

The Constitution of South Norfolk Council

PART 8

CODE OF CORPORATE GOVERNANCE

Part 8 Code of Corporate Governance

1. Background

- 1.1 Parliament has entrusted South Norfolk Council with considerable powers and duties. But the powers of government should only be exercised with the consent of the governed. To be worthy of that consent, the Council must conduct itself according to high principles and standards which are set out here as a Code of Corporate Governance.
- 1.2 South Norfolk Council's Code of Corporate Governance is based on guidance published jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) "*Delivering Good Governance in Local Government*" and its predecessor "*Corporate Governance in Local Government: A Keystone for Community Governance*".
- 1.3 The Council recognises the need for sound and effective corporate governance arrangements and over the years has put in place policies, structures, systems and procedures designed to achieve this end. The Council has adopted this code as a means of drawing together all the elements of corporate governance which it has already put in place and as an expression of its commitment to ensure that whatever changes take place externally or internally, its arrangements will continue to reflect the values, principles and dimensions which underline good governance.
- 1.4 The Accounts and Audit [Amendment][England] Regulations 2006 require local authorities to "conduct a review at least once in a year of the effectiveness of its system of internal control". South Norfolk Council will prepare and publish an annual governance statement in accordance with the framework set out in Section 4 below

2. Vision and Priorities

- 2.1 Working with its partners in the South Norfolk Alliance, the Council has developed and articulated a clear vision for the area and a set of four priorities. Our Corporate Priorities are:
 - (a) Promoting a thriving local economy.
 - (b) Enhancing our quality of life and the environment we live in.
 - (c) Supporting communities to develop their potential.
 - (d) Driving services through being businesslike, efficient and customer aware.
- 2.2 The Council reviews each year its corporate plan and a matrix of corporate strategies and a number of major projects that will ensure those objectives are met. All critical activities have SMART targets. (Specific, measurable, achievable, realistic and time bound), defined in response to community needs.

But these commitments are meaningless unless they are informed by sound democratic values.

3. Values

3.1 Good Corporate Governance is founded on the fundamental values of:

- (a) Effectiveness
- (b) Integrity
- (c) Openness
- (d) Inclusivity
- (e) Accountability

The application of these fundamental values offer a necessary assurance that the aspirations set out above, will be achieved.

3.2 The Council will measure its **effectiveness** in the sustainable use of resources to deliver services, by reviewing and reporting its performance in public using accurate data and accountancy;

3.3 The Council will demonstrate **integrity** in its efforts to build effective relationships and partnerships with other public agencies and the private and voluntary sectors, with Councillors and Officers operating under strict codes of conduct monitored by a standards committee including independent members;

3.4 The Council will demonstrate **openness** and **inclusivity** by communicating and engaging with all sections of the community to encourage active participation in all its dealings using all forms of media, engagement with young and older people and action panels and forums at neighbourhood level, all informed by a commitment to equal opportunities; and

3.5 The Council will facilitate **accountability** to citizens, customers, employees and the wider community by providing opportunities for scrutiny at Council, portfolio and neighbourhood level.

4. Dimensions of the Corporate Governance Framework

4.1 It is important that these values are reflected in each dimension of the Council's business. CIPFA / SOLACE has defined the six dimensions of its Corporate Governance Framework as:

- (a) Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- (b) Members and officers working together to achieve a common purpose with clearly defined functions and roles
- (c) Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- (d) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

- (e) Developing the capacity and capability of members and officers to be effective
- (f) Engaging the local people and other stakeholders to ensure robust public accountability

The remainder of this code demonstrates how South Norfolk Council addresses these six dimensions

5. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

- 5.1 Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users;
- 5.2 Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning;
- 5.3 Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money;

Requirement:	Compliance can be demonstrated by:
Ensure that a vision for our local communities is developed in consultation with local people and other stakeholders. The vision will include priorities and targets that are measurable.	<ul style="list-style-type: none"> • The Council's Corporate Business Plan • Directorate plans • South Norfolk Alliance Sustainable Community Strategy • Annual budget consultation
Review on a regular basis the vision for the local area and its impact on the authority's governance arrangements	<ul style="list-style-type: none"> • Sustainable Community Strategy • This Local Code of Corporate Governance • Audits of 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"> • Sustainable Community Strategy • The Code of Corporate Governance • Partnership register • Scrutiny Reviews of Partnerships
Ensure that financial and activity performance reports are produced in a timely and understandable manner.	<ul style="list-style-type: none"> • Annual Statement of Accounts • Summary Statement of Accounts • Quarterly financial, performance and half yearly project reporting

