

# **Local Code of Corporate Governance**

## **Introduction**

Each local authority operates through a governance framework. The governance framework is an interrelated system that brings together an underlying set of legislative requirements, standards of behaviour, and management processes.

Good governance means that the way a local authority operates is based on sound and transparent decision making with an effective process to support it.

This Code sets out the Council's governance framework. It is based on Guidance issued by the Chartered Institute of Public Finance and Accountancy ('CIPFA') and the Society of Local Authority Chief Executives ('SOLACE') that was originally published in 2007 entitled *Delivering Good Governance in Local Government* and which has subsequently updated.

There are six core principles and further supporting principles identified by CIPFA/SOLACE which underpin and inform the way in which a local authority should perform its services and other functions. These principles inform the Council's governance framework, the Local Code of Corporate Governance and the standards by which the Council is audited.

The principles and standards set out below in this Code reflect those set out by the current CIPFA/SOLACE Guidance

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

The Council will demonstrate strategic leadership, ensure that users receive a high quality of service whether directly, in partnership or by commissioning and ensure the best use of resources and secure excellent value for money for residents by

- developing and promoting a clear vision of the Council's purpose and intended outcomes for the community and the local area and ensure that is clearly communicated, both within the Council and to external stakeholders
- regularly reviewing the basis of its vision for the local area and its implications on its governance arrangements
- ensuring that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties

- publishing an annual report on a timely basis to communicate its activities and achievements its financial position and performance
- deciding how the quality of service for users is to be measured and making sure that the information needed to review service effectively and regularly is available
- putting in place effective arrangements to identify and deal with failures in service delivery
- deciding how value for money is measured and making sure that the authority or partnership has the information needed to review value for money and performance effectively
- measuring the environmental and community safety impact of policies, plans and decisions

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

The Council ensures effective leadership by being clear about respective executive and non executive functions, having constructive working relationships between members and officers, and making sure that partnership arrangements are clear. The Council will achieve this by

- Setting out a clear statement of the respective roles and responsibilities of the Cabinet and of the Cabinet 's members individually and the approach towards putting this into practice
- Setting out a clear statement of the respective roles and responsibilities of authority members, members generally and of senior officers
- Having a scheme of delegation and reserve powers within the constitution including a formal schedule of those matters reserved specifically for collective decision of the authority taking account of relevant legislation and ensure that it is monitored and updated when required
- Ensuring the Chief Executive responsible and accountable to the authority for all aspects of operational management
- Ensuring a senior officer (the S151 officer) is responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping financial records and accounts, and for maintaining an effective system of internal financial control
- Ensuring a senior officer (the monitoring officer) is responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.
- Having protocols to ensure effective communication between members and officers in their respective roles
- Setting out the terms and conditions for remuneration of members and officers and an effective structure for managing the process.
- Ensuring that the organisation's 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

- Ensuring when working in partnership that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority
- Ensuring when working in partnership that there is clarity about the legal status of the partnership and that representatives of organisations both understand and make clear to all other parties the extent of their authority to bind their organisation to partner decisions

### **3. Promoting values of the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

The Council will ensure the members and officers maintain high standards of conduct and that organisational values are put into practice and are effective. The Council will

- ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect
- ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols
- put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflict of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice
- develop and maintain shared values, including leadership values both for the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners
- put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.
- develop and maintain an effective Standards Committee
- use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority
- in 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.

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

The council will be rigorous and transparent about how decisions are made and will reflect upon constructive scrutiny. It will ensure good quality information to make decisions, have in place and effective risk management system and use its legal powers for the benefit of the community. The Council will

- develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the organisation's performance overall and of any organisation for which it is responsible.
- develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based
- put in place arrangements to safeguard members and employees 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 committee which is independent
- put in place effective, transparent and accessible arrangements for dealing with complaints
- ensure that those making decisions whether for the authority or partnership are provided with information that is fit for the purpose – relevant, timely and gives 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 organisation, with members and managers at all levels recognising that risk management is part of their job
- ensure that arrangements are in place for whistle blowing to which staff and all those contracting with the authority have access
- actively recognise the limits of lawful activity placed on it, for example the ultra vires doctrine but also strive to utilise powers to the full benefit of our communities
- recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law
- observe all specific legislative requirements placed upon it, as well as the requirements of general law, and in particular integrate the key principles of good administrative – rationality, legality and natural justice into its procedures and decision making processes

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

The Council will make sure that members and officers have the skills, knowledge and resources needed to perform well, and that those skills are evaluated and developed. It will also engage and encourage new talent. The Council will

- provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis
- ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation

- assess the skills required by members and officers and make a commitment to develop those 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 outside expert advice is needed
- ensure that effective arrangements are in place for reviewing the performance of the authority as a whole and agreeing an action plan which might for example aim to address any training or development needs
- ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority
- ensure that career structures are in place for members and officers to encourage participation and development

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

The Council will effectively engage local people and stakeholders, engage in dialogue with and accountability to the public and make best use of human resources by

- making clear within the Council, to all staff and the community, to whom the Council is accountable and for what
- considering those stakeholder bodies to whom the organisation is accountable and assessing the effectiveness of the relationships and any changes required
- producing an annual report on scrutiny function activity
- Ensuring that clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively
- holding meetings in public unless there are good reasons for confidentiality
- ensuring arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands
- Establishing a clear policy on the types of issues it will meaningfully consult on or engage with the public and service users including a feedback mechanism for those consultees to demonstrate what has changed as a result
- On an annual basis publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period
- ensuring that the authority as a whole is open and accessible to the community, service users and its staff and ensuring that it has made a

commitment to openness and transparency in all its dealings, including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so

- developing and maintain a clear policy on how staff and their representatives are consulted and involved in decision making

## **Annual Review and Reporting**

Each year the Council will carry out a review of the governance arrangements measured against the Code and the principles set out in the CIPFA/SOLACE guidance to ensure compliance with this Code, and the delivery of good governance within the local government framework and current good practice. The purpose of the review will be to provide assurance that governance arrangements are good and operating effectively and to identify any action required to improve effective governance in the future.

The outcome of the review will take the form of an Annual Governance Statement prepared on behalf of the Leader at the Council and Chief Executive. It will be submitted to the Audit Committee for consideration and review with the annual accounts to meet the statutory requirement of the Accounts and Audit Regulations 2006. This requires findings of the review of the system of internal control to be considered by a committee of the relevant body, or by members of the body meeting as a whole.

The Governance Framework consists of a range of documents, policies and procedures developed, maintained and promoted by a number of different departments which are published and promoted to members, officers and others by publication on the Council's website.

This Code will be reviewed after the Annual audit and when any new CIPFA/SOLACE guidance is issued.

