

Maidstone Borough Council
Local Code of Corporate Governance

Updated June 20~~17~~2017

Introduction

The International Framework: Good Governance in the Public Sector states that

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”

Maidstone Borough Council is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through the development, adoption and continued maintenance of a Local Code of Corporate Governance.

Our Local Code sets out the framework within which we conduct our business and affairs and the governance structure we have in place. Whilst this code sets out principles, processes and policies, it is the application of the framework that will demonstrate good governance.

Purpose of the Local Code of Corporate Governance

Governance is about how we ensure we are doing the right things, in the right way, for the right people, in a timely inclusive, open, honest and accountable manner.

Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Maidstone Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This code sets out how we meet these requirements, how we conduct our business and affairs

The Governing Body

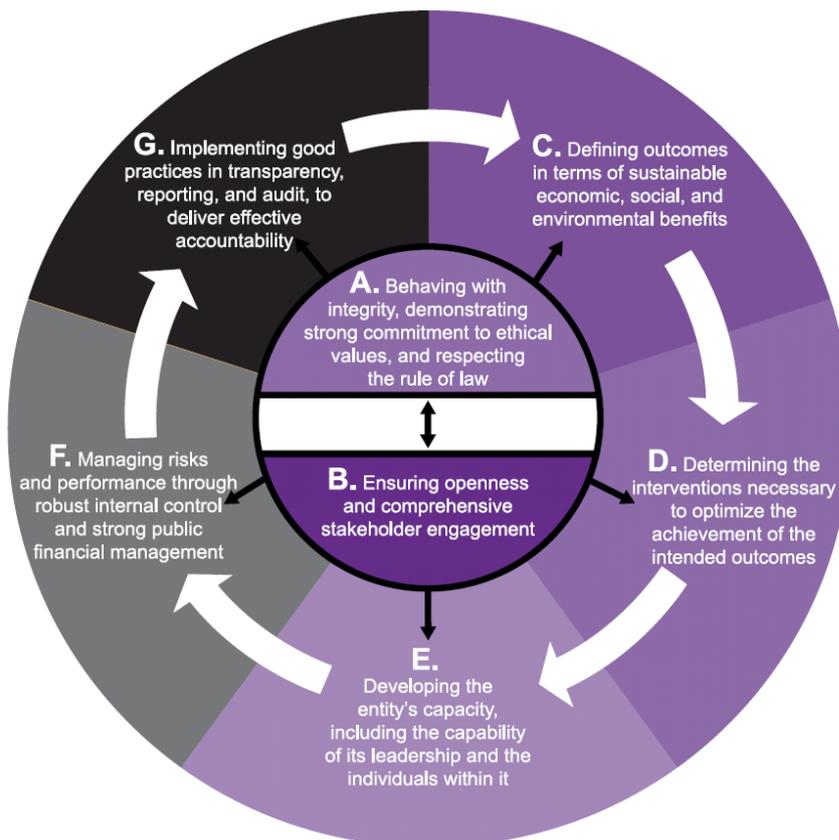
The governing body of an organisation has overall responsibility for directing and controlling that organisation. In local government the governing body is the full council or authority. In England, the Local Government Act 2000 introduced new governing structures for all local councils, clarifying responsibility for making decisions and establishing a scrutiny role. The Localism Act 2011 amended the provisions relating to Executive Arrangements and allowed local authorities to return to decision-making by committees if they so resolved.

In 2015 Maidstone Borough Council resolved to change its governance arrangements to a committee system. The Council has in place four service committees to make decisions as delegated by Full Council. The Leader is also Chair of the Policy and Resources Committee. The Council has four service committees taking decisions within their terms of reference as agreed by Council; individual Councillors do not have delegated authority from Council to make decisions. In addition, there are committees that deal with licensing,

planning, audit, governance and standards, democracy and employment and other regulatory matters.

The Seven Principles

In order to achieve good governance we need to demonstrate that our governance structures comply with the principles contained within the Delivering Good Governance in local Government Framework 2016.



Annual Review and Reporting

To comply with the principles of good governance we must ensure that systems and processes are continually monitored and kept up to date. An annual review of the Council's Corporate Governance arrangements will be carried out using the guidance contained in the CIPFA/SOLACE 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. The results of the review will take the form of an Annual Governance Statement prepared on behalf of the Leader of the Council and the Chief Executive. It will be submitted to the Audit, Governance and Standards Committee for consideration and review.