Put in place arrangements for the independent review of financial and operational reporting processes.	<ul style="list-style-type: none"> • Accounts, Audit and Governance Committee Terms of Reference • Scrutiny Committee Terms of Reference • Annual audit letter and audit reports • Internal Audit Plan and Annual report, also Mid Year report for Audit Committee
Put in place effective arrangements to identify and deal with failure in service delivery	<ul style="list-style-type: none"> • Complaints procedure • Procedures for identifying and reducing unnecessary customer contact (Lean).
Decide how value for money is to be measured and make sure the Council or the partnership has the information needed to review value for money and performance effectively.	<ul style="list-style-type: none"> • Corporate Business Plan • Directorate plans • Performance plans • Benchmarking Information
Assess the environmental impact of policies, plans and decisions.	<ul style="list-style-type: none"> • Environmental implications paragraphs on committee reports.

6. Members and officers working together to achieve a common purpose with clearly defined functions and roles

- 6.1 Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function;
- 6.2 Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of authority members and officers are carried out to a high standard;
- 6.3 Ensuring relationships between the authority and the public are clear so that each knows what to expect of the other.

Requirement:	Compliance can be demonstrated by:
<p>Set out a clear statement of the respective roles and responsibilities of the executive and South Norfolk Council's approach towards putting this into practice.</p> <p>Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers</p>	<ul style="list-style-type: none"> • The Constitution • Rules for Financial Governance • Protocol for Member/Officer Relations • Members' Roles and Responsibilities • Minutes of meetings • Publication of schedule of decisions

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"> • Schemes of Delegation in Part 3 of the Constitution
Ensure that the Chief Executive is made responsible for all aspects of operational management as Head of Paid Service, with an effective system of delegation and performance monitoring.	<ul style="list-style-type: none"> • Scheme of Delegation • Job Description/Person Specification • Terms and Conditions of Employment • Performance Management system • Staff Appraisal processes and Training Plans
Develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding or roles and objectives is maintained	<ul style="list-style-type: none"> • Regular weekly meetings • Job description of Chief Executive • Role description of Leader • Protocol for Member/Staff Relations.
Ensure that the Section 151 Officer is made responsible for the financial affairs of the Council, including financial advice, financial records and systems of internal control.	<ul style="list-style-type: none"> • Scheme of Delegation • Constitution • Job Description/Person Specification • Terms and Conditions of Employment • Rules for Financial Governance • Performance Management system • Financial Strategy • Budget Book • Reports to Cabinet and full Council
Ensure that the Monitoring Officer is made responsible for ensuring that the agreed procedures are followed and that all statutes, regulations and other statements of good practice are complied with so far as possible.	<ul style="list-style-type: none"> • Scheme of Delegation • Job Description/Person Specification • Terms and Conditions of Employment
Develop protocols to ensure effective communication between members and officers in their respective roles	<ul style="list-style-type: none"> • Protocol for Member/Staff Relations • Scheme of Delegation • Codes of Conduct
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. Ensure that effective mechanisms exist to monitor service deliver	<ul style="list-style-type: none"> • The Constitution • Members Remuneration Panel • Members Allowance Scheme • Terms & conditions of Employment • Job Evaluation and Grading Scheme

<p>Ensure that South Norfolk Council's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with local community and other key stakeholders, and that they are clearly articulated and disseminated</p>	<ul style="list-style-type: none"> • The Council's Corporate Plan • South Norfolk Alliance Sustainable Community Strategy • Citizen's Panel • Neighbourhood Boards • Budget consultations • Business Forums • Link Magazine
<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: Ensure that there is clarity about the legal status of the partnership</p> <p>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</p>	<ul style="list-style-type: none"> • Protocols for partnership working. For each major partnership there is: <ul style="list-style-type: none"> - A clear statement of the partnership principles and objectives; - Clarity of each partner's role within the partnership; - Definition of roles of partnership board members; - Line management responsibilities for staff who support the partnership; - A statement of funding sources for joint projects and clear accountability for proper financial administration; - A protocol for dispute resolution within the partnership.

