



**NPA 625/22
Annex 1**

Local Code of Corporate Governance

1. Introduction

- 1.1 The New Forest National Park Authority is responsible for ensuring that its business is conducted in accordance with the law and with proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for, and that it is used efficiently and effectively. In order to meet these responsibilities we need to put in place robust arrangements for the governance of its business and for the stewardship of its resources. This Local Code of Corporate Governance sets out how we will address these challenges.
- 1.2 For the purpose of this local code, we have adopted the definition of Corporate Governance as stated in the 2016 CIPFA/SOLACE framework document entitled “Delivering Good Governance in Local Government” (the “Framework”), drawing on the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014), which is: “Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.” The Framework goes on to explain that: “To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.
- 1.3 The Authority recognises that effective governance is essential if it is to establish and maintain public confidence in the organisation and if we are to provide effective leadership and engage successfully with our partners.
- 1.4 In updating this local code we have had regard throughout to the Framework, which is intended to be followed as best practice for developing and maintaining a local code of governance. The Code that follows sets out the key principles that inform the Authority’s own governance framework, which incorporates (and informs) many of its constitutional documents, codes of conduct, and policies and procedures across the board.

2. Core Principles – Summary

- 2.1 The Framework defines seven core principles, which should be reflected in authorities’ local codes having due regard to each authority’s structure, type, function and size. These are as follows:
 - behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

- ensuring openness and comprehensive stakeholder engagement
- defining outcomes in terms of sustainable economic, social and environmental benefits
- determining the interventions necessary to optimise the achievement of the intended outcomes
- developing the Authority's capacity, including the capability of its leadership and individuals within it
- managing risks and performance through robust internal controls and strong public finance management
- implementing good practice in transparency, reporting and audit to deliver effective accountability.

2.2 The Framework also lists a number of sub-principles and indicative behaviours, which we have described below together with a list of specific actions we will take to support these. Through these principles and sub-principles, we will seek to deliver good corporate governance combining the 'hard' factors (robust systems and processes) with the 'softer' characteristics of effective leadership and high standards of behaviour. Members and Officers will also lead by exhibiting high standards of conduct and by displaying behaviours reflective of a shared set of values.

2.3 In addition Members and Officers will act in accordance with the Nolan principles:

- **SELFLESSNESS:** Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- **INTEGRITY:** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- **OBJECTIVITY:** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- **ACCOUNTABILITY:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **OPENNESS:** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly so demands.
- **HONESTY:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **LEADERSHIP:** Holders of public office should promote and support these principles by leadership and example.

3. How we will achieve the Framework's core principles

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

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

Integrity

As part of this, Members and Officers should behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated. Members should take the lead in establishing and communicating values, which build on the Nolan Principles. These values should be communicated and embedded through appropriate policies and processes that are regularly reviewed.

Commitment to ethical values

It is important to establish, monitor and maintain the Authority's ethical standards and performance. Personal behaviour should be underpinned by ethical values that permeate all aspects of our culture and operation. Robust policies and procedures should be developed and maintained that emphasise the agreed values. Members and Officers will also seek to ensure that external providers of services act with integrity and in compliance with ethical standards.

Respecting the rule of law

Members and Officers must demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations. Statutory Officers, other key post holders, and Members must be able to fulfil their responsibilities in accordance with legislative and regulatory requirements and all will strive to optimise the use of the full powers available for the benefit of communities and stakeholders. Members and Officers will deal with breaches of legal and regulatory provisions, and will seek to ensure that corruption and misuse of power are dealt with effectively.

Specific actions

We will:

- clearly define the standards of personal behaviour that are expected of Members, Officers and all those involved in service delivery and communicate these through the induction process and subsequently;
- uphold the codes of conduct for staff and Members, which incorporate the Nolan principles, and regularly review these for effectiveness;
- maintain and publicise the register of Members' interests and record declarations of interests made at meetings;
- issue guidance to Members in relation to managing standards issues;
- maintain a register of gifts and hospitality declared by Members and Officers and ensure related party transactions are disclosed to the s151 Officer;

