



South Holland District Council
Local Code of Corporate Governance
2014/15

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Introduction

Corporate Governance is a term used to describe the way that organisations direct and control what they do. For local authorities, it includes the systems, policies and processes, as well as the culture and values that underpin a Council's arrangements for effective:

- Leadership
- Management
- Performance
- Delivery of positive customer outcomes
- Community engagement
- Stewardship of public money

Good Corporate Governance

South Holland District Council is committed to achieving good corporate governance and this Local Code describes how the Council intends to achieve this in an open and explicit way.

In developing this code, the Council has considered best practice and guidance, particularly the CIPFA/SOLACE framework "Delivering Good Governance in Local Government".

The code is based on the following six core principles:

- 1. Creating and implementing a vision** – good corporate governance means focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area.
- 2. Roles and responsibilities of members and officers** – good corporate governance means members and officers working together to achieve a common purpose with clearly defined functions and roles.
- 3. Standards of conduct and behaviour** – good corporate governance means promoting values for the Council and by upholding high standards of conduct and behaviour.
- 4. Decision making, scrutiny and risk management** – good governance means taking informed and transparent decisions that are effectively scrutinised and managing risk.
- 5. Developing capacity and capability of members and officers** – good governance means developing the capacity and capability of members and officers to be effective.

- 6. Engaging with local people and stakeholders** – good governance means engaging with local people and other stakeholders to ensure robust public accountability.

The following details how the Council meets these core principles.

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Core Principle 1 - Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

Supporting Principle	Description of Governance Mechanisms
<p>1) Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users</p>	<ul style="list-style-type: none"> ▪ The Council has developed and promoted its purpose and vision in the Corporate Plan 2011-2015. This plan sets out the Council's corporate values and behaviours and identifies the four priority areas. ▪ The Council has developed and maintains proper financial management arrangements. This includes approving a balanced budget and publishing an annual Statement of Accounts which give electors, local taxpayers, Members of the Council, employees and other interested parties clear information about the Council's finances. ▪ Corporate Performance is reported to Cabinet on a quarterly basis. The report consists of the Council's key indicators and projects. Monitoring the performance of these indicators and projects helps the Council to ensure that priorities set in the Corporate Plan are achieved and that areas of under performance are addressed. Financial Performance is also reported on a quarterly basis.
<p>2) Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning</p>	<ul style="list-style-type: none"> ▪ The Performance Management framework sets out the way in which the Council monitors the progress of service delivery. Each department produces a service plan which includes performance indicators, projects to be delivered during the year and risks which are regularly monitored via the performance management process. Performance is reported to the Corporate Management Team and Executive Members on a monthly basis and to the Performance Monitoring Panel (Scrutiny) on a quarterly basis.
<p>3) Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money</p>	<ul style="list-style-type: none"> ▪ Views of service users have been sought with regard to shaping future service provision. The Council received regular customer feedback through the website and via customer care. ▪ The Budget and Medium Term Plan set out the Council's long term budget planning. It outlines what the Council plans to deliver for residents and includes issues such as our plans for helping residents cope with economic hardship, setting the levels of Council Tax and how we plan to manage financial risks. The Council also has a Capital Strategy which explains how the Council seeks to ensure that in the medium term, the Capital Programme delivers the Council's priorities <p>The Council has an arrangement with Breckland Council which shares a management structure and some services. Both authorities continue to operate independently, serving the needs of their own communities. There is Memorandum of Agreement in place which sets out the governance arrangements.</p> <p>Compass Point Business Services (East Coast) Ltd. (CPBS) was set up by South Holland and East Lindsey District Councils in</p>

	<p>August 2010 to deliver human resources, customer services, ICT, revenues and benefits, and financial services to the two authorities. South Holland District Council owns a 37% stake in the company with the remaining share being owned by East Lindsey District Council. Each authority has equal voting rights.</p> <p>The CPBS board of directors includes councillors and chief officers of both authorities. The company has regularly reported its progress on performance of services to the client officer, with a quarterly shareholder performance reported to Scrutiny. The company's business plan is approved annually by council. The ongoing governance arrangements are set out in the Service Level Agreements (SLA), and a Management Agreement is in place that sets out the partnership arrangements, principles and parameters.</p>
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Core Principle 2 – Members and officer working together to achieve a common purpose with clearly defined functions and roles

