Finance &amp; 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 explanation.</li> </ul>	<a href="#">Overview and Scrutiny Coordination Committee</a>  <a href="#">Finance &amp; Budget Monitoring Scrutiny Sub-Committee</a>
Robust Internal Control	<ul style="list-style-type: none"> <li>• The Council has a robust internal control process in place which supports the achievement of its objectives while managing risks. The Council's Audit and Standards 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.</li> </ul>	<a href="#">Audit and Standards Committee</a>

	<ul style="list-style-type: none"> <li>• Audit and Standards Committee consider and analyse the effectiveness of the control environment, including arrangements for ensuring value for money and productivity, the robustness of mechanisms to deliver strategic objectives, particularly in a changing environment, and for managing the authority's exposure to the risks of fraud and corruption.</li> <li>• 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 2023/24 to support this AGS.</li> <li>• The Chief Internal Auditor produces an Internal Audit Plan which provides assurance on the effectiveness and value for money of Council delivery systems and processes.</li> <li>• 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.</li> </ul>	<p><a href="#">Reporting fraud to Newcastle City Council</a></p>
<p>Managing Data</p>	<ul style="list-style-type: none"> <li>• 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 is in post to oversee the Council's data protection strategy and its implementation to ensure compliance with the General Data Protection Regulations (GDPR).</li> <li>• The Council regularly reviews policies relating to records management, data quality, data protection and information security and provides data protection training.</li> </ul>	<p><a href="#">Data Protection Policy</a></p>

	<p>These policies and additional guidance are easily accessible by all staff via the intranet.</p> <ul style="list-style-type: none"> <li>• All staff must undertake data protection e-learning training annually and this forms part of the induction process for new staff. Members receive in person data protection/GDPR training. The programme of training and awareness for all staff and members continues during 2024/25.</li> <li>• Information Governance is overseen by the Information Governance Board, which is chaired by Deputy Chief Executive, who is the Senior Information Risk Owner for the Council.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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 subject access under the Data Protection Act 2018.</li> </ul>	<p><a href="#">Local government transparency code 2015</a></p> <p><a href="#">Freedom of Information</a></p>
<p>Strong Public Financial Management</p>	<ul style="list-style-type: none"> <li>• The control and financial management arrangements are reviewed by internal and external audit throughout the year. The outcomes for 2023/24 are noted in Section 4 of</li> </ul>	

	this Annual Governance Statement - Annual Review of Effectiveness of Governance Framework.	
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**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"> <li>• Section 4 of this Annual Governance Statement provides the views of our internal and external auditors. Auditors report regularly to Audit and Standards Committee and provide their annual opinion on the adequacy and effectiveness of our governance, risk and control framework.</li> <li>• We ensure that our Audit and Standards 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.</li> <li>• The Council's website is clear and easily accessible. Using 'Recite Me' software which allows visitors to customise our site in the way they need it to work for them, including a text to speech functionality. Our website complies with the Web content accessibility guidelines.</li> <li>• Information on expenditure, performance and decision making is sited together on the local government page of the Council's website and can be accessed quickly and easily.</li> </ul>	<p><a href="#">Council website</a></p> <p><a href="#">Budget, Performance and spend</a></p>



<p>Implementing Good Practices in Reporting</p>	<ul style="list-style-type: none"> <li>• Production of the Annual Report and Accounts</li> </ul>	
<p>Assurance and Effective Accountability</p>	<ul style="list-style-type: none"> <li>• The Council welcomes peer challenge, internal and external review and inspections from regulatory bodies and gives thorough consideration to arising recommendations.</li> <li>• The Council monitors the implementation of internal and external audit recommendations. Audit and Standards Committee receive regular reports summarising performance regarding implementation of recommendations.</li> <li>• 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.</li> </ul>	<p><a href="#">Local Government Association Corporate Peer Challenge Report &amp; Action Plan update</a></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 was led by an informal sub-group, including the Chair and 2 members of Audit Committee and the Vice Chair of Standards Committee, Financial Accounting Service Manager and Chief Internal Auditor who provide independence and challenge. The outcomes of the review are considered by Audit and Standards Committee and Constitutional Committee (which is charged with final approval of this statement). The implications of the review are considered by the Corporate Leadership Team and incorporated within our improvement plans.

The review is informed by:

- (a) The views of our internal auditors reported to Audit and Standards Committee through regular progress reports and the Annual Internal Audit Opinion.
- (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 and Standards Committee through regular progress reports, the Auditor's Annual Report and Audit Results Report.
- (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 were responsible for managing Council properties on behalf of the Council during 2023/24. 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 a written assurance statement 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 during 2023/24 through the 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).
- (i) Audit and Standards Committee continue to focus on the key risks facing the Council.
- (j) Performance information which is reported to the Corporate Leadership Team, and Directorate/Divisional Leadership Teams on a regular basis.
- (k) Progress made in addressing significant weaknesses and issues requiring improvement identified in previous annual governance statements.