- maintain, review and communicate policies dealing with whistleblowing, fraud and bribery, the complaints process, equality and inclusion;
- keep under review the Local Protocol for Members and Officers and the planning Local Protocol;
- provide proper challenge and review of all aspects of the Authority's performance and effectiveness;
- regularly remind relevant staff of procurement rules and policies;
- review systems for investigating and, where appropriate, taking action to deal with breaches and disciplinary problems;
- seek to ensure compliance with relevant laws and regulations, and internal policies and procedures, and that expenditure is lawful;
- annually appraise staff performance;
- actively ensure Committee oversight and scrutiny, including the role of the Standards Committee role in standards matters for Members and that of the Resources, Audit and Performance Committee in reviewing and overseeing performance;
- keep up to date all key documents including the Financial Regulations and Standing Orders as to Contracts;
- review and maintain the Standing Orders, the Committee structure and Scheme of Delegations and ensure decision making is in accordance with the law and these documents;
- comply with CIPFA's statement on the role of the Chief Finance Officer in Local Govt (CIPFA 2015);
- regularly co-operate with and facilitate the work of internal and external auditors;
- appoint and involve Independent Persons on Member complaints; and
- establish standards of objectivity and impartiality in all relationships.

Principle B: ensuring openness and comprehensive stakeholder engagement

The Framework explains that local government is run for the public good, and organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, whether individuals or institutions.

Openness

We will ensure an open culture through demonstrating, documenting and communicating our commitment to openness, and where openness cannot be maintained on a particular matter, we will justify maintaining confidentiality. Decisions will be clearly evidenced and reasoned, and decision makers will be explicit about the criteria, rationale and considerations used as well as the impact of those decisions. We will use formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.

Stakeholder engagement

We will engage effectively with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear. We will seek to develop formal and informal partnerships to allow efficient resource use. Partnerships are to be based on trust, a shared commitment to change, and a culture that promotes and accepts challenge among partners, and the added value of partnership working will be made explicit.

Engaging with individual citizens and service users

We will establish a policy on the type of issues on which we will consult with or involve communities, individual citizens, service users and other stakeholders, to ensure that service provision is contributing towards the achievement of intended outcomes. We will ensure that communication methods are effective and that Members and Officers are clear about their roles with regard to community engagement. We always try to encourage, collect and evaluate the views and experiences of individual stakeholders, including reference to future needs. We will implement feedback mechanisms in order to demonstrate how views have been taken into account, and will balance feedback from more active stakeholder groups with others to ensure inclusivity. We will also seek to take account of the impact of decisions on future generations.

Specific actions

When carrying out our duties and responsibilities we will engage with a range of people in order to develop and promote the vision for the New Forest National Park as set out in the Partnership Plan (Management Plan), the intended outcomes and how working in partnership will achieve these outcomes.

We will maintain effective arrangements for:

- ensuring accountability for and reporting on performance, service delivery and the sustainable use of resources;
- building effective relationships and partnerships, including entering into accords and memoranda of understanding where appropriate;
- keeping the website and other media channels up to date and proactively communicating about our work;
- clear information management and access to information including keeping the publication scheme up to date;
- effective partnership working both through the Partnership Plan and more broadly, to make the best use of resources including considering the potential for shared services;
- demonstrating and documenting openness in all our dealings, including ensuring meetings are accessible to the public and livestreamed where possible, publicising agendas and reports in line with the Local Government Act 1972 requirements, and recording reasons for decisions;
- communicating with and engaging all sections of the community through consultation, outreach, communications, etc.;
- developing and articulating a clear vision and plan in response to the needs of the National Park;
- engaging effectively with all sections of the community, including through the 'New Forest Voices' diversity and inclusion initiative;
- maintaining and reviewing all key documents including the statement of community involvement, the documents listed under (A) above and all other relevant documents;
- developing and maintaining clear processes for consulting staff; and
- developing constructive and accountable relationships with partners encouraging appropriate challenge and scrutiny.

Principle C: defining outcomes in terms of sustainable economic, social and environmental benefits

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

Defining outcomes

We should have a clear vision, an agreed formal statement of our purposes and intended outcomes, containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions. We will specify the intended impact on, or changes for, stakeholders including residents and service users. We will seek to deliver defined outcomes on a sustainable basis within the resources that will be available, and will identify and manage risks to their achievement. We will also seek effectively to manage service users' expectations, with regard to determining priorities and making the best use of the resources available.

Sustainable economic, social and environmental benefits

We will consider and balance the combined economic, social and environmental impact of policies and plans when taking decisions about service provision. We will seek to take a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints. We will try to determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs, and we will always try to ensure fair access to services.

Specific actions

We will:

- carefully consider all our decisions in terms of furthering our statutory purposes and duty in line with the Sandford principle, and more specifically consider the environmental, social and economic benefits of all our decision making;
- articulate a shared set of values and behaviours and put in place systems to review these and develop and communicate a vision, set out in documents at all levels from the Partnership Plan through to the annual Work Programme, which specifies intended outcomes and is used as a basis for planning and for our work with stakeholders, volunteers, the public, etc; and
- seek to translate the vision into courses of action for the Authority, its partnerships and collaborations, as further outlined under (D) below.

