



Local Code of Corporate Governance

INTRODUCTION

What is Corporate Governance?

“Corporate Governance” is the term used to describe the systems and processes that Councils have in place for managing both their own internal affairs and relationships with their community.

SSDC is committed to the principles of good corporate governance and wishes to confirm its on-going commitment and intentions through the development of this Code. It has been developed using the CIPFA/SOLACE Guidance on best practice.

This Code sets out the Council's commitment to good governance and identifies the arrangements that have been made, including continuous improvement, to ensure that it is applied to all aspects of the Council's work.

BASIC PRINCIPLES

What is the purpose of the Code?

Corporate Governance is at the heart of the modernisation agenda of:

- Democratic Renewal;
- Community Leadership;
- Engagement of the local community, consultation and partnership working;
- High standards of conduct and probity;
- Outward looking, accountable, and responsive services;
- Continuous improvement;
- Performance management.

Sound corporate governance is demonstrated through:

- Accountability for public spending;
- A contribution to SSDC's efficiency and effectiveness;

- Clear political accountability for policy making;
- Political leadership focused on community benefit.

Local democratic renewal relies on public confidence in elected councillors. Good governance underpins the confidence and credibility of both elected members and senior officers. SSDC recognises that the setting of high standards of self-governance provides a clear and demonstrable lead to both our existing and future partners and provides the basis of effective community governance.

SSDC's CORPORATE PLAN 2009-2012

The Corporate Plan sets out the priority areas for South Somerset District Council.

Our **vision** is:

“South Somerset - an organisation **consistently** delivering an improving quality of life for all”

Our **mission** is:

“South Somerset District Council’s strength is its **flexible** approach to creating a district in which people want to live, work or visit. The **enable – partner – deliver** concept is a bold statement of how we will work with communities and partners to seize opportunities, realise ambitions and secure improvement.”

Our **Corporate Aims** are:

- Deliver well managed, cost effective services valued by our customers;
- Increase economic vitality and prosperity;
- Improve the housing, health and well-being of our citizens;
- Ensure safe, sustainable and cohesive communities;
- Enhance the environment, address and adapt to climate change.

(All aims are equally important)

Within each theme of the corporate plan are a series of key improvement targets showing strategic links from:

- South Somerset Together Sustainable Community Strategy;
- Somerset LAA;

- Other National Indicators relevant to the District Council;
- Local indicators

FRAMEWORK FOR CORPORATE GOVERNANCE

SSDC fully supports the fundamental principles of good corporate governance:

Accountability: the process by which the Council, and its elected members and officers, are held responsible for their actions and decisions.

Effectiveness: the process by which the Council ensures that its policies, plans and procedures achieve the stated objectives.

Integrity: the honesty, selflessness and objectivity of the Council's elected members and officers and the standards of propriety and probity that the Council sets for those entrusted with the stewardship of public funds.

Openness and Inclusivity: the procedures the Council adopts to ensure that all stakeholders have confidence in decision making and the management of the Council's affairs. Openness involves an inclusive approach, with all stakeholders having the opportunity to engage effectively with the decisions made by the Council.

Up to Date: the Council will keep all procedures, plans and processes under review to ensure that they reflect current best practice and community needs.

To comply with the principles of corporate governance it is important that they are reflected in each dimension of the Council's business. This Corporate Governance Framework has defined these dimensions as:

1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles
3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
5. Developing the capacity and capability of members and officers to be effective
6. Engaging the local people and other stakeholders to ensure robust public accountability

1. FOCUSING ON THE PURPOSE OF THE AUTHORITY AND ON OUTCOMES FOR THE COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA

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

The code should reflect the requirement for local authorities to:	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"> • Service plans • Major Strategies • Corporate Plan • Performance plans • Yeovil Vision and Market Town Vision • LSP • Sustainable Community Strategy • Area action plans • Area Forums • Joint Area Committees • Proposals under the Sustainable Communities Act. • Citizens Panel
Review on a regular basis SSDC's vision for the local area and its impact on the authority's governance arrangements	<ul style="list-style-type: none"> • 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"> • Local code of corporate governance • Partnership working in SSDC • Partnership register
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

	<ul style="list-style-type: none"> • Budget Monitoring Statements • Outturn reports
Put in place arrangements for the independent review of financial and operational reporting processes.	<ul style="list-style-type: none"> • Audit Committee Terms of Reference • Scrutiny Committee Terms of Reference • Annual audit letter and audit reports • Internal Audit Plan and Annual report • Peer challenges
Put in place effective arrangements to identify and deal with failure in service delivery	<ul style="list-style-type: none"> • Complaints procedure • Measuring and improving information available in order to reduce the number of unnecessary enquiries received from residents.
Decide how value for money is to be measured and make sure SSDC or the 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"> • Service plans • Performance plans • Benchmarking Information • Satisfaction surveys • Place shaping surveys • Achievement of efficiency targets • Annual balanced budget • Achievement of Corporate Plan targets

2. MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES

- 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;
- 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;
- Ensuring relationships between the authority and the public are clear so that each knows what to expect of the other.

