

## 1 INTRODUCTION

Governance is about how we ensure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Governance comprises the systems and processes, cultures and values by which we are directed and controlled and through which we account to, engage with and, where appropriate, lead our community<sup>1</sup>

The CIPFA/SOLACE Joint Working Group have published a new Framework and Guidance Note entitled “Delivering Good Governance in Local Government”. These documents define six core principles taken from the ‘Good Governance Standard’ developed by the ‘Independent Commission on Good Governance in Public Services’ with support from the ‘Office of Public Management’ (OPM) and CIPFA’. These documents form the basis of our Local Code of Corporate Governance.

## 2 SUMMARY OF COMMITMENT

By adopting this Local Code of Corporate Governance, we are responding to the CIPFA/SOLACE Joint Working Group Guidance and Framework entitled “Delivering Good Governance in Local Government”.

In so doing we will:

- Accept the six core principles set out in section 3 below as the basis for our Corporate Governance arrangements
- Published an Annual Corporate Governance Assurance Statement with the Corporate Business Plan.
- Publish an Annual Statement of the System of Internal Control (SIC) with the Council's Statement of Accounts.
- Draw up Action Plans of improvements to our corporate governance arrangements, such plans to be monitored by the Audit & Governance Committee.

## 3 PRINCIPLES

The CIPFA/SOLACE Joint Working Group Guidance and Framework entitled “Delivering Good Governance in Local Government” recommends that we demonstrate compliance with the principles of good governance.

The six principles together with examples of their underlying systems and processes appear below:

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<sup>1</sup> Delivering Good Governance in Local Government – Guidance and Framework

**3.1 Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area.**

We will:

- develop and promote our purpose and vision
- review on a regular basis our vision of the local area and its impact on our governance arrangements
- ensure that our partnerships are underpinned by a common vision of their work that is understood and agreed by all parties
- publish an annual report on a timely basis to communicate our activities and achievements, its financial position and performance (Corporate Business Plan)
- decide how the 'quality of service' for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available
- put in place effective arrangements to identify and deal with failure in service delivery
- decide how value for money is to be measured and make sure that we and/or our partners have the information needed to review value for money and performance effectively.
- measure the environmental impact of policies plans and decisions.

**3.2 Members and officers working together to achieve a common purpose with clearly defined functions and roles.**

We will:

- set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually together with our approach to putting this into practice
- set out a clear statement of the respective roles and responsibilities of other members and senior officers
- determine a scheme of delegation and reserve powers within the Constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation, and ensuring that it is monitored and updated when required
- make the Chief Executive responsible and accountable for all aspects of operational management
- develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained
- make a senior officer responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control

- make a senior officer responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with
- maintain and update protocols to ensure effective communication between members and officers in their respective roles
- keep updated the terms and conditions for remuneration of members and staff and an effective structure for managing the process (including an effective remuneration panel if applicable)
- ensure that effective mechanisms exist to monitor service delivery
- ensure that our vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated
- when working in partnership:
  - ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council
  - ensure that there is clarity about the legal status of the partnership
  - ensure that representatives or partner organisations both understand and make clear to all other partners the extent of their authority to bind their organisations to partner decisions

### **3.3 Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

We will:

- ensure that our leadership sets a tone for the Council by creating a climate of openness, support and respect
  - ensure that standards of conduct and personal behaviour expected of members and staff and between the Council, its partners and the community continue to be defined and communicated through codes of conduct and protocols
  - regularly review arrangements to ensure that members and staff are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate review processes to ensure that they continue to operate in practice
  - develop and maintain shared values including leadership values reflecting public expectations and communicate these with members, staff, the community and partners
  - put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice
  - develop and maintain an effective standards committee
  - use the Council's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Council
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- when pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively

### 3.4 **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

We will:

- develop and maintain our scrutiny function which encourages constructive challenge and enhances our performance
- develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based
- ensure staff and members are aware of arrangements in place to safeguard them and the authority against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice
- develop and maintain an effective audit and governance committee which is independent of the executive and scrutiny functions
- ensure that effective, transparent and accessible arrangements are in place for dealing with complaints
- ensure that those making decisions whether for the Council or for our partners are provided with information that is fit for purpose, ie: relevant, succinct, timely and giving clear explanations of technical issues and their implications
- ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately
- ensure that risk management is embedded into the culture of the Council, with members and managers at all levels recognising that risk management is part of their jobs
- ensure that arrangements are in place for whistle-blowing and that staff and all those contracting with us have access
- actively recognise the limits of lawful activity placed on us by, for example, the ultra-vires doctrine, but also strive to utilise powers to the full benefit of the community
- recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on us by public law
- observe all specific legislative requirements placed upon us, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law, ie: rationality, legality and natural justice – into our procedures and decision-making processes.