## Section 5: Risk Management

The Council's strategic risk register records the most significant risks which if occurred could impact upon the achievement of the Council's priorities. Those risks are monitored and reported to

Cabinet and Audit and Standards Committee where they receive the necessary scrutiny and challenge to ensure the most effective actions are being taken to address them.

In addition to the regular risk reporting to Audit and Standards Committee the Corporate Leadership Team (CLT) carry out a 'deep dive' exercise covering all the risks currently monitored by the strategic risk register.

Individual risks are presented to CLT by the risk owner, allowing for closer scrutiny and focus with an in-depth analysis of each risk being undertaken.

The outcome of the CLT deep dive exercise is then reported to Audit and Standards Committee where members focus on those specific risks as part of the strategic risk agenda item. The risk owners are invited to the Committee to discuss the risks and mitigation strategies.

To date the following risks have been presented to CLT and Audit and Standards Committee:

- Workforce
- Financial Sustainability and Resilience
- The Local Plan
- Adult Social Care
- Children's Social Care
- Educational Attainment
- Corporate Safeguarding

The outcome of the deep dive exercises and the continued monitoring and reporting of all strategic risks has shown that there is continued confidence in the actions being taken to mitigate all strategic risk areas and anticipate and understand potential threats, which will further reduce the Councils overall risk exposure - These actions and mitigation strategies will be monitored throughout the year ahead.

## **New Housing and Communities Directorate and Council Structure**

Following the Council's decision in November 2023 to bring housing services back in-house and the creation of a new Housing and Communities Directorate from July 2024, has resulted in changes to the Council's structure.

The new Housing and Communities Directorate will incorporate all landlord related and supported housing activities from YHN, the Council's Fairer Housing Unit and the housing elements of Active Inclusion, including refugees and asylum seekers.

In light of the decision to bring housing services back in house and the creation of the new Housing and Communities Directorate the wider council structure has also been reviewed to ensure we retain our focus on putting residents at the heart of everything we do.

The YHN Repairs and Construction Services transferred to the Council in January 2024. This early transfer has ensured we continue to deliver an effective service. This has resulted in renaming the Operations and Regulatory Services Directorate to City Operations, Neighbourhoods and Regulatory Services to reflect the transfer of repairs and construction services into the Directorate.

The Assistant Chief Executive's Directorate will be redesignated to Deputy Chief Executive's Directorate and have a broader policy focus for the political priorities of inclusive economy, anti-poverty and net zero. It will also have responsibility for the council governance, legal services, city vision and devolution.

To support the new wider council structure the following directorate changes have also been made:

- Adult Social Care and Integration Directorate will be renamed Adult Social Care and Prevention Directorate
- Childrens Education and Skills will be renamed Children and Families Directorate
- Place Directorate will be renamed to Investment and Growth
- Workforce and Inclusion will be renamed Workforce and Development Directorate, incorporating Employee Services

A high-level landing structure has been communicated to all staff which shows where YHN services will sit within the Council from day one of the transfer and which teams they will be aligned to. The structure has taken into account the views from our Corporate Leadership Team and the Executive Management Team at YHN.

To support staff during the housing services transfer a number of engagement sessions are being held for YHN staff and those in council service areas where YHN colleagues will be joining. These events are supported by a frequently asked question page and housing review email box, where any issues or concerns raised by council and YHN staff can be addressed.

## Section 6: North East Devolution Deal and Election of a Mayor

The leaders of Newcastle, County Durham, Gateshead, Northumberland, North Tyneside, South Tyneside and Sunderland councils have agreed to a devolution deal for the region which will unlock £4.2 billion of investment, over 30 years, and see additional powers transferred from Whitehall to local people with better knowledge and experience of our communities.

This deal is expected to create 24,000 extra jobs, create 70,000 courses to give people the skills to get good jobs and lever £5.0 billion of private sector investment. It represents a significant opportunity to make a difference to people who live and work in the North East and could have a hugely positive impact on the big issues that matter.

Whether that is new and better paid jobs, more affordable housing or placing ourselves at the forefront of Net Zero revolution, the chance of more decision-making powers and millions of pounds in funding will have a major impact on the North East.

The devolution deal is subject to adopting the model of a directly elected mayor over the whole of the Combined Area and replacing the North of Tyne Mayoral Combined Authority and the North East Combined Authority, with a single new North East Mayoral Combined Authority.

The new authority, which would cover an area which is home to around 2 million people, will have the power to make decisions on areas such as transport, skills, housing, finance and economic development. This will result in the functions of the North East Local Enterprise Partnership, Transport North East and Invest North East England being delivered by the new Combined Authority.