Principle D: determining the interventions necessary to optimise the achievement of the intended outcomes

The Framework explains that local government achieves intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that bodies must make to ensure intended outcomes are achieved. Robust decision-making mechanisms are required to ensure that defined outcomes can be achieved so as to provide the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Determining interventions

We should ensure decision makers receive or conduct, as appropriate, an objective and rigorous analysis of a variety of options, indicating how intended outcomes would be achieved and associated risks. Decision makers will consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources.

Planning interventions

We will establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets. We will engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered, and will monitor risks facing each partner when working collaboratively, including shared risks. Our arrangements will be as flexible and agile as possible. We will also establish appropriate key performance indicators (KPIs) as part of the planning process, and will try to ensure that capacity exists to generate the information required to review service quality regularly. Budgets will be prepared in accordance with objectives, strategies and the medium term financial plan. Medium and long term resource planning will be informed by realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.

Optimising achievement of intended outcomes

We will seek to ensure that the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints. The budgeting process will be all-inclusive, taking into account the full cost of operations over the medium and longer term. The medium term financial strategy will set the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. We will also ensure the achievement of 'social value' through service planning and commissioning.

Specific actions

We will:

- ensure strategic oversight is maintained at all levels, including Committee and management levels;
- review and revise the Work Programme for each year in line with the Management Plan and Partnership Plan, and monitor performance against it

- ensuring any necessary actions translate to objectives at all management levels, including individuals' objectives;
- ensure Officers brief the Chair and Committee Chairs and other Members as necessary;
 - keep budgets and expenditure under close review;
 - regularly review and ensure the fitness for purpose of all key and constitutional documents, plans, policies and procedures;
 - implement and monitor our own Authority Carbon Reduction Plan;
 - regularly review the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and the robustness of data quality; and
 - measure the performance of services and related projects and ensure that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.

Principle E: developing the Authority's capacity, including the capability of its leadership and individuals within it

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

Developing our capacity

We will review operations, performance and use of assets on a regular basis to ensure their continuing effectiveness. We will improve resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently. We recognise the benefits of partnerships and collaborative working where added value can be achieved. We will develop and maintain an effective workforce plan to enhance the strategic allocation of resources.

Developing the capability of our leadership and others

We will develop protocols to ensure that leaders negotiate with each other regarding their respective roles early on, and that a shared understanding of roles and objectives is maintained. We publicise which types of decisions are delegated and which reserved for Member decision. The Chief Executive has a clearly defined and distinctive leadership role within the structure, leading in implementing strategy and managing the delivery of services and implementing members' decisions, in consultation where necessary with the Chair. Members' and senior managers' capabilities will be developed to achieve effective leadership and to enable the Authority to respond successfully to changing legal and policy demands and changing risks. We will encourage public participation. We must take steps to consider the leadership's own effectiveness and ensure leaders are open to constructive feedback

from peer review etc. Staff will be held to account through regular performance reviews which take account of training or development needs. Arrangements will be in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own wellbeing.

Specific actions

We will:

- clearly define the roles and responsibilities of Members and Officers to ensure accountability and clarity, including reviewing and revising role descriptions as necessary;
- maintain robust induction and appraisal processes;
- maintain an overview of performance at Authority and Committee level;
- develop and implement a comprehensive organisational development strategy to maximise the potential of all Members, Officers, secondees and volunteers, and maintain and regularly review all decision related documents such as the Scheme of Delegation;
- regularly monitor and support staff wellbeing;
- carry out Member development through initiatives such as Members' development days; and
- ensure that effective arrangements are in place for reviewing the performance of Members and senior staff and that development opportunities are provided.

Principle F: managing risks and performance through robust internal controls and strong public finance management

The Framework explains that local government should implement an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential, as is a culture and structure for scrutiny as a key part of accountable decision making, policy making and review. A positive working culture is also key. Importantly, this culture does not happen automatically; it requires repeated public commitment from those in authority.

Managing risk

We recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making. We will implement robust and integrated risk management arrangements and ensure they work effectively. Responsibilities for managing individual risks will be clearly allocated.

Managing performance

Service delivery will be monitored including planning, specification, execution and independent post implementation review. Decisions will be based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook. An effective scrutiny or oversight function must be in place that provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing our performance. We encourage effective and constructive

challenge and debate on policies and objectives to support balanced and effective decision making. Members and senior Officers will be provided with regular reports on service delivery plans and on progress towards outcome achievement. We will ensure there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).

