



LOCAL CODE OF GOVERNANCE

What do we mean by Governance?

1. Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
2. Governance comprises the systems and processes, and cultures and values, by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads its communities.
3. Good governance leads to:-
 - good management,
 - good performance,
 - good stewardship of public money,
 - good public engagement,
 - good outcomes for citizens and service users.
4. Good governance enables the Council to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk.
5. The Council, along with each and every other local authority, aims to meet the standards of the best and its governance arrangements should not only be sound but also be seen to be sound.

Governance Framework

6. The Council operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes.
7. The Chartered Institute of Public Finance & Accountancy (CIPFA), the Society of Local Authority Chief Executives and Senior Managers (SOLACE), the Local Government Association and the Audit Commission drew together a Working Group to compile a framework document titled "Delivering Good Governance in Local Government".
8. This framework document is intended to be followed as best practice for developing and maintaining a local code of governance and for discharging accountability for the proper conduct of public business, through the publication of an annual governance statement that will make the adopted practice open and explicit.

The Council's Commitment

9. The Council is committed to the principles of good governance and wishes to confirm its ongoing commitment and intentions through this Local Code of Governance.
10. This Code sets out and describes the Council's commitment to governance and identifies the arrangements that have been and will continue to be made to ensure its ongoing effective implementation and application in all aspects of the Council's work.
11. Accordingly, the Council will test its arrangements by:-
 - reviewing its existing governance arrangements against this revised code,
 - maintaining an up-to-date local code of governance including arrangements for ensuring its ongoing application and effectiveness,
 - on an annual basis, prepare a governance statement in order to report publicly on the extent to which the Council complies with this code, including how the effectiveness of its governance arrangements have been monitored in the year and on any planned changes in the coming period.

The Principles of Good Governance

12. Over recent years, a number of reports have been published identifying standards and / or principles that should be adopted by all public sector organisations (eg., The Cadbury Report 1992, The Nolan Committee 1995 and the Model Code of Conduct for Members).
13. A Working Group drawn together by the Chartered Institute of Public Finance & Accountancy (CIPFA), the Society of Local Authority Chief Executives and Senior Officers (SOLACE), the Local Government Association (LGA) and the Audit Commission produced "Delivering Good Governance in Local Government : Framework" and an accompanying guidance note in 2007.
14. This framework document prescribes six core principles, which previously have been published by the Independent Commission on Good Governance in Public Services and have now been adapted for the local authority context.

The Six Core Principles

- *Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area*

The function of governance is to ensure that, with other local government and external partners, the Council fulfils its purpose and achieve its priority outcomes for citizens and service users and operate in an effective, efficient, economic and ethical manner.

The Council must therefore develop and articulate a clear vision of its purpose and intended outcomes for its citizens and service users that is clearly communicated, both within the organisation and to external stakeholders.

The Council demonstrates this by:-

- (a) exercising strategic leadership by developing and clearly communicating its purpose and vision and its intended outcomes for citizens and service users
- (b) ensuring that users receive a high quality of service whether directly or in partnership or by commissioning
- (c) ensuring that the Council makes best use of resources and that taxpayers and service users receive excellent value of money

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

The governing body of an organisation has overall responsibility for directing and controlling that organisation - the governing body is the full Council.

The Council demonstrates this by:-

- (a) ensuring effective leadership throughout the Council and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function
- (b) ensuring that a constructive working relationship exists between Members and officers and that the responsibilities of Members and officers are carried out to a high standard
- (c) ensuring relationships between the Council and the public are clear so that each knows what to expect of the other

- *Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour*

Good governance flows from a shared ethos or culture, as well as from systems and structures. It cannot be reduced to a set of rules, or achieved fully by compliance with a set of requirements. This spirit or ethos of good governance can be expressed as values and demonstrated in behaviour.

The Council demonstrates this by:-

- (a) ensuring Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance
- (b) ensuring that organisational values are put into practice and are effective

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

Decision making within a good governance framework is complex and challenging. It must further the organisation's purpose and strategic direction and be robust in the medium and longer terms. To make such decisions, authority members must be well informed. Members making decisions need the support of appropriate systems, to help ensure that decisions are implemented and that resources are used legally and efficiently.

Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective.

The Council demonstrates this by:-

- (a) being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny
- (b) having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants and/or needs
- (c) ensuring that an effective risk management system is in place
- (d) using its legal powers to the full benefit of the citizens and communities in their area

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

Effective local government relies on public confidence in Members, whether elected or appointed, and in officers. Good governance strengthens credibility and confidence in our public services.

Authorities need people with the right skills to direct and control them effectively. Governance roles and responsibilities are challenging and demanding and Members need the right skills for their roles. In addition, governance is strengthened by the participation of people with many different types of knowledge and experience.

Good governance means drawing on the largest pool of potential Members to recruit people with the necessary skills. Encouraging a wide range of people to stand for election or apply for appointed positions will develop a membership that has a greater range of experience and knowledge. It will also help to increase the diversity of Members in terms of age, ethnic background, social class, life experiences, gender and disability. This concept should also be borne in mind when members are appointed to the boards of other public service organisations.

The Council demonstrates this by:-

- (a) making sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles
- (b) developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group
- (c) encouraging new talent for membership of the Council so that best use can be made of individual's skills and resources in balancing continuity and renewal

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

Local government is accountable in a number of ways. Members are democratically accountable to their local area and this gives a clear leadership role in building sustainable communities – all Members must account to their communities for the decisions they have taken and the rationale behind those decisions.

All Councils are subject to external review through the external audit of their financial statements. The Council is required to publish its financial statements and is encouraged to prepare an annual report.

Both Members and officers are subject to codes of conduct. Additionally, where maladministration may have occurred, an aggrieved person may appeal either through their Ward Member or directly to the ombudsman.

The Council demonstrates this by:-

- (a) ensure robust public accountability exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships and develops constructive accountability relationships
- (b) taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Council or in partnership or by commissioning
- (c) making best use of human resources by taking an active and planned approach to meet responsibility to staff

Monitoring and Review

15. The Council will carry out an ongoing review and monitoring of its governance arrangements and how these arrangements comply with the CIPFA / SOLACE framework document and this Local Code.
16. This review and monitoring will be co-ordinated by the Council's Corporate Governance Group and will include references to:-
 - Heads of Service Management Assurance Statements
 - Constitution Review arrangements
 - Ethics arrangements
 - Internal Audit Team's Annual Report
 - Performance Management arrangements
 - Risk Management arrangements
 - Use of Resources arrangements
17. The results of this process will be incorporated into an Annual Governance Statement (AGS), the preparation and publication of which is necessary to meet the statutory requirement of the Accounts and Audit Regulations 2006.

18. The purpose of the AGS is to provide an assurance that:-
 - governance arrangements are adequate and operating effectively
 - where the review has revealed gaps, action is planned that will ensure effective governance in future
19. The AGS will be considered by the Corporate Governance Group before being presented to the Council's Executive and then the Audit Committee.
20. Once approved, the AGS will be signed by the Leader of the Council and the Chief Executive and will be published with the Annual Statement of Accounts, prior to being reviewed by the Council's External Auditors.