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

7.1 Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance;

7.2 Ensuring that organisational values are put into practice and are effective.

Requirement:	Compliance can be demonstrated by:
<p>Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect</p>	<ul style="list-style-type: none"> • Constitution • Codes of Conduct • Website information • Learning Hours • Joint Consultative Committee • Staff Forum • Managers' Forum
<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 communicated through codes of conduct and protocols</p>	<ul style="list-style-type: none"> • Codes of conduct • Performance appraisal • Complaints procedure • Counter Fraud and Corruption Strategy • Protocols for Member/Staff Relations • Directorate Plans

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"> • Codes of conduct • Standing orders • Financial procedure rules • Contract Procedure Rules • Counter Fraud and Corruption Strategy • Equalities Policies
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 • Corporate Priorities • South Norfolk Alliance Vision
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"> • Induction training for Members and Employees • Codes of conduct • Ethical Standards training • Equalities Standard
Develop and maintain an effective Standards Committee	<ul style="list-style-type: none"> • Standards and Ethics Committee Terms of Reference • Periodic Reports to the Council • Training
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"> • Decision making practices • Whistleblowing Policy
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"> • Protocols for partnership

8. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

- 8.1 Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny;
- 8.2 Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs;
- 8.3 Ensuring that an effective risk management system is in place;
- 8.4 Using their legal powers to the full benefit of the citizens and communities in their area

Requirement:	Source documents/good practice/other means that may be used to demonstrate compliance
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"> • Scrutiny Committees • Terms of Reference – Scrutiny Committee • Scrutiny Committee Working Style • Overview Sub-Committees • Accounts, Audit and Governance Committee
Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decision are based	<ul style="list-style-type: none"> • Publication of schedule of meetings • Minutes of meetings • Agendas, reports and minutes all published on the Council website and held for at least six years.
Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate process to ensure that they continue to operate in practice	<ul style="list-style-type: none"> • Codes of conduct • Local Protocols on Planning and Licensing • Register of Disclosure of Interests • Register of Gifts and Hospitality
Develop and maintain an effective Accounts and Audit Committee 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"> • Accounts, Audit and Governance Committee Terms of reference • Accounts, Audit and Governance Committee Membership • Member Training
Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints	<ul style="list-style-type: none"> • Complaints procedure
Ensure that those making decisions whether for the authority of 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 • Training for committee chairs • Member Training Plan and Strategy • Officer Reports
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"> • Job Description/Person Specification • Reports are signed off by the relevant officers • IIP Bronze Standards
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"> • Risk management Strategy and Policy • Reports on risk control • Internal control framework • Performance management system • Accounts, Audit and Governance Committee Terms of Reference • Overall Assurance Framework

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"> • Whistle blowing policy
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 • Monitoring officer provisions • Statutory provision
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 provisions • A qualified solicitor attends all Planning Meetings and the Solicitor to the Council has direct access to members.
Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular 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 provisions • Job description/Person specification • Statutory provision

9. Developing the capacity and capability of members and officers to be effective

- 9.1 Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles;
- 9.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group;
- 9.3 Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal

Requirement:	Compliance can be demonstrated by:
Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis	<ul style="list-style-type: none"> • Members Training Plan • I&DeA Charter on Member Development • Induction programme • Update courses/information
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 • Management structure and reporting lines

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"> • Member & Officer Training plans • Training Budget • Learning Hours
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 plans reflect the requirement of a modern councillor including: <ul style="list-style-type: none"> – The ability to scrutinise and challenge – The ability to recognise when outside advice is required – Advice on how to act as a community leader – Leadership and influencing skills
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"> • I&DeA Charter on Member development
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"> • Community reference/call for action • Rights of the public at meetings • Public Engagement Strategy (in preparation) • Neighbourhood Boards
Ensure that career structures are in place for members and officers to encourage participation and development	<ul style="list-style-type: none"> • Performance Appraisal • Succession planning

10. Engaging with local people and other stakeholders to ensure robust public accountability

10. Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships;
- 10.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning;
- 10.3 Making best use of human resources by taking an active and planned approach to meet responsibility to staff.

Requirement:	Compliance can be demonstrated by:
<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 relationships and any changes required</p>	<ul style="list-style-type: none"> • Sustainable Community Strategy • Rights of public to attend Scrutiny Meeting • Invitation of external witnesses to give evidence and comment at Scrutiny • South Norfolk Alliance

Produce an annual report on the activity of the scrutiny function	<ul style="list-style-type: none"> • Annual Report of Scrutiny Committee
<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> <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>	<ul style="list-style-type: none"> • Sustainable Community Strategy • Joint Working groups with other bodies • Communications Strategy • Citizens Panel • Assistance to Parish Councils to develop Parish Plans • Neighbourhood Boards • Petitions Procedure • Good public website
<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 consultee to demonstrate what has changed as a result</p>	<ul style="list-style-type: none"> • Communication Strategy • Citizens Panel feedback reports • Link Magazine • Website
<p>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"> • Corporate plan • Annual Statement of Accounts • Summary of Accounts • The Link Magazine
<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"> • Constitution • Forward Plan • Agendas, reports and minutes published website • All staff related policies on Intranet (eLink)
<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 • Joint Consultative Committee • Staff Forum • Union representation on the Health & Safety Group