Supporting Principle	Description of Governance Mechanisms
<p>1) Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function</p>	<ul style="list-style-type: none"> ▪ The Constitution sets out: <ul style="list-style-type: none"> ➤ How the Council operates including defining the roles and responsibilities of the executive, members and officers ➤ How decisions are made and the procedures which are to be followed to ensure that these are efficient, transparent and accountable to local people ➤ How the Council manages its financial affairs including financial regulations and procurement rules ➤ Clearly documented protocols governing the working relationships between members and officers ▪ Elected a Leader of the Council and nominated a Cabinet made up of Cabinet Members with defined executive responsibilities. ▪ Appointed a Policy Development Panel and Performance Monitoring Panel that hold Council to Account as part of Overview and Scrutiny arrangements. The panels set their own work programmes and make a difference by challenging and scrutinising decisions, monitoring performance and taking an in depth look at how services are provided, as well as being a ‘critical friend’ when challenging decision makers.
<p>2) Ensuring that a constructive working relationship exists between elected members and officers and that the responsibilities of authority members and officers are carried out to a high standard</p>	<ul style="list-style-type: none"> ▪ The Governance and Audit Committee oversees the work of the Internal and External Audit functions of the Council and provides independent assurance of the effectiveness of governance arrangements, risk management, internal controls and financial management processes. The Governance and Audit Committee has seven members. Membership of the Committee is decided annually by the Council. ▪ Appointed a Chief Executive to be responsible and accountable for all aspects of operational management (the Head of Paid Service).
<p>3) Ensuring relationships between the authority , its partners and the public are clear so that each knows what to expect of the other</p>	<ul style="list-style-type: none"> ▪ Appointed nominated Senior Officers are responsible for proper administration of the Council’s financial affairs (Section 151 Officer – known as Assistant Director Finance) and for ensuring the Council acts in accordance with the law (Monitoring Officer – known as Assistant Director Democratic Services). ▪ Established an effective Corporate Management Team including the Chief Executive and two Executive Directors, Assistant Director Commissioning, Assistant Director Finance, and Assistant Director Democratic Services. ▪ Developed and agreed a Code of Conduct for Members and Officers to ensure that high standards of conduct are maintained.

Core Principle 3 – Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Supporting Principle	Description of Governance Mechanisms
<p>1) Ensuring authority members and officer exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance</p>	<ul style="list-style-type: none"> ▪ The Council has developed and promotes a culture of behaviour based on shared values, high ethical principles and good conduct by having: <ul style="list-style-type: none"> ▪ An effective internal audit function which reports regularly to Audit Committee ▪ A code of conduct for Members ▪ A code of conduct for Officers ▪ A Counter Fraud Strategy ▪ A Whistle Blowing Policy
<p>2) Ensuring that organisational values are put into practice and are effective</p>	<ul style="list-style-type: none"> ▪ Financial Procedures that address Money Laundering ▪ A Register of Interests for Members ▪ A Register of Hospitality is held the Member Services Department ▪ The Council is committed to developing its Councillors. The Council has a Councillor Development Policy and Strategy. A comprehensive training programme exists for members. All new Members receive an induction following elections. ▪ The Council has achieved the Investors in People Bronze accreditation ▪ The Council has an established approach to dealing with corporate compliments, complaints and feedback. This includes dealing with complaints about services, a member of staff or Councillors.

