



# **Code of Corporate Governance**

# 1. Introduction

- 1.1 Corporate Governance is defined by CIPFA/SOLACE as comprising the “...systems and processes for the direction and control of local authorities through which they account to, engage with and lead their communities.”
- 1.2 The Council operates through a governance framework that brings together an underlying set of legislative requirements, governance principles and management processes.
- 1.3 The Council recognises the six core principles of good governance as<sup>1</sup>:
- (i) Focussing on the purpose of the authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area;
  - (ii) Members and officers working together to achieve a common purpose with clearly defined functions and roles;
  - (iii) Promoting the values of the authority and demonstrating the values of good governance through behaviour;
  - (iv) Taking informed and transparent decisions that are subject to effective scrutiny and managing risk;
  - (v) Developing the capacity and capability of members to be effective and ensuring that officers – including statutory officers – also have the capability and capacity to deliver effectively;
  - (vi) Engaging with local people and other stakeholders to ensure robust local public accountability.
- 1.4 These principles are reflected across the four key dimensions of the Council’s business:

*DIMENSION 1:* To provide leadership for and with the community to engage in effective partnerships.

*DIMENSION 2:* To ensure the delivery of high quality local services whether directly or in partnership or by commissioning.

*DIMENSION 3:* To perform a stewardship role that protects the interests of local people and makes best use of resources.

*DIMENSION 4:* To develop local democracy and citizenship

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<sup>1</sup> From CIPFA/SOLACE publication “Good Governance in Local Government: A Framework, Consultation Draft 2006”

## **2. Applying the Principles of Good Governance**

- 2.1 In order to achieve good governance, the Council will seek to apply each of the six core principals, along with their supporting principles, in the following way, representing recommended best practice:

### **Focussing on the purpose of the authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area.**

The Council will:

- (a) make a clear statement of the authority's purpose and vision and use it as a basis for corporate and service planning and shaping the community strategy and local area agreements;
- (b) review on a regular basis the authority's vision for the local area and its impact in the authority's governance arrangements;
- (c) publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance;
- (d) decide how the quality of service for users is to be measured and ensure that the information needed to review service quality effectively and regularly is available;
- (e) decide how value for money is to be measured and ensure that the information needed to review value for money and performance effectively is available;
- (f) put in place effective arrangements to deal with a failure in service delivery;
- (g) when working in partnership ensure that there is a common vision underpinning the work of the partnership that is understood and agreed by all partners. The vision should be:
  - a. supported by clear and measurable objectives with targets and indicators;
  - b. the driver for deciding that services will be provided by or commissioned by the partnership, the quality and the cost.

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

The Council will:

- (h) set out a clear statement of the respective roles and responsibilities of the Council's executive committees and the members individually and the authority's approach towards putting this into practice;
- (i) set out a clear statement of the respective roles and responsibilities of the Council's other committees and members and senior officers;
- (j) develop protocols to ensure effective communication between members and officers in the respective roles;
- (k) develop protocols to ensure that the leader and chief executive negotiate their respective roles early in their relationship and that a shared understanding of roles and objectives is maintained;

- (l) set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process including an effective remuneration panel;
- (m) ensure that the its 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;
- (n) when working in partnership:
  - a. ensure that there is clarity about the legal status of the partnership
  - b. ensure that the roles and responsibilities of the partners are agreed so that there is effective leadership and accountability
  - c. ensure that representatives or organisations make clear to all other partners the extent of their authority to bind their organisations to partner decision
- (o) ensure that effective mechanisms exist to monitor service delivery;
- (p) determine a scheme of delegate and reserved powers within the constitution and ensure that it is monitored and update when required;
- (q) ensure that effective management arrangements are in place at the top of the organisation;
- (r) make a chief executive (or equivalent) responsible and accountable to the authority for all aspects of operational management;
- (s) make a senior officer responsible to the authority 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;
- (t) make a senior officer (the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with.

**Promoting the values of the authority and demonstrating the values of good governance through behaviour.**

The Council will:

- (a) develop and maintain shared values including leadership values both for the Council and its staff reflecting public expectations about the conduct and behaviour of individuals and groups within and associated with the Council;
- (b) 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;
- (c) develop and adopt formal codes of conduct defining standards of personal behaviour;
- (d) develop and maintain an effective standards committee that acts as the main means to raise awareness and take the lead in ensuring high standards of conduct are firmly embedded within the local culture;

- (e) put in place arrangements to ensure that members and staff of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice;
- (f) put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice;
- (g) in pursuing partnerships, agree a set of values against which decision making and actions can be judged.

