

APPENDIX A

FAREHAM BOROUGH COUNCIL

Local Code of Corporate Governance

Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities.

Fareham Borough Council recognises the need for effective corporate governance arrangements and has a range of systems policies and procedures designed to achieve this.

The Council also recognises that effective local government relies upon establishing and maintaining the confidence of the public in both the elected members and the officers of the Council.

In adopting this local code, the Council is expressly committing itself to maintaining and improving these arrangements.

In drafting this local code, the Council has been guided by the principles and requirements of the CIPFA / SOLACE Framework document “Delivering Good Governance in Local Government” and its associated guidance.

The Code comprises six core principles each having a number of supporting principles which will be delivered by a series of commitments made by the Council in this code.

THE FIRST CORE PRINCIPLE

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

•• exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users

To do this we will:

- develop and promote the authority's purpose and vision
- review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements
- ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners
- publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance
- ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning**

To do this we will:

- 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
- put in place effective arrangements to identify and deal with failure in service delivery

•• ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money

To do this we will:

- 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

THE SECOND CORE PRINCIPLE

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

Supporting principles

• 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

To do this we will:

- 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

- set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers

• 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

To do this we will:

- 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

- make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management

- develop protocols to ensure that the leader and chief executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.

- 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

- 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

• ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other

To do this we will:

- develop protocols to ensure effective communication between members and officers in their respective roles
- 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)
- ensure that effective mechanisms exist to monitor service delivery
- 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
- 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
- when working in partnership:
 - ensure that there is clarity about the legal status of the partnership
 - ensure that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions

THE THIRD CORE PRINCIPLE

Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour Good governance flows from a shared ethos or culture, as well as from systems and structures. It cannot be reduced to a set of rules, or achieved fully by compliance with a set of requirements. This spirit or ethos of good governance can be expressed as values and demonstrated in behaviour.

Supporting principles

• ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance

To do this we will:

- ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect
- 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
- 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

• ensuring that organisational values are put into practice and are effective

To do this we will:

- 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
- 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
- develop and maintain an effective standards committee
- 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

- 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

THE FOURTH CORE PRINCIPLE

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

Supporting principles

•• being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny

To do this we will:

- 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
- develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based
- 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
- 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
- ensure that effective, transparent and accessible arrangements are in place for dealing with complaints

•• having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs

To do this we will:

- 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
- ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately

•• ensuring that an effective risk management system is in place

To do this we will:

- 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
- ensure that effective arrangements for whistle-blowing are in place to which officers, staff and all those contracting with or appointed by the authority have access

•• using legal powers to the full benefit of the citizens and communities in the area

To do this we will:

- actively recognise the limits of lawful activity placed on the authority by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of the communities in the area
- recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law
- observe all specific legislative requirements placed upon the authority, 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 procedures and decision making processes

THE FIFTH CORE PRINCIPLE

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

Supporting principles

• making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles

To do this we will:

• provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis

• 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

• developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group

To do this we will:

• assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively

• 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

• 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

• 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

To do this we will:

• ensure 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

• ensure that career structures are in place for members and officers to encourage participation and development

THE SIXTH CORE PRINCIPLE

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

Supporting principles

•• exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships

To do this we will:

•• make clear to the authority itself, all staff and the community to whom the authority is accountable and for what

•• consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required

•• produce an annual report on the activity of the scrutiny function

•• 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

To do this we will:

•• ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively

•• hold meetings in public unless there are good reasons for confidentiality

•• 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

•• establish a clear policy on the types of issues the authority 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

•• 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

- 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

- **making best use of human resources by taking an active and planned approach to meet responsibility to staff**

To do this we will:

- develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making

December 2007