Core Principle 4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Supporting Principle	Description of Governance Mechanisms
1) Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	<p>The Council has effective arrangements in place to ensure decision making is effective and transparent:</p> <ul style="list-style-type: none"> ▪ Agendas, minutes and decisions are published on the Council's website. ▪ The Council has a Key Decision Plan which is a record of all key decisions the Executive expects to make in the next twelve months and is updated and published. The purpose of the Key Decision Plan is to give advance notice of the key decisions that the Council is likely to make in the future. ▪ The Council has an Exempt Decision Plan which shows the exempt decisions the Executive is likely to make in the next 12 months.
2) Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs	<ul style="list-style-type: none"> ▪ Arrangements for Overview and Scrutiny. The Policy Development Panel and Performance Monitoring Panel and its Task Groups support the work of the Cabinet and the Council as a whole. They allow citizens to have a greater say in Council matters by examining matters of local concern. The Panels set their own work programmes from the Forward Plan Key Decision Planner or by members requesting that the Panels scrutinise a certain issue. These lead to reports and recommendations which advise the Cabinet and the Council as a whole on its policies, budget and service delivery. The Performance Monitoring Panel can 'call-in' a decision which has been made by the Executive but not yet implemented and may recommend that the decision be reconsidered. ▪ The Council has a Councillor Call for Action (CCfA) protocol. This enables a councillor to refer a matter the Overview & Scrutiny as an instrument of last resort, if all other attempts to resolve an issue have been unsuccessful. Residents may approach ward councillors and ask them to use the CCfA mechanism to resolve an outstanding matter. ▪ An effective internal audit function which reports regularly to the Governance and Audit Committee ▪ Risk management is embedded in the culture of the authority. The Risk Management Policy has been approved by the Governance and Audit Committee and is reviewed on an annual basis. Regular risk updates are provided to the Governance and Audit Committee.
3) Ensuring that an effective risk management system is in place	
4) Using legal powers to the full benefit of the citizens and communities in their area	<ul style="list-style-type: none"> ▪ Compass Point Business Services, the Council's back office services provider has a Fraud section whose duties include detecting fraudulent claims, stopping and reducing payment in fraudulent cases and calculating overpayments of benefit on the discovery of the true facts.

Core Principle 5 – Developing the capacity and capability of members and officers to be effective

Supporting Principle	Description of Governance Mechanisms
<p>1) Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles</p>	<p>The Council has arrangements in place to ensure that those with responsibility for governance have the necessary skills, knowledge and experience the need to perform well by:</p> <ul style="list-style-type: none"> ▪ Operating robust recruitment and selection processes. ▪ Supporting ongoing personal and professional development for both Members and officers. Specific training has been provided for officers on performance management and financial management. The authority also provides a comprehensive training programme for managers and staff, including political awareness training, presentation skills, time management, stress in the workplace and appraisal training.
<p>2) Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group</p>	<ul style="list-style-type: none"> ▪ Achieving the Investors in People Bronze accreditation ▪ Individual performance appraisals are completed annually. They assess each employee's abilities, identify any training needs and measure performance against individual objectives. ▪ Induction programmes are carried out for new employees and Members to ensure they have access to all relevant information, advice and resources to enable them to perform their roles effectively.
<p>3) Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal</p>	

Core Principle 6 – Engaging with local people and other stakeholders to ensure robust public accountability

Supporting Principle	Description of Governance Mechanisms
<p>1) Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships</p>	<p>The Council has arrangements in place to seek and respond to views of stakeholders and the community, this has been achieved by:</p> <ul style="list-style-type: none"> ▪ Budget consultations in order to gain feedback on how customers would like services to be shaped and to learn from good and bad experiences they have received from the Council. ▪ The customer feedback process which seeks to encourage customers to feedback compliments and areas where we could do better. ▪ Members of the public are invited via the Council’s website to suggest issues that they wish the Scrutiny Panels to examine ▪ Views of service users are sought when re-designing services or making efficiency savings that have an impact on residents or on the delivery of services. Consultations take place to ensure services users who may be affected are given the opportunity to share their views and scrutinize proposals , before any changes are made ▪ The council consults with key partners and stakeholders when it completes consultations. Examples include: the locals council tax support scheme consultation and sheltered housing consultation.
<p>2) 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 authority, in partnership or by commissioning</p>	<ul style="list-style-type: none"> ▪ The Council has a Key Decision Plan which is a record of all key decisions the Council and Executive expects to make in the next twelve months and is updated and published monthly. The purpose of the Key Decision Plan is to give advance notice of the key decisions that the Council is likely to make in the future. ▪ Developed an informative and user friendly website to publish and share relevant information with the community. ▪ The Council has an effective human resources function, provided by Compass Point Business Services that reports regularly to the Corporate Management Team. This includes development and maintenance of a wide range of employee related policies and procedures. Relevant employees and Union representatives are consulted on employee related matters.
<p>3) Making best use of human resources by taking an active and planned approach to meet responsibilities to staff</p>	