

DRAFT

MAIDSTONE BOROUGH COUNCIL
LOCAL CODE OF CORPORATE GOVERNANCE
JULY 2015

1. What is Corporate Governance

- 1.1 Corporate Governance is the processes, procedures and measures we use to manage ourselves and how we engage with and are accountable to our residents. Maidstone Borough Council must ensure that it does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 1.2 The Council acknowledges the work undertaken by CIPFA/SOLACE on establishing a framework for Corporate Governance in local government. This work includes the 2007 guidance contained in the publication Delivering Good Governance in Local Government and the subsequent 2012 update to the framework and guidance.

2. Core Principles of Corporate Governance

- 2.1 The Council endorse the core principles and the supporting principles as set out in the CIPFA/SOLACE publication on Delivering Good Governance in Local Government, published in 2007 and intend to use these principles to monitor and control Corporate Governance in Maidstone Borough Council to ensure that the Authority is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 2.2 The core principles are as follows:-
- 1) The Authority will focus on its purpose and on outcomes for the community in creating and implementing a vision for the local area.
 - 2) Members and officers will work together to achieve a common purpose with clearly defined functions and roles.
 - 3) Members and officers will promote the core values for the Authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour:

- 4) The Authority will take informed and transparent decisions which are subject to effective scrutiny and will manage risk.
- 5) The Authority will develop the capacity and capability of Members and officers to be effective.
- 6) The Authority will engage with local people and other stakeholders to ensure robust public accountability.

3. Maidstone Borough Council's Position

3.1 Attached at Appendix 1 is a schedule showing the detailed arrangements within Maidstone Borough Council for delivery of the core principles.

4. Monitoring and Review

4.1 Each year we will carry out a review of our Governance arrangements to ensure compliance with this Code and the delivery of good governance within the Local Governance Framework. 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.

4.2 The outcome of the review will take the form of an Annual Governance Statement prepared on behalf of the Leader of the Council and Chief Executive.

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Chief Executive

Date.....

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Leader

Date.....

LOCAL CODE OF CORPORATE GOVERNANCE

SCHEDULE 1

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 Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and Evidence
Exercising strategic leadership by developing and clearly communicating the Authority's purpose and vision and its intended outcome for citizens and service users	Develop and promote the Authority's purpose and vision	<ul style="list-style-type: none"> • Sustainable Community Strategy adopted following consultation with the public • Strategic Plan agreed and reviewed annually in parallel with Budget Strategy • Communication & Engagement Strategy agreed and an Action Plan in place for 2015-16 • Service Plans based on cascade from Strategic Plan • Engagement Plan in place for staff and Team Talks, One Council sessions on the council's vision and priorities
	Review on a regular basis the Authority's vision for the local area and its impact on the authority's governance arrangements	<ul style="list-style-type: none"> • Annual Corporate Governance Statement produced • Annual review of Local Code of Corporate Governance
	Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties	<ul style="list-style-type: none"> • Partnership (shared service) protocol agreed which includes the requirement for a business case, risk assessment, exit strategy and other aspects of good management
	Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance	<ul style="list-style-type: none"> • Annual report approved by Policy and Resources in July then published on website

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 Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and Evidence
Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning	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	<ul style="list-style-type: none"> • Strategic Plan and Budget Strategy include performance and resource requirements • Medium Term Financial Strategy plans resource requirements and affordability • Effective performance management system in place • Annual performance report is produced and published on the website
	Put in place effective arrangements to identify and deal with failure in service delivery	<ul style="list-style-type: none"> • A clear complaints procedure and policy is in place. There are reports on complaints trends, service improvements and performance • Annual programme of internal audit activity. • Quarterly report on complaints to Policy and Resources • Effective performance management process in place with reports quarterly to CLT
Ensuring that the Authority makes best use of resources and that tax payers and service users receive excellent value for money	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 effectively. Measure the environmental impact of policies, plans and decisions.	<ul style="list-style-type: none"> • Performance is measured through Key Performance indicators aligned to the council's strategic priorities these are reported on a quarterly basis to Corporate Leadership Team and Policy and Resources Committee • The Corporate Improvement Group co-ordinates and initiates the value for money agenda

PRINCIPLE 2. MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES

Supporting Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and Evidence
Ensuring effective leadership throughout the Authority.	Set out a clear statement of the respective roles and responsibilities of Councillors and the Authority's approach towards putting this into practice.	<ul style="list-style-type: none"> • The Constitution sets out roles and responsibilities including a scheme of delegation • Protocol on relationships between Members and Officers in place • All decisions recorded and distributed
	Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers.	<ul style="list-style-type: none"> • The Constitution • Conditions of employment
Ensuring that a constructive working relationship exists between Authority members and officers and that the responsibilities of members and officers are carried out to a high standard.	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 ensure that it is monitored and updated when required.	<ul style="list-style-type: none"> • The Constitution and scheme of delegation • Regular review and amendment to Constitution to reflect changes
	Make a Chief Executive or equivalent responsible and accountable to the authority for all aspects of operational management	<ul style="list-style-type: none"> • Performance management system • The Chief Executive is Head of Paid Service with written conditions of employment and job description • Scheme of delegation included in Constitution • Regular Performance Appraisal by Members
	Develop protocols to ensure that the Leader and Chief Executive (or equivalents) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.	<ul style="list-style-type: none"> • Regular meetings between Leader and Chief Executive • Strategic Plan developed with Councillors and Leadership team
	Make a senior officer (the S151 officer) responsible to the authority for ensuring	<ul style="list-style-type: none"> • The Director of Regeneration & Communities is the Section 151 Officer