Actions and behaviours taken by the Council that demonstrate good governance

Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Sub Principle	Actions and behaviours	Evidence
Behaving with Integrity	<ul style="list-style-type: none"> We will ensure that councillors and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation We will ensure that councillors take the lead in establishing values for the organisation and its staff and that they are communicated and understood. Building on the Seven Principles of Public Life (the Nolan Principles) We will Lead by example and using the above values as a framework for decision making and other actions We will demonstrate, communicate and embed the values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively 	<ul style="list-style-type: none"> Councillor Code of Conduct Officer Code of Conduct Anti-Fraud and Corruption Policy & Strategy Equalities Policy Whistle-blowing charter Corporate Values (Service, Teamwork, Responsibility, Integrity, Value and Equality) Internal Staff SurveyInvestors in People Assessment Appraisals Democracy and General Purposes Committee Audit Governance and Standards Committee Staff Handbook Emergency Plan Business Continuity Plans
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> We will seek to establish, monitor and maintain the organisation's ethical standards and performance We will underpin personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation 	<ul style="list-style-type: none"> Strategic Plan Human Resources Policies Staff Handbook Induction Process Register of Interests Register of gifts and hospitality

Sub Principle	Actions and behaviours	Evidence
	<ul style="list-style-type: none"> We will develop and maintain robust policies and procedures which place emphasis on agreed ethical values We will ensure that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation 	<ul style="list-style-type: none"> Staff and Manager's Forums
Respecting the rule of law	<ul style="list-style-type: none"> We will ensure councillors and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations We will create the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements We will strive to optimise the use of the full powers available for the benefit of residents, communities and other stakeholders We will deal with breaches of legal and regulatory provisions effectively We will ensure corruption and misuse of power are dealt with effectively 	<ul style="list-style-type: none"> Monitoring Officer Role Internal Audit External Auditors Complaints process including referral to the Local Government Ombudsman Audit, Governance and Standards Committee Appraisals Code of Conduct for Councillors and Officers

Principle B - Ensuring openness and comprehensive stakeholder engagement

Sub Principle	Actions	Evidence
Openness	<ul style="list-style-type: none"> • We will ensure an open culture through demonstrating, documenting and communicating the organisation's commitment to openness. • We will make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. • We will provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. • We will use formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action. 	<ul style="list-style-type: none"> • Strategic Plan • Communication and Engagement Strategy • Committee work programmes • Council Website • Formal consultation processes • Community and voluntary sector representation on Partnership Boards • Freedom of Information publication scheme • Report Templates • Staff and Councillor Codes of Conduct
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> • We will effectively engage with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and • We will develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively • We will define the purpose, objectives and intended outcomes for each stakeholder relationship • We will use formal and informal consultation and engagement to determine the most appropriate and effective interventions 	<ul style="list-style-type: none"> • Safer Maidstone Partnership and Strategy • Health and Wellbeing Board • Community Safety Unit • Consultation processes • Council Website • Member Sounding Board

Sub Principle	Actions	Evidence
Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> • We will establish a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. • We will ensure that communication methods are effective and members and officers are clear about their roles with regard to community engagement. • We will encourage, collect and evaluate the views and experiences of communities, residents, businesses service users and organisations of different backgrounds including reference to future needs. • We will implement effective feedback mechanism in order to demonstrate how their views have been taken into account. • We will balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity • We will take into account of the interests of future generations of tax payers and service users. 	<ul style="list-style-type: none"> • Strategic Plan published on website • External Auditor provides an annual • organisational assessment of the Council's performance through the Value for Money conclusion • Council Website • Council minutes and agendas available on website • Formal consultation arrangements • Community and voluntary sector representation on Partnership Boards • Satisfaction Surveys • <u>Freedom of Information publication scheme</u> • <u>Statement of Community Involvement</u> • <u>Consultation Processes</u>

