

EAST CAMBRIDGESHIRE DISTRICT COUNCIL

DRAFT CODE OF CORPORATE GOVERNANCE

1. INTRODUCTION

East Cambridgeshire District Council is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through its local Code of Corporate Governance to reflect current best practice.

Our Code has been developed in accordance with best practice outlined in the Delivering Good Governance in Local Government Framework and Application Note published jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

2. WHAT IS CORPORATE GOVERNANCE

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. It comprises the systems and processes, and cultures and values, by which the Council is directed and controlled and through which it is accountable to, engages with and, where appropriate, lead their communities.

The CIPFA/SOLACE guidance identifies six core principles of good governance which should be covered in a local Code which are:-

1. Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area;
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
3. Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
5. Developing the capacity and capability of members and officers to be effective; and
6. Engaging with local people and other stakeholders to ensure robust public accountability.

3. APPLYING THE CORE PRINCIPLES OF GOOD GOVERNANCE

CIPFA/SOLACE have identified that these six principles have a number of supporting principles, which in turn have a range of specific requirements that apply across the Council's business. The following tables show how each of the principles should be applied.

4. ANNUAL REVIEW AND REPORTING

Each year the Council will carry out a review of its governance arrangements to ensure compliance with this Code. The purpose of the review will be to provide assurance that governance arrangements are adequate and operating effectively, or to identify action which is planned to ensure effective governance in the future.

The outcome of the review will take the form of an Annual Governance Statement and prepared on behalf of the Leader of the Council and the Chief Executive and will be submitted to the Finance & Governance Committee for consideration and review. The Annual Governance Statement will contain an action plan to address any areas identified for improvement from the review.

The preparation and publication of an Annual Governance Statement meets the statutory requirements of the Accounts and Audit Regulations which require councils to "conduct a review at least once a year of the effectiveness of its system of internal control" and to prepare the statement "in accordance with proper practices".

The Code will be reviewed annually and updated for any changes in guidance/best practice.

Trevor Bowd
Principal Auditor
July 2015

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

Supporting Principles	Specific Requirements
Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users.	<p>Develop and promote the authority's purpose and vision.</p> <p>Review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements.</p> <p>Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties.</p> <p>Communicate the authority's activities and achievements, its financial position and performance on a timely basis.</p>
Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.	<p>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.</p> <p>Put in place effective arrangements to identify and deal with failure in service delivery.</p>
Ensuring that the authority makes the best use of resources and that tax payers and service users receive excellent value for money.	<p>Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance activity effectively.</p> <p>Measure the environmental impact of policies, plans and decisions.</p>

Principle 2 – Members and officers working together to achieve a common purpose, with clearly defined functions and roles.

Supporting Principles	Specific Requirements
Ensuring effective leadership throughout the authority and being clear	Set out a clear statement of the respective roles and responsibilities

Supporting Principles	Specific Requirements
about executive and non-executive functions and responsibilities of the scrutiny function.	<p>of the Leader and Chairman of the Council.</p> <p>Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers.</p>
Ensuring that a constructive working relationship exists between authority members and officers and that responsibilities of members and officers are carried out to a high standard.	<p>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 authority, taking account of relevant legislation, and to ensure that it is monitored and updated when required.</p> <p>Make the Chief Executive responsible and accountable to the authority for all aspects of operational management.</p> <p>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.</p> <p>Make the Head of Finance a senior officer (as Section 151 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 control.</p> <p>Make the Head of Legal & Democratic Services a senior officer (as usually the Monitoring Officer) responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.</p>
Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other.	<p>Develop protocols to ensure effective communication between members and officers in their respective roles.</p> <p>Set out terms and conditions for remuneration of members and officers and an effective structure for managing the process, including</p>

Supporting Principles	Specific Requirements
	<p>an effective remuneration panel.</p> <p>Ensure that effective mechanisms exist to monitor service delivery.</p> <p>Ensure that the organisation's authority'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.</p> <p>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 authority.</p> <p>When working in partnership:</p> <ul style="list-style-type: none"> • ensure there is clarity about the legal status of the partnership • ensure that representatives of organisations the authority both understand and make clear to all other partners the extent of their authority powers to bind the organisation authority to partner decisions.

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

Supporting Principles	Specific Requirements
Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.	<p>Ensure that the authority's leadership sets the tone for the organisation by creating a climate of openness, support and respect.</p> <p>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</p>

Supporting Principles	Specific Requirements
	<p>communicated through codes of conduct and protocols.</p> <p>Put in place arrangements to ensure that members and employees of the authority 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.</p>
<p>Ensuring that organisational values are put into practice and are effective.</p>	<p>Develop and maintain shared values including leadership values for both the organisation authority and staff reflecting public expectations and communicate these with members, staff, the community and partners.</p> <p>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.</p> <p>Develop and maintain an effective standards committee.</p> <p>Use the organisation's authority's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority.</p> <p>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.</p>

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

Supporting Principles	Specific Requirements
<p>Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.</p>	<p>Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation organisations for which it is responsible.</p> <p>Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.</p> <p>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.</p> <p>Develop and maintain an effective audit committee (or equivalent) which is independent of scrutiny functions.</p> <p>Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.</p>
<p>Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.</p>	<p>Ensuring those making decisions whether for the authority or the partnerships are provided with information that is fit for the purpose, relevant, timely and gives clear explanations of technical issues and their implications.</p> <p>Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.</p>
<p>Ensuring that an effective risk management system is in place.</p>	<p>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 jobs.</p>

Supporting Principles	Specific Requirements
	Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access to.
Using legal powers to the full benefit of the citizens and communities in the area.	<p>Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities.</p> <p>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.</p> <p>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 good administrative law (rationality, legality and natural justice) into their procedures and decision-making processes.</p>

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

Supporting Principles	Specific Requirements
Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.	<p>Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.</p> <p>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.</p>
Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.	Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.

Supporting Principles	Specific Requirements
	<p>Develop skills on a continuing basis to improve performance, including ability to scrutinise and challenge and to recognise when outside expert advice is needed.</p> <p>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.</p>
Encouraging new talent for membership of the authority so that best use can be made of individual skills and resources in balancing continuity and renewal.	<p>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.</p> <p>Ensure that career structures are in place for members and officers to encourage participation and development.</p>

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

Supporting Principles	Specific Requirements
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>Make clear to themselves, all staff and the community to whom they are accountable and for what.</p> <p>Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationship and any changes required.</p> <p>Produce an annual report on the activity of the scrutiny function.</p>
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	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.

Supporting Principles	Specific Requirements
<p>commissioning.</p>	<p>Hold meetings in public unless there are good reasons for confidentiality.</p> <p>Ensure that arrangements are in place 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.</p> <p>Establish a clear policy on the types of issues we will meaningfully consult or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result.</p> <p>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.</p> <p>Ensure that the authority as a whole is open and accessible to the community, service users and its staff and to 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.</p>
<p>Making best use of human resources by taking an active and planned approach to meet responsibility to staff.</p>	<p>Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.</p>