

CENTRAL BEDFORDSHIRE COUNCIL

LOCAL CODE OF CORPORATE GOVERNANCE

1.0 What is Corporate Governance?

- 1.1 Corporate Governance is about how the council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 1.2 It comprises the systems and processes, and cultures and values, by which the council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads our communities.
- 1.3 Central Bedfordshire (CBC) is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions, through the continued maintenance of a Local Code of Corporate Governance.

2.0 The Principles of Corporate Governance

- 2.1 The following six core principles derive from a 2004 publication entitled The Good Governance Standard for Public Services. This was produced by the Independent Commission on Good Governance in Public Services – a commission set up by the Chartered Institute Of Public Finance and Accountancy (CIPFA), and the Office for Public Management. The commission utilised work done by, amongst others, Cadbury (1992), Nolan (1995) and CIPFA/SOLACE (2001).
- 2.2 The six core principles are:
 - 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; and
 - f) Engaging with local people and other stakeholders to ensure robust public accountability.

2.3 The application of these six core principles to CBC is discussed in the sections that follow.

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

3.1 Within this core principle, there are three supporting principles. These are set out below, together with the processes and activities that we have put in place in order to fulfil these principle's requirements.

The council must exercise strategic leadership by developing and clearly communicating its purpose and vision and its intended outcomes for citizens and service users.

This will be achieved by:

- a) Continuing to review and refresh the Sustainable Community Strategy within the framework of the Central Bedfordshire Local Strategic Partnership,
- b) Continuing to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of CBC, including contributing to the content of the Sustainable Community Strategy;
- c) Continuing to use the Sustainable Community Strategy; process to develop a vision for the local communities within the CBC area. This vision must be clearly set out and circulated, and will incorporate appropriate priorities and targets. The vision will be supported through the Council's Strategic Plan
- d) Continuing to include within the Strategic Plan a statement of priorities within specific ambitions so as to describe the areas where the council is focussing its activities over a three-year period.

The council must ensure that users receive a high quality of service whether directly, or in partnership, or by commissioning.

This will be achieved by:

- a) Setting out in the Strategic Plan the Council's vision and priorities;
- b) Ensuring key performance indicators relating to these priorities are reported and reviewed on a regular basis;
- c) Undertaking customer satisfaction surveys at appropriate time intervals, and comparing the results with neighbouring and similar councils;
- d) Including in contracts and agreements, where services are provided in partnership with others, or by commissioning, detailed arrangements for monitoring

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- outcomes against agreed targets and appropriate performance indicators;
- e) Continuing to develop and enhance the arrangements for reporting to CBC Members, on a quarterly basis using a traffic light system, performance against the agreed resources/targets and indicators;
 - f) Continuing to review, maintain and update on an annual basis a risk register to identify potential risks to the continuation of effective service delivery together with intended actions to minimise these risks; and
 - g) Continuing to review, maintain and update on an annual basis a Business Continuity Plan.

The council must ensure that it makes best use of resources and that taxpayers and service users receive excellent value for money.

This will be achieved by:

- a) Continuing to develop and enhance sound systems for providing management information for performance measurement purposes;
- b) Monitoring and reporting performance against the agreed standards in a comprehensive and understandable way;
- c) Instilling the concept of achieving value for money in our daily activities including the challenging of inappropriate procurement practices;
- d) Ensuring that the staff responsible for assets and for spending against budgets are identified, and that they fully understand their responsibilities in that regard;
- e) Fostering effective relationships and partnerships with other public sector agencies and also with the private and voluntary sectors so that services can be delivered by the most appropriate route;
- f) Providing positive responses to the findings of internal and external auditors and other statutory inspectors, and making proper arrangements for the effective implementation of any agreed actions that may result;
- g) Ensuring that standing orders, financial regulations, procurement rules and any other procedural requirements are maintained in a timely manner, and that these are adhered to – including the provision of training where required;
- h) Ensuring that information, knowledge and data is securely held, and is made available on a corporate basis wherever possible; and
- i) Ensuring that the environmental impacts of any policies, plans and decisions are identified and considered at the time such policies, plans and decisions are made.

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

4.1 Within this core principle, there are also three supporting principles.

The council must ensure effective leadership throughout the authority and be clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.

This will be achieved by:

- a) Maintaining, publishing and keeping up to date a written Constitution which defines the roles and responsibilities of full council, the executive, scrutiny and all other standing committees;
- b) Maintaining, publishing and keeping up to date the specific roles and responsibilities of the executive members individually;
- c) Ensuring through training that all members understand their respective roles and responsibilities;
- d) Maintaining and keeping up to date a written guide for members on the roles and responsibilities of the council's overview and scrutiny committees; and
- e) Ensuring that members have access to all relevant information, advices and resources so that they can effectively fulfil their roles and responsibilities.