Robust internal control

The risk management strategy and policies on internal control will be aligned with achieving objectives. Risk management and internal control will be monitored and reviewed on a regular basis. Effective counter fraud and anti-corruption arrangements must be in place. We will ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. An audit committee will provide a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment, and its recommendations will be acted upon.

Managing data

Effective arrangements will be in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data, and data will be shared securely and only where necessary with other bodies. The quality and accuracy of data used in decision making and performance monitoring will be reviewed and audited.

Strong public financial management

Financial management will support both long term achievement of outcomes and short-term financial and operational performance. Well-developed financial management will be integrated at all levels of planning and control, including management of financial risks and controls.

Specific actions

The Standing Orders, Financial Regulations, Scheme of Delegations and all supporting documents, policies and procedures exist to clearly define how decisions are taken and the processes and controls that are required to manage risks.

In addition, we will:

- maintain strategic oversight including by Committees and senior leadership as outlined in previous sections;
- include provision for the regular review and update of the Standing Orders, Financial Regulations, Contract Standing Orders, procurement procedures and delegation arrangements;
- include mechanisms for monitoring and reviewing effectiveness against agreed procedures and for the practical operation of control;
- ensure that financial management arrangements conform with statutory requirements;
- support and maintain the audit role of the Resources Audit and Performance Committee;
- consider and take into account the external auditor's value for money opinion, the quarterly budget monitoring reports to Committee, and the annual budget and accounts as approved by Members;

- ensure effective arrangements are in place for the discharge of the National Park Officer, s151 Officer and Monitoring Officer functions;
- maintain adequate insurance coverage;
- report on and consider health and safety and employment related matters;
- ensure robust and secure ICT processes and systems are in place;
- ensure that those making decisions are provided with clear, relevant and timely information with appropriate supporting details;
- ensure effective counter fraud and anti-corruption arrangements are developed and maintained, and detail these in the relevant policies;
- identify, control and monitor all significant strategic and operational risks; through the regular review and scrutiny of the risk register; and
- seek to ensure that risk management and control systems and processes are monitored for continuing compliance.

Principle G: implement good practice in transparency, reporting and audit to deliver effective accountability

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

Implementing good practice in transparency

Reports will be written in a fair, balanced and understandable style appropriate to the intended audience and will be easy to access. We will seek to strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.

Implementing good reporting practices

We will report at least annually on performance, value for money and stewardship of resources in a timely and understandable way. Robust arrangements will be in place for assessing the extent to which the principles contained in the Framework have been applied and results on this assessment will be published, including an action plan for improvement and evidence to demonstrate good governance (the Annual Governance Statement). The Framework should also be applied to jointly managed or shared service organisations as appropriate. Performance information that accompanies the financial statements will be prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.

Assurance and effective accountability

Recommendations for corrective action made by external audit will be acted upon. An effective internal audit service with direct access to Members will be in place, providing assurance with regard to governance arrangements. Peer challenge, reviews and inspections from regulatory bodies will be welcomed and recommendations implemented. We will seek to gain assurance on risks associated with delivering services through third parties, and this will be evidenced in the annual governance statement. When working in partnership, arrangements for accountability will be clear and the need for wider public accountability will be recognised and met.

Specific actions

We will:

- maintain and uphold all key and constitutional documents, plan, policies and procedures as outlined above;
- ensure access to decision making as outlined above;
- ensure the Annual Governance Statement is reviewed by the Resources Audit and Performance Committee and continue the annual and quarterly performance reporting;
- maintain and facilitate the s151 Officer reporting requirements;
- ensure national and local performance indicators are regularly reported including implementing corrective action as necessary;
- maintain, support and take account of the recommendations of the Resources, Audit and Performance Committee; and
- maintain and comply with the audit plan, provide timely support, information and responses to external auditors and properly consider and implement audit findings and recommendations including reporting to Committee.

4. Monitoring and Review

- 4.1 An annual review will be undertaken to ensure compliance with this Local Code. The outcome of the review will be reflected in the Annual Governance Statement published each year with the Annual Accounts. The Statement is subject to verification and certification by the external auditors.
- 4.2 All Members and Officers of the Authority share responsibility for good governance. In particular, the full Authority and the Resources, Audit and Performance Committee are responsible for receiving the annual Audit Planning and results reports prepared by the external auditor as well as the Annual Governance Statement prepared jointly by the Monitoring Officer and the Head of Resources/ section 151 Officer. In fulfilling this responsibility they will propose any necessary changes to ensure that the Code is up to date and changes in circumstances are accommodated.