	<p>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.</p>	<ul style="list-style-type: none"> • Member of Corporate Leadership Team • Responsibilities set out in Constitution/Financial Procedure Rules • Budget Strategy and other Finance reports presented by the Head of Finance and Resources /Director of Regeneration & Communities • Job Description and conditions of employment in place
	<p>Make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with</p>	<ul style="list-style-type: none"> • The Head of Legal Services is Monitoring Officer • Job description and conditions of employment in place • Responsibilities set out in Constitution • Member of Corporate Leadership Team
<p>Ensuring relationships between the Authority, its partners and the public are clear so that each knows what to expect of the other.</p>	<p>Develop protocols to ensure effective communication between Members and Officers in their respective roles</p>	<ul style="list-style-type: none"> • Protocol in place for Member/Officer relationship, revised as part of revision of the new constitution in 2015.
	<p>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 (if applicable)</p>	<ul style="list-style-type: none"> • Independent Remuneration Panel in place for Members • Procedures in place for agreeing pay and conditions for staff
	<p>Ensure that effective mechanisms exist to monitor service delivery</p>	<ul style="list-style-type: none"> • RTS reports quarterly on business units performance • KPI's performance reported to Policy and Resources Committee
	<p>Ensure 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</p>	<ul style="list-style-type: none"> • Communication and Engagement Plan in place • Strategic Plans and Budget Strategy developed with public consultation • Actual performance reported to public through Annual Report
	<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>	<ul style="list-style-type: none"> • Partnerships agreed by Members • Partnerships include clear statements of principles and objectives • Partnership information on website

	<p>When working in partnership:</p> <ul style="list-style-type: none">- Ensure that there is clarity about the legal status of the partnership - Ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions	<ul style="list-style-type: none">• Financial requirements of Partnerships set out in Financial Regulations in Constitution• Shared services partnerships are subject to a legal agreement
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PRINCIPLE 3. PROMOTING VALUES FOR THE AUTHORITY AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR		
Supporting Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and evidence
Ensuring Authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	Ensure that the Authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect	<ul style="list-style-type: none"> • Effective Audit, Governance and Standards Committee • Annual Governance Statement approved by Policy and Resources and signed by the Leader and Chief Executive
	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	<ul style="list-style-type: none"> • Member/officer protocols • Code of Conduct for Members • Performance appraisal processes in place • Staff Code of Conduct • Whistleblowing and Anti-Fraud and Corruption Policies in place • Audit Committee review governance policies • Member/Officer protocol agreed • Complaints procedures in place
	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.	<ul style="list-style-type: none"> • Financial regulations • Constitution sets out requirements • Codes of Conduct in place • Financial Regulations in place and reviewed
Ensuring that organisational values are put into practice and are effective.	Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners	<ul style="list-style-type: none"> • Codes of Conduct in place • Core values STRIVE (Service, Teamwork, Responsibility, Integrity, Value and Equality) agreed and embedded • STRIVE forms the basis for the competency framework for officers
	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	<ul style="list-style-type: none"> • Codes of Conduct in place
	Develop and maintain an effective	<ul style="list-style-type: none"> • Standards role has been taken on by the Audit, Governance

	standards committee	and Standards Committee with training and support <ul style="list-style-type: none"> • Regular reports to Council
	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	<ul style="list-style-type: none"> • Reports to Policy and Resources Committee and Corporate Leadership Team include a range of implications including impact on Key Priorities • STRIVE forms the basis for the competency framework for officers
	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	<ul style="list-style-type: none"> • Partnership protocol agreed

PRINCIPLE 4. TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK		
Supporting principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and Evidence
Being rigorous and transparent about how decisions are taken.	Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible	<ul style="list-style-type: none"> The statutory requirement for Crime and Disorder Overview and Scrutiny is fulfilled by the Communities, Housing and Environment Service Committee. The Committee system incorporates "scrutiny" in terms of policy development and review. There is also a decision referral process in place to allow Councillors to request that Service Committee decisions are reviewed.
	Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based	<ul style="list-style-type: none"> Decision-making protocols record of decisions and supporting materials Constitution sets out delegation for decision making to Officers Agreed report format to ensure all relevant details included Agreed policy for recording decisions, including decision referral for service committee decisions Procedure for urgent decisions including reporting to Council
	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	<ul style="list-style-type: none"> Codes of Conduct in place Whistleblowing policy in place Declarations of Interest in place Related Party Transactions Declarations in place