The council must ensure that a constructive working relationship exists between the authority's members and officers and that the responsibilities of members are carried out to a high standard.

This will be achieved by:

- a) Maintaining appropriate codes and protocols within the constitution, including the Members' Code of Conduct, a Planning Code of Conduct, an employees' code of conduct and a protocol on member/employee relations;
- b) Arranging regular training for new and existing members on the Code of Conduct and related matters;
- c) Ensuring the register of members' interests is complete and updated annually;
- d) Supporting regular meetings of the Standards Committee tasked with ensuring that members conduct themselves to a high standard;
- e) Maintaining a scheme of delegation and reserve powers within the constitution;
- f) Ensuring that e) above is updated on a regular basis – at least annually – and that legislative changes are incorporated promptly;

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- g) Ensuring that a named officer (the Chief Executive at present) continues to be made responsible and accountable to the council for all aspects of operational management, and that these responsibilities are set out within the constitution;
- h) Continuing to ensure that the Leader of the Council and the Chief Executive understand each others' roles, responsibilities and objectives, and that this understanding is agreed at an early stage of their relationship should either person change;
- i) Ensuring that a named senior officer continues to be identified under Section 151 of the Local Government Act 1972 as the Chief Financial Officer, to be responsible to the council for requiring that appropriate advice is given on all financial matters, the keeping of proper financial records and accounts, and maintaining an effective system of internal financial control; and
- j) Ensuring that a named senior officer continues to be identified under S.5 of the Local Government and Housing Act 1989 as the Monitoring Officer, to be responsible to the council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

The council must ensure that relationships between the authority, its partners and the public are clear so that each knows what to expect of the other.

This will be achieved by:

- a) Ensuring that all employees understand their respective roles and responsibilities and know exactly what is expected of them;
- b) Ensuring that there are no barriers between employees and members by the development of appropriate communication protocols within the overall communication strategy;
- c) Ensuring that both members and employees have written statements of terms and conditions in respect of remuneration and that there exists an effective structure for managing the process regarding remuneration;
- d) Ensuring that effective mechanisms exist to monitor service delivery through the use of service plans and performance monitoring processes;
- e) Ensuring, through the production of the Sustainable Community Strategy and the Strategic Plan, that the council's vision, strategic plans, priorities and targets are continue to be developed through robust mechanisms – including use of citizens' panels and surveys – and that

- they are developed in consultation with the local community and other key stakeholders;
- f) Ensuring that such matters are clearly articulated and disseminated via the overall communication strategy;
 - g) Ensuring that the council adopts an open policy within its overall communication strategy;
 - h) Ensuring that where partnership working is involved, that members and officers are clear about their roles and responsibilities, both individually and collectively, in relation to the partnership and the council through formal assessments of risks and any potential conflicts of interests;
 - i) Ensuring that where partnership working is involved there is clarity about the legal status of any partnership by involving the Legal Service in all discussions and negotiations; and
 - j) Ensuring that where partnership working is involved members and officers both understand and make clear to all partners the extent of their authority to bind the council to partner decisions, and that similar assurances are received from the representatives of the other partners.

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

5.1 Within this core principle, there are two supporting principles.

The council must ensure that members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.

This will be achieved by:

- a) Ensuring that the council's leadership sets a tone for the council by creating a climate of openness, support and respect;
- b) Continuing to develop and update formal codes of conduct defining the standards of personal behaviour to which individual members, employees and agents of the council are required to subscribe and also by establishing and maintaining appropriate systems and processes to ensure that they are communicated and complied with;
- c) Continuing to develop and update arrangements to ensure that members and employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and also by establishing and maintaining appropriate systems and processes to ensure that they are communicated and complied with;

The council must ensure that organisational values are put into practice and are effective.

This will be achieved by:

- a) Developing and maintaining shared values including leadership values for both the council and employees reflecting public expectations, and communicating these with members, employees, the community and partners;
- b) Putting in place arrangements to ensure that the council's policies and operations are designed in conformity with appropriate ethical standards (including those relating to equality and diversity), and to monitor their continuing compliance in practice;
- c) Continuing to develop and maintain an effective standards committee;
- d) Using the council's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the council;
- e) When pursuing a vision of a partnership, agreeing a set of values against which decision-making and actions can be judged, and ensuring that such values are demonstrated by the partner's behaviour both individually and collectively.

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

6.1 Within this core principle, there are four supporting principles.

The council must be rigorous and transparent about how decisions are taken and listen and act on the outcome of continuous scrutiny.