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Sub Principle	Actions	Evidence
Defining Outcomes	<ul style="list-style-type: none"> • We have a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions. • We will specify the intended impact on, or changes for, stakeholders including residents, businesses and service users. • We will deliver defined outcomes on a sustainable basis within the resources that will be available. • We will identify and managing risks to the achievement of outcomes. • We will manage service users' expectations effectively with regard to determining priorities and making the best use of the resources available 	<ul style="list-style-type: none"> • Strategic Plan • Committee work programmes • Corporate report template requires information explaining the legal and financial implications of decisions • Community Safety Unit • Housing Strategy • Temporary Accommodation Strategy • Risk Management Framework & Guide • Regular consideration of risk by Audit, Governance and Standards Committee • <u>Corporate report template contains 'risk implications'</u> • <u>Staff Survey</u>
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • We will consider and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision. • We will take a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints. • We will determine the wider public interest associated with balancing conflicting interests between achieving the various 	<ul style="list-style-type: none"> • Strategic Plan • Committee work programmes • Formal consultation arrangements • Economic Development Strategy • Medium Term Financial Strategy • Safer Maidstone Strategy • Local Plan • Waste and Recycling Strategy • Health and Wellbeing Action Plan • <u>Equality Policy</u>

Sub Principle	Actions	Evidence
	<p>economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.</p> <ul style="list-style-type: none"> • We will -ensure equality of access. 	<ul style="list-style-type: none"> • Biodiversity and Climate Change Working Group

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub Principle	Actions	Evidence
Determining interventions	<ul style="list-style-type: none"> • We will ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. • We will ensure best value is achieved however services are provided. • We will consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts. 	<ul style="list-style-type: none"> • Corporate report template requires information explaining the legal and financial implications of decisions • Options appraisal included in all committee reports for decision • Financial, legal and technical advice provided by the s151 Officer, the Monitoring Officer and other officers as required • Council Website • <u>Consultation processes</u> • <u>Quarterly performance management reports</u>
Planning interventions	<ul style="list-style-type: none"> • We establish and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets. • We engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered. • We consider and monitor risks facing each partner when working collaboratively including shared risks. • We ensure arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances. • We establish appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured. 	<ul style="list-style-type: none"> • Corporate Planning Timetable • Strategic Plan • Service Plans • Quarterly Monitoring Reports • Contract Monitoring Arrangements • Performance Reports aligned to Corporate Plan priorities • Medium Term Financial Strategy • Capital Programme • Value for Money judgement by External Auditor

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"> • We ensure capacity exists to generate the information required to review service quality regularly. • We prepare budgets in accordance with organisational objectives, strategies and the medium term financial plan. • We inform medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy. 	
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> • We ensure the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints. • We ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term. • We ensure the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. • We ensure the achievement of 'social value' through service planning and commissioning. 	<ul style="list-style-type: none"> • Medium Term Financial Strategy • Revenue budget process • Capital Programme • Procurement Policy • Procurement Standing Orders • Action Plans developed in response to external audit and inspections • <u>Value for Money judgement by external auditor</u> • <u>Budget Consultation</u>

Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Sub Principle	Actions	Evidence
Developing the entity's capacity	<ul style="list-style-type: none"> • We review operations and performance on a regular basis to ensure their continuing effectiveness and enable organisational learning. • We improve resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently. • We recognise the benefits of partnerships and collaborative working where added value can be achieved. 	<ul style="list-style-type: none"> • Corporate Planning Timetable • Budget Setting Process • Service Plans • Appraisals • Developing Everybody Competency Framework • Mid Kent Services Partnership
Developing the capability of the entity's leadership and other individuals	<ul style="list-style-type: none"> • We clarify roles and responsibilities of members and management at all levels. • We develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. • We publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body. • We ensure the leader and the chief executive have clearly defined and distinctive leadership roles. • We develop the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks. • We ensure that there are structures in place to encourage public participation. 	<ul style="list-style-type: none"> • Job descriptions and person specifications produced for all posts • Recruitment and appointment policies and procedures • <u>Members' Sounding Board</u> • <u>Leaders' forum</u> • <u>Democracy and General Purposes</u> Committee • Comprehensive learning and development programme for officers and councillors • Corporate Workforce Strategy • Staff surveys • HR Policies and Guidance on intranet • Member and Staff induction

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"> • We hold staff to account through regular performance reviews which take account of training or development needs. • We ensure arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing. 	