### **3.5 Developing the capacity and capability of members and officers to be effective**

We will:

- provide induction programmes tailored to individual needs and opportunities for members and staff to update their knowledge on a regular basis
- ensure that statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority
- assess the skills required by members and officers and make a commitment to develop these skills to enable roles to be carried out effectively
- develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when external expert advice is needed
- ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs
- ensure that effective arrangements exist to encourage individuals from all sections of the community to engage with, contribute to and participate in our work
- ensure that career structures are in place for members and officers to encourage participation and development

### **3.6 Engaging with local people and other stakeholders to ensure robust public accountability**

We will:

- make our accountability clear to members, staff and the community
  - consider those institutional stakeholders to whom the council is accountable and assess the effectiveness of the relationships and any changes required
  - produce an annual report on the activity of the scrutiny function
  - ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively
  - hold meetings in public, unless there are good reasons for confidentiality
  - ensure that arrangements are in place to enable us to engage with all sections of the community effectively. These arrangements will recognise that different sections of the community have different priorities and we will establish explicit processes for dealing with these competing demands
  - establish a clear policy on the types of issues that we will meaningfully consult on or engage with the public and service users about, including a feedback mechanism for those consultees to demonstrate what has changed as a result
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- on an annual basis, publish a performance plan giving information on our vision, strategy, plans and financial statements as well as information about our outcomes, achievements and satisfaction surveys of service users
- ensure that we are open and accessible to the community, service users and our staff and ensure that our commitment to openness and transparency in all our dealings is effective, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so
- develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making

## **4 ASSESSMENT**

### **4.1 Good governance means focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area**

#### **Key Features**

- How clear are we about what we are trying to achieve?
- How well are we achieving our intended outcomes?
- How well do we communicate our vision?

### **4.2 Good governance means members and officers working together to achieve a common purpose with clearly defined functions and roles**

#### **Key Features**

- Do we all know what we are supposed to be doing?
- Is our approach to each of our main functions clearly set out and understood by staff and members?

### **4.3 Good governance means promoting values and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

#### **Key Features**

- How do we ensure members and staff are aware of the values that are expected of them?
- Do we monitor compliance with these values by reviewing behaviour and actions?
- Are we ensuring that the standards committee acts as the main means to raise awareness and that it takes the lead in ensuring high standards of conduct?

**4.4 Good governance means taking informed and transparent decisions which are subject to effective scrutiny and risk management**

**Key Features**

- Are we sure that our meetings are productive and that they work effectively?
- Are we sure that information received across services areas, including our partnerships is consistent, timely and reliable?
- Are we sure that the information we have on costs and performance helps us in making rigorous decisions about improving value for money?

**4.5 Good governance means developing the capacity and capability of members and officers to be effective**

**Key Features**

- Are we sure that members are properly skilled to do their jobs?
- How do we demonstrate that political parties identify people with the necessary skills to seek election and reach people from a wise cross-section of the community?
- Are we continuing to develop our skills and update our knowledge?

**4.6 Good governance means engaging with local people and other stakeholders to ensure robust public accountability**

**Key Features**

- Have we established who we are accountable to and for what?
- How do we deal with competing demands and priorities from different sections of the community?
- How do we consulting with the public and service users?

**5 ANNUAL ASSURANCE PROCESS**

The review of our corporate governance arrangements is an ongoing process and work is planned strategically throughout the year to test and verify our compliance with the corporate governance framework.

In addition to this, an annual review of our governance arrangements is made using the Corporate Governance Key Lines of Enquiry published by the Audit Commission. This review culminates in the production of a Corporate Governance Assurance Statement and associated action plan. Each year the Leader and the Chief Executive are required to sign the Assurance Statement confirming the effectiveness of our Corporate Governance arrangements. The action plan is monitored quarterly by the Audit and Governance Committee. The Assurance Statement is on our website and a summary is placed within the Council's Corporate Business Plan.

The Director of Economy is required to publish a wide-ranging Statement on the System of Internal Control (SIC) which confirms the existence of an effective control environment. This Statement is on our website and forms part of the Council's Financial Statements.

The Chief Executive, directors, internal audit and all managers across the Council have a key role to play in this assessment process. The Corporate Director - Economy (the Council's statutory section 151 finance officer) and Corporate Director - Central Services (the Monitoring Officer) are both jointly responsible for overseeing the implementation of the Local Code and for introducing monitoring arrangements.

## **6 ONGOING MONITORING**

In addition to the mechanisms outlined in 5 above, our governance arrangements are constantly monitored by managers, directors and members in the form of:

- Monthly financial monitoring and budget monitoring reports to the Executive Board.
- Monthly performance monitoring reports to the Executive Board
- Quarterly Corporate Strategy monitoring reports to the Executive Board
- BVPI quartiles and action plans to the Executive Board
- Monitoring of service plans by SMT
- Competency Framework for staff and members
- Internal Audit reviews of governance arrangements through its corporate governance work programme.
- Ongoing review of our risk management arrangements
- Audit Commission review of corporate governance arrangements including the assurance statements, the risk management process and other auditable activities,

## **8 REVISIONS TO THE LOCAL CODE**

The contents of this Local Code will be reviewed when necessary by the Internal Audit and Risk Manager, usually on an annual basis.