This will be achieved by:

- a) Continuing to develop and maintain effective scrutiny functions, ensuring it encourages constructive challenge and enhances the council's performance overall together with any other organisation for which the council is responsible;
- b) Continuing to develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based;
- c) Maintaining arrangements to safeguard members and employees against conflicts of interest and maintaining processes to ensure that they continue to operate in practice;

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- d) Continuing to develop and maintain an effective audit committee which is independent of the executive and scrutiny functions; and
- e) Ensuring that effective, transparent and accessible arrangements remain in place for dealing with complaints.

The council must have good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.

This will be achieved by:

- a) Ensuring that those making decisions, whether for the council or a partnership, are provided with information that is both accurate and fit for purpose i.e. is relevant, timely and gives clear explanations of technical issues and their implications; and
- b) Ensuring that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision-making, and is used appropriately.

The council must ensure that an effective risk management system is in place.

This will be achieved by:

- a) Ensuring that risk management is embedded into the culture of the council, with members and employees at all levels recognising that risk management is part of their jobs; and
- b) Ensuring that effective arrangements for whistle-blowing remain in place to which employees, contractors, partners, the public and other stakeholders have easy access to.

The council must use its legal powers to the full benefit of the citizens and communities in their area.

This will be achieved by:

- a) Actively recognising the limits of lawful activity placed upon the council by e.g. the ultra vires doctrine, but also by striving to utilise legal powers to the full benefit of local communities;
- b) Recognising the limits of lawful action and observing both the specific requirements of legislation and the general responsibilities placed on the council by public law; and
- c) Observing all specific legislation requirements placed upon the council, as well as the requirements of general

law, and in particular by integrating the key principles of good administrative law – rationality, legality and natural justice – into the councils procedures and decision making processes.

7.0 Developing the capacity and capability of members and employees to be effective.

7.1 Within this core principle, there are three supporting principles.

The council must make sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.

This will be achieved by:

- a) Continuing to provide induction programmes and personal development plans tailored to individual needs and agreed key result areas, and opportunities for members and employees to update their knowledge on a regular basis; and
- b) Ensuring 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 council.

The council must develop the capability of people with governance responsibilities and evaluate their performance as individuals and as a group.

This will be achieved by:

- a) Initially assessing the skills required by members and employees and making a commitment to develop those skills to enable roles to be carried out effectively;
- b) Developing skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed; and
- c) Ensuring effective arrangements continue to be 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.

The council must encourage new talent for membership of the council so that best use can be made of individuals' skills and resources in balancing continuity and renewal.

This will be achieved by:

- a) Ensuring that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority; and
- b) Ensuring that career structures are in place for members and employees to encourage participation and development.

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

8.1 Within this core principle, there are three supporting principles.

The council must exercise leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develop constructive accountability relationships.

This will be achieved by:

- a) Making clear to itself, all employees and the community exactly who the council is accountable to, and for what;
- b) Considering those institutional stakeholders to whom the council is accountable and assessing the effectiveness of the relationships and any changes required;
- c) Developing annual scrutiny work programmes that respond to identified community concerns and priorities and seek constructive input from residents and relevant stakeholders; and
- d) Producing an annual report on the activity of the scrutiny function.

The council must take an active and planned approach to dialogue with, and accountability to, the public to ensure effective and appropriate service delivery whether directly by the council, in partnership or by commissioning.

This will be achieved by:

- a) Ensuring, within the council's communication strategy, that clear channels of communication are in place with all sections of the community and other stakeholders, and by putting in place monitoring arrangements to ensure that these operate effectively;
- b) Holding meetings in public unless there are good reasons for confidentiality;
- c) Ensuring that arrangements are in place to enable the council to engage with all sections of the community effectively. These arrangements will recognise that

- different sections of the community have different priorities and will establish explicit processes for dealing with these competing demands;
- d) Establishing a clear policy on the types of issues the council will meaningfully consult on or engage with the public and service users including a feedback mechanism to those consultees so as to demonstrate what has changed as a result;
 - e) Ensuring that the council as a whole is open and accessible to the community, service users and its employees and ensuring that it has made a commitment to openness and transparency in all its dealings, including partnerships and in all communications, subject only to the need to preserve confidentiality where it is proper and appropriate to do so.

The council must make best use of human resources by taking an active and planned approach to meet its responsibilities to its employees.

This will be achieved by:

- a) Developing and maintaining a clear policy on how employees and their representatives are consulted and involved in decision making.

9.0 Link to the Annual Governance Statement

- 9.1 Every year the Council will produce and publish an Annual Governance Statement which will refer to this Code explicitly. Any Code requirements which are not being met will be set out in that Statement together with a commentary as to how and when the requirement will be achieved.

10.0 Update and revisions to the Local Code of Corporate Governance

- 10.1 This code will be reviewed on an annual basis and updated as required, or more frequently if necessary, as part of the ongoing review of internal control arrangements and governance requirements generally.
- 10.2 If you have any comments or questions on the Local Code, please contact John Atkinson, Head of Legal & Democratic Services:

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