Principle F - Managing risks and performance through robust internal control and strong public financial management

Sub Principle	Actions	Evidence
Managing Risk	<ul style="list-style-type: none"> • We recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making. • We implement robust and integrated risk management arrangements and ensuring that they are working effectively. • We ensure that responsibilities for managing individual risks are clearly allocated. 	<ul style="list-style-type: none"> • Risk Management Framework & Guide in place and reviewed annually • Strategic Risk Register in place and reviewed by Leadership team • Directorate and Service level risk registers in place and reviewed monthly • Corporate report template contains 'risk implications' • <u>Audit Governance and Standards Committee reviews risks regularly</u>
Managing Performance	<ul style="list-style-type: none"> • We monitor service delivery effectively including planning, specification, execution and independent post implementation review. • We make decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook • We ensure an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible • We provide members and senior management with regular reports on service delivery plans and on progress towards outcome achievement 	<ul style="list-style-type: none"> • Performance Reports aligned to Strategic Plan priorities • Quarterly Monitoring Reports • Contract Monitoring Reports • Corporate report template requires information explaining the legal and financial implications of decisions • Corporate report template contains risk implications • Monthly spend/budget reports sent to all budget holders

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"> • We ensure there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements) 	
Robust Internal Control	<ul style="list-style-type: none"> • We align the risk management strategy and policies on internal control with achieving the objectives. • We evaluate and monitoring the authority’s risk management and internal control on a regular basis. • We ensure effective counter fraud and anticorruption arrangements are in place. • Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. • We ensure an audit committee or equivalent group or function which is independent of the executive provides further assurance regarding arrangements for managing risk and maintaining an effective control environment 	<ul style="list-style-type: none"> • Risk Management Policy & Guide in place and reviewed annually • Strategic Risk Register in place and reviewed by Leadership team • Corporate and Service level risk registers in place • Anti-Fraud and Corruption Policy • Audit, Governance and Standards Committee reviews risks and the Risk Management process quarterly • Corporate Information Management and Governance Groups
Managing Data	<ul style="list-style-type: none"> • We ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. • We review and auditing regularly the quality and accuracy of data used in decision making and performance monitoring. • We ensure effective arrangements for sharing data with other bodies are in place 	<ul style="list-style-type: none"> • Communication and Engagement Strategy • Information Management Group and action plan • Freedom of Information publication scheme • Ongoing monitoring of Data Protection Act / Freedom of Information compliance
Strong public financial management	<ul style="list-style-type: none"> • We ensure financial management supports both long term achievement of outcomes and short term financial and operational performance. • We ensure well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls. 	<ul style="list-style-type: none"> • Strategic Plan • Medium Term Financial Strategy • Budget setting process • Procurement Policy • Procurement Standing Orders • Value for Money judgement from the External Auditor

Sub Principle	Actions	Evidence
		<ul style="list-style-type: none">• External Auditors' Annual Audit letter

Principle G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Sub Principle	Actions	Evidence
Implementing good practice in transparency	<ul style="list-style-type: none"> • Write and communicate reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. • Strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand. 	<ul style="list-style-type: none"> • Council website • Communication and Engagement Strategy • Budgets and spending published on website • Senior Officer remuneration published on website • Clear roles and responsibilities in relation to access to information in the Constitution
Implementing good practices in reporting	<ul style="list-style-type: none"> • We report at least annually on performance, value for money and the stewardship of its resources. • We ensure members and senior management own the results. • We assess the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance in action • We ensure that the Framework is applied to jointly managed or shared service organisations as appropriate. • We ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar entities. 	<ul style="list-style-type: none"> • Publication of Annual Report and Statement of Accounts on website • Annual Governance Statement produced and published on website • Local Code of Corporate Governance refreshed annually in accordance with CIPFA/SOLACE principles • Documents are scrutinised and approved by Leadership Team, Service Committees and Audit Committee prior to publication • Performance information and reports are published on the website and reported to Committees

<p>Assurance and effective accountability</p>	<ul style="list-style-type: none"> • We ensure that recommendations for corrective action made by external audit are acted upon. • We ensure an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon. • We welcome peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. • We gain assurance on risks associated with delivering services through third parties and that this is evidenced in the Annual Governance Statement. • We ensure that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met. 	<ul style="list-style-type: none"> • The external auditors produce an Annual Audit Letter which is presented at Audit Committee and published on the website. The council produces a response to all issues and recommendations contained within. • The Head of Audit Partnership presents an annual report to Audit, Governance, Standards Committee to inform members of Internal Audit activity that has taken place during the year • Annual Governance Statement produced and published on website
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