	<p>Develop and maintain an effective audit committee (or equivalent) which is independent of the Service Committees make other appropriate arrangements for the discharge of the functions of such a Committee</p>	<ul style="list-style-type: none"> • Audit, Governance and Standards Committee in place with terms of reference and composition in line with CIPFA recommendations • Regular training provided, • Skills and competencies matrix prepared • Annual review of effectiveness of Audit, Governance and Standards Committee • Annual Audit Committee report to full Council • Mid Kent Internal Audit partnership in place, which regularly reports to the Committee and provides support to the Committee – including training
	<p>Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints</p>	<ul style="list-style-type: none"> • Complaints procedures and reporting arrangements in place. Procedure set out in website
<p>Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.</p>	<p>Ensure that those making decisions whether for the Authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications</p>	<ul style="list-style-type: none"> • Members induction scheme implemented annually • Members professional development programme agreed annually • Periodic Member briefing sessions on current issues • Member’s professional development policy in place
	<p>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</p>	<ul style="list-style-type: none"> • Report format includes need to consider legal and financial implications • The process of report approval requires agreement of finance and legal professionals where relevant
<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>	<ul style="list-style-type: none"> • Strategic Risk Strategy and Register regularly reviewed and reported to Policy and Resources and Audit Committee. • Risk Management is included in standard report format • Training provided to Members and managers
	<p>Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the Authority have access</p>	<ul style="list-style-type: none"> • Whistleblowing policy in place. Policy is promoted to staff and contractors.

Using their legal powers to the full benefit of the citizens and communities in their area.	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	<ul style="list-style-type: none"> • Constitution includes legal powers • Report format covers legal implications • New legislation is monitored by Monitoring Officer and Corporate Leadership Team
	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	<ul style="list-style-type: none"> • Monitoring Officer in post and member of Corporate Leadership Team • Legal implications part of standard report format
	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	<ul style="list-style-type: none"> • Monitoring Officer in post and member of Corporate Leadership Team • Legal implications part of standard report format

PRINCIPLE 5: DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS AND OFFICERS TO BE EFFECTIVE		
Supporting Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and evidence
Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.	Provide induction programmes tailored to individual needs and opportunities for members and officer to update their knowledge on a regular basis	<ul style="list-style-type: none"> • Induction programme for new Members • Annual Professional Development Plan for Members • Briefing Sessions for Members • Learning and Development Programme in place for Officers
	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	<ul style="list-style-type: none"> • Job description/personal specifications membership of Corporate Senior Leadership team • Annual performance appraisal • Continuing professional development supported
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	<ul style="list-style-type: none"> • Training Plans for Members and Officers • Investors in People accreditation (assessed as Silver in 2013) • Annual central training budget • Training Plans in place • Officer review through Personal Appraisals Process. • Extensive officer Training Plan cascading from PAP process
	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	<ul style="list-style-type: none"> • Training and development plan reflect requirements of a modern Councillor including: • Training Plans in place • Member development policy in place. • Regular training for Councillors
	Ensure that effective arrangements are in place for reviewing the performance of Committees and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs.	<ul style="list-style-type: none"> • Performance management system • Delivery of Key Performance Indicators regularly reported • Member development policy in place

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.	Ensure that 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	<ul style="list-style-type: none"> • Communication and Engagement plan in place • Consultation undertaken for key strategies eg Economic Development Strategy, Medium Term Financial Strategy
	Ensure that career structures are in place for members and officers to encourage participation and development	<ul style="list-style-type: none"> • Succession planning policy in place • Service structure in place • Workforce Strategy

PRINCIPLE 6. ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY

Supporting Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and Evidence
Effectively engaging local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.	Make clear to themselves, all staff and the community to whom they are accountable and for what	<ul style="list-style-type: none"> • Community strategy in place • Annual Report • Strong consultation processes.
	Consider those institutional stakeholders to whom the Authority is accountable and assess the effectiveness of the relationships and any changes required	<ul style="list-style-type: none"> • Communication and Engagement Strategy in place and reviewed. • Complaints procedure and reporting arrangements in place
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.	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	<ul style="list-style-type: none"> • Community Strategy in place and reviewed • Communication and Engagement Plan in place • Consultation on issues such as Budget options
	Hold meetings in public unless there are good reasons for confidentiality	<ul style="list-style-type: none"> • Policy of holding meetings in public • All public meetings are webcast
	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	<ul style="list-style-type: none"> • Communication and Engagement Strategy in place and reviewed

	<p>Establish a clear policy on the types of issues they will meaningfully consult on 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>	<ul style="list-style-type: none"> • Communication and Engagement Strategy in place and reviewed
	<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>	<ul style="list-style-type: none"> • Annual Performance Plan produced • Annual financial statements agreed by Council • All available on website
	<p>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</p>	<ul style="list-style-type: none"> • Local Code of Corporate Governance adopted and reviewed annually • Constitution
<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>	<ul style="list-style-type: none"> • Constitution • Workforce Strategy agreed • Staff Forum and Manager's Group in place • Employment Panel in place