

DRAFT

MAIDSTONE BOROUGH COUNCIL
LOCAL CODE OF CORPORATE GOVERNANCE
JULY 2014

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 and will:

- 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 Government 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 at 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 Plan in place for 2014-15 • Service Plans based on cascade from Strategic Plan •
	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 • Review of partnerships undertaken by Overview & Scrutiny Committee • Follow up actions implemented
	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 Cabinet 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 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"> • Complaints procedure and reports on complaints trends, service improvements and performance • Annual programme of internal audit activity. • Quarterly report on complaints to Overview & Scrutiny Committee • 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, Cabinet and Overview and Scrutiny. • The Corporate Improvement Group co-ordinates and initiates VFM 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 and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.	Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice.	<ul style="list-style-type: none"> • 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"> • 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"> • 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 • 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 the Cabinet and Leadership team

	<p>Make a senior officer (the S151 officer) responsible to the authority 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 financial control.</p>	<ul style="list-style-type: none"> • The Director of Regeneration & Communities is Section 151 Officer • 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
	<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
	<ul style="list-style-type: none"> • Ensure that effective mechanisms exist to monitor service delivery 	<ul style="list-style-type: none"> • RTS reports quarterly on business units performance • KPI's performance reported to Cabinet and Overview & Scrutiny Committee
	<ul style="list-style-type: none"> • 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 	<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
	<ul style="list-style-type: none"> • When working in partnership ensure that members are clear about their roles and responsibilities both 	<ul style="list-style-type: none"> • Partnership protocol agreed • Partnerships agreed by Members • Partnerships include clear statements of principles and objectives

	<p>individually and collectively in relation to the partnership and to the authority</p>	<ul style="list-style-type: none"> • Partnership information on website
	<ul style="list-style-type: none"> • When working in partnership: <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"> • Partnership protocol includes requirement for clarity of roles, responsibilities, governance arrangements and other relevant aspects • Financial requirements of Partnerships set out in Financial Regulations in Constitution • Shared services partnerships are subject to a legal agreement

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, Standards and Overview and Scrutiny Committees • Annual Governance Statement approved by 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"> • Well established Standards Committee with Independent

	standards committee	<p>Members</p> <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 Executive 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	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 and listening and acting on the outcome of constructive scrutiny.	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"> Well established Overview & Scrutiny structure which is regularly reviewed Reports from Overview & Scrutiny Committees well received and effective Scrutiny is supported by robust evidence and data analysis
	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 Agreed report format to ensure all relevant details included Agreed policy for recording decisions, including time for call-in by non-executive Councillors 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
	Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee	<ul style="list-style-type: none"> Audit 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 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

	Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints	<ul style="list-style-type: none"> Complaints procedures and reporting arrangements in place. Procedure set out in website
Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.	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	<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
	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	<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
Ensuring that an effective risk management system is in place.	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	<ul style="list-style-type: none"> Strategic Risk Strategy and Register regularly reviewed and reported to Cabinet and Audit Committee. Risk Management is included in standard report format Training provided to Members and managers
	Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the Authority have access	<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

	<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>	<ul style="list-style-type: none">• Monitoring Officer in post and member of Corporate Leadership Team• Legal implications part of standard report format
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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
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 (recently 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 Audit, Planning, Standards and Overview and Scrutiny Committees

	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.	<ul style="list-style-type: none"> • Performance management system • Regular reports by Executive to Overview and Scrutiny Committees. • 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
	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

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
<ul style="list-style-type: none"> 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>	<ul style="list-style-type: none"> Community strategy in place Overview and Scrutiny arrangements in place Strong consultation processes.
	<p>Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required</p>	<ul style="list-style-type: none"> Communication and Engagement Plan in place and reviewed. Complaints procedure and reporting arrangements in place
	<p>Produce an annual report on the activity of the scrutiny function</p>	<ul style="list-style-type: none"> Annual Scrutiny report produced and presented to Council Work programme for Scrutiny developed through workshops involving all Members
<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 commissioning.</p>	<p>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</p>	<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
	<p>Hold meetings in public unless there are good reasons for confidentiality</p>	<ul style="list-style-type: none"> Policy of holding meetings in public All public meetings are webcast

	<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>	<ul style="list-style-type: none"> • Communication and Engagement Plan 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"> • Partnership protocol agreed • Communication and Engagement Plan 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 • Corporate Plan and Strategic Plan Performance Report agreed by Cabinet • 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

Making best use of human resources by taking an active and planned approach to meet responsibility to staff.	Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making	<ul style="list-style-type: none">• Constitution• Workforce Strategy agreed• Staff Forum and Unit Manager's Group in place• Employment Panel in place
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