Following an order being laid in Parliament to establish the new North East Mayoral Combined Authority an election will take place in May 2024 to elect a mayor for the region. The new authority will be formed on 7 May 2024.

An interim Corporate Plan for the new North East Mayoral Combined Authority can be found [here](#) (page 53).

## Section 7: 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 2023/24.

## Section 8: 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.

## Section 9: Conclusion

We consider the governance and internal control environment operating during 2023/24, 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, two items that require improvement as detailed in Appendix A, which we continue to monitor.

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.

Chief Executive

Leader of the Council

Date:

Date:





**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". This risk is kept under review and the Resilience Planning Team provide regular updates to the Corporate Leadership Team.

In addition to the Council's response to the threat of a cyber related incident, we are working closely with the Local Resilience Forum who are undertaking a review of all partner arrangements relating to cyber-attacks, which are aimed at local authorities. The outcome of the review will be considered by the ICT and Resilience Planning Teams.

Accountable Officer: Director of City Operations, Neighbourhoods and Regulatory Services

**Action(s) required to enhance effectiveness****Implementation date**

The Resilience, Tactical, Strategic and Duty Communications Officers meet on a regular basis in order to ensure that we are effective in our response to incidents. This group has an agreed responsibility to:

1. Ensure all duty officers are competent through training, exercising and attending continuing professional development opportunities
2. Identify any training opportunities or gaps in experience for officers and ensuring training requirements are fulfilled
3. Sharing best practice and experiences gained from incident responses
4. Ensuring all officers are kept up to date on local and national information and relevant documentation
5. Ensure the City Councils major incident response plans are kept up to date and take account of the Local Resilience Forum and National Risk Registers

Ongoing review December 2024

Review of response structures to take place post YHN transfer in order to ensure there is coordination within service with regards to major incident response. An updated Major Incident Plan will reflect most up to date services and structures.

December 2024

Tactical and Strategic refresh training to take place for major incident team members.

December 2024

Multi Agency exercise to take place to validate current response and planning arrangements.

December 2024

Continue to participate within the Local Resilience Forum. The non statutory partnership supports Newcastle City Council in meeting its statutory duties under the Civil Contingencies Act 2004.

Ongoing review December 2024

Training needs analysis is currently taking place to assess where officers would like further training alongside the minimum training requirements.

July 2024

A programme of training has been offered to all officers within the major incident team for 2024/25 with sessions linked to current risk, updated plans and overview of arrangements.

Ongoing review September 2024

**Business Continuity****Background Risk**

The Council's risk register includes a Business Continuity risk which describes the 'failure to maintain business continuity in the event of a major disruption to services' – The risk is regularly reported to Audit and Standards Committee.

A potential cause of disruption is a major cyber incident, such as through Ransomware - This usually follows a Malware infection which can come from human error or an external attack. To mitigate a Malware infection, we use layers of defence with several mitigations at each level. There are 3 main areas of focus which are Detect & Prevent, Restrict and Recover, with business continuity concentrating on recover.

In relation to the threat of a cyber security incident in relation to agile working, these risks are mitigated by a number of additional controls including:

- The Agile Working Policy which outlines governance, management support and information security. This is supported by mandatory cyber and information security training which is monitored by managers and where the training is not completed officers access to all IT systems are suspended
- Staff working from home are issued with an encrypted corporate laptop which are routed directly to the corporate network using an encrypted connection
- Access to corporate systems via personal PC's and laptops is only available via a secure connection

Accountable Officer: Director of City Operations, Neighbourhoods and Regulatory Services

<b>Action(s) required to enhance effectiveness</b>	<b>Implementation date</b>
To reduce the risk and impact of a successful cyber-attack or malicious actions, the Council follows best practice and guidance issued by the National Cyber Security Centre and reviews measures regularly.	Ongoing review December 2024
The current Business Continuity Programme (BCP) ended in May 2024. Within this programme the Council have followed the business continuity life cycle set out with the Business Continuity Institutes good practice guidelines. This is a continuous programme, and a 2024/25 programme will begin in late summer.	October 2024
Priority 1 Services have been agreed by the Corporate Leadership Team and will be reviewed once business impact assessments have been carried out within the 2024/25 programme.	December 2024
Review of services within YHN has begun in order to align current service arrangements with the corporate business continuity policy. The business continuity team are working to ensuring that all service areas as they transfer have business impact assessments and business continuity plans in place.	December 2024
LGA Strategic Cyber Exercise to take place to validate arrangements and ensure continuous improvement.	November 2024
Intranet site to be developed for internal staff which will provide information about escalation and support.	November 2024
Information regarding our organisational priorities to be included within the public facing website.	November 2024