**Taking informed and transparent decisions that are subject to effective scrutiny and managing risk.**

The Council will:

- (a) develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall;
- (b) develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based;
- (c) put in place arrangements so that conflicts of interest on behalf of members and employees can be avoided and put in place appropriate processes to ensure that they continue to operate in practice;
- (d) put in place arrangements for whistle blowing to which staff and all those contracting with the authority have access;
- (e) put in place effective transparent and accessible arrangements for dealing with complaints;
- (f) develop and maintain an effective audit committee which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of these functions;
- (g) develop and maintain an effective standards committee which lies at the heart of decision making and awareness raising on standards issues;
- (h) ensure that those making decisions are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications;
- (i) develop and maintain effective arrangements for determining the remuneration of senior staff;
- (j) ensure that professional advice on legal and financial matters is available and recorded well in advance of decision making and used appropriately when decisions have significant legal or financial implications;
- (k) ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their job;
- (l) actively recognise the limits of lawful activity placed on them by the ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities;
- (m) observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of administrative law – rationality, legality and natural justice into their procedures and decision making;

- (n) when working in partnership, put in place protocols for working together which include a shared understanding of respective roles and responsibilities of each organisation;
- (o) when working in partnership, ensure that there are robust procedures for scrutinising decisions and behaviour and that these decisions and behaviour are compliant with any local authority rules/codes or comply with any rules/codes developed for the purpose of the partnership;
- (p) when working in partnership, ensure that partnership papers are easily accessible and meetings are held in public unless there are good reasons for confidentiality. The partners must ensure that:
  - a. the partnership receives good quality advice and support and information about the views of citizens and stakeholders, so that robust and well reasoned decisions are made
  - b. risk is managed at a corporate and operational level.

**Developing the capacity and capability of members to be effective and ensuring that officers – including statutory officers – also have the capability and capacity to deliver effectively.**

The Council will:

- (a) assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively;
- (b) 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 authority;
- (c) provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis;
- (d) 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;
- (e) put in place arrangements for reviewing the performance of the executive committees as a whole and of individual members and agreeing an action plan which might for example aim to address any training or development needs;
- (f) put in place effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority;
- (g) consider career structures for members and officers to encourage participation and development;
- (h) when working in partnership, ensure that partners individually and the partnership collectively share responsibility for appointing people to the partnership who have the required skills and are at an appropriate level. The partnership should :
  - a. identify the capacity and capability requirements of the partnership
  - b. conduct an audit of the availability of the capacity and capability of the partnership and partners
  - c. develop an effective plan for addressing any gaps.

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

The Council will:

- (a) make clear to themselves, all staff and the community, to whom they are accountable and for what;
- (b) consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required;
- (c) establish clear channels of communication with all sections of the community and other stakeholders and put in place monitoring arrangements to ensure that they operate effectively;
- (d) put in place arrangements to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands;
- (e) establish a clear policy on the types of issues they will meaningfully consult or engage with the public and service users including a feedback mechanism for those consultees;
- (f) 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;
- (g) put in place effective systems to protect the rights of staff. Ensure that policies for whistle blowing which are accessible to staff and those contracting with the authority, and arrangements for the support of whistle blowers, are in place;
- (h) develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making;
- (i) produce an annual report on scrutiny function activity;
- (j) ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure 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;
- (k) when working in partnership, ensure that engagement and consultation undertaken by the partnership is planned with regard to methodology, target audience and required outcomes. Existing mechanisms and groups should be used where appropriate. In the work cycle of the partnership it must be clear and demonstrable to the public what has happened to any feedback and what has changed as a result.

### **3. Corporate Governance – The Future**

- 3.1 The Council will keep this code and its governance arrangements under review. In particular it will:
- Regularly review its governance arrangements to ensure compliance with the best practice principles outlined in this code. The Council will need to:
    - Review the extent to which its arrangements comply with the requirements of good governance set out in this code;
    - Identify systems, processes and documentation as evidence of compliance;
    - Identify individuals and committees responsible for monitoring and reviewing systems, procedures and documentation;
    - Identify any areas for improvement, consider how they are to be addressed and assign a responsible officer.
  - Regularly review this Code of Corporate Governance to ensure its ongoing application and effectiveness;
- 3.2 The Council will ensure that the code is made available to all members and officers and is published on the Council’s website.
- 3.3 Officers will be required to prepare annually a governance statement in order to report publicly on the extent to which the Council complies with the code, including how they have monitored the effectiveness of their governance arrangements.