The code should reflect the requirement for local authorities to:	Compliance can be demonstrated by:
<p>Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and SSDC'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 • Minutes of meetings • Publication of portfolio holder decisions • Financial procedure rules
<p>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</p>	<ul style="list-style-type: none"> • The Constitution
<p>We will ensure that the Chief Executive is made responsible for all aspects of operational management (Head of Paid Service).</p>	<ul style="list-style-type: none"> • Scheme of Delegation • Terms and Conditions of Employment • Job Description/Person Specification • Performance Management system • Staff Appraisal processes and Training Plans
<p>Develop protocols to ensure that the leader and chief executive negotiate their respective roles early in the relationship and that a shared understanding of roles</p>	<ul style="list-style-type: none"> • Regular weekly meetings • Job description of Chief Executive

and objectives is maintained	<ul style="list-style-type: none"> • Job description of Leader • Officer/member working relationship protocol.
We will ensure that the Head of Finance is made responsible for the financial affairs of the Council, including financial advice, financial records and systems of internal control (Section 151 Officer).	<ul style="list-style-type: none"> • Scheme of Delegation • Terms and Conditions of Employment • Job Description/Person Specification • Performance Management System • Medium Term Financial Strategy and Plan • Budget Book • Annual Audit Plan • Reports to Finance and Support Services Portfolio Holder, District Executive and full Council
We will ensure that the Head of Legal and Democratic Services 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 (Monitoring Officer).	<ul style="list-style-type: none"> • Scheme of Delegation • Terms and Conditions of Employment • Job Description/Person Specification • Standards Board agenda and minutes
Develop protocols to ensure effective communication between members and officers in their respective roles	<ul style="list-style-type: none"> • Protocol on officer/member relationship • 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 (if applicable) Ensure that effective mechanisms exist to monitor service deliver	<ul style="list-style-type: none"> • The Constitution • Members Allowance Scheme • Terms & conditions of Employment
Ensure that SSDC's vision, strategic	<ul style="list-style-type: none"> • Corporate plan

<p>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</p>	<ul style="list-style-type: none"> • Sustainable Community Strategy • Budget consultations • Themed discussions at Joint Area Committees • Joint Working Groups (eg. Martock 3, Yeovil Vision etc) • Area Forums • Targeted discussions via Community Development/Regeneration Officers
<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:</p> <p>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 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.

3. PROMOTING VALUES FOR THE AUTHORITY AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR

- Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance;
- Ensuring that organisational values are put into practice and are effective.

The code should reflect the requirement for local authorities to:	Compliance can be demonstrated by:
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"> • Sounding board forum • Insite information • Listen-up • Joint Consultative Forum
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"> • Codes of conduct • Performance appraisal • Complaints procedure • Anti-fraud and corruption policy • Service Charters • Officer/member working relationship protocol.
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"> • Standing orders and Contract Procedure Rules • Codes of conduct • Financial procedure rules
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
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 • Ethical Standard training • Induction training

<p>Develop and maintain an effective standards committee</p>	<ul style="list-style-type: none"> • Standards Committee Terms of reference • Regular reporting to the Council
<p>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</p>	<ul style="list-style-type: none"> • Decision making practices
<p>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</p>	<ul style="list-style-type: none"> • Protocols for partnership working

4. TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK

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

The code should reflect the requirement for local authorities to:	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 task and finish groups • Terms of Reference – Scrutiny 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"> • Minutes of meetings • Publication of portfolio holder decisions
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
Develop and maintain an effective 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"> • Audit Committee Terms of reference • Membership of the Audit Committee • Training for committee members
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

<p>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</p>	<ul style="list-style-type: none"> • Job Description/Person Specification • Training Plans • IIP Standards
<p>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</p>	<ul style="list-style-type: none"> • Risk management Strategy and Policy • Reports on risk control • Internal control framework • Risk and Performance Management System • Audit Committee Terms of Reference • Scrutiny Committee Terms of Reference • District Executive reports • Service plans • Project management methodology
<p>Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access</p>	<ul style="list-style-type: none"> • Whistle blowing policy
<p>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</p>	<ul style="list-style-type: none"> • Constitution • Monitoring officer provisions • Statutory provision
<p>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</p>	<ul style="list-style-type: none"> • Monitoring officer provisions
<p>Observe all specific legislative requirements place upon them, as well as the requirements of general law, and in particular the 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 provisions • Job description/Person specification • Statutory provision

5. DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS AND OFFICERS TO BE EFFECTIVE

- Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles;
- Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group;
- 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

The code should reflect the requirement for local authorities to:	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"> • Training and development plan • 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 membership of top management team • 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"> • Training plans • Skills audit • Staff Development Reviews
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 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 an ambassador for the community - 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"> • Performance management system • Appraisals • Scrutiny • Portfolio holder meetings with senior staff
Ensure that effective arrangements designed to encourage individuals from all sections of the community to engage	<ul style="list-style-type: none"> • Strategic partnership framework

with, contribute to and participate in the work of the authority	<ul style="list-style-type: none"> • Consultation/engagement strategy • Stakeholders' forums' terms of reference • Area forums' roles and responsibilities
Ensure that career structures are in place for members and officers to encourage participation and development	<ul style="list-style-type: none"> • Succession planning • Workforce Plan • Talent Management Policy

6. ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY

- Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships;
- 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;
- Making best use of human resources by taking an active and planned approach to meet responsibility to staff

The code should reflect the requirement for local authorities to:	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 • Constitution
<p>Produce an annual report on the activity of the scrutiny function</p>	<ul style="list-style-type: none"> • Annual report
<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 • Area Action Plans • Communications Strategy • Agendas and minutes • Citizens Panel • Consultation Strategy
<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 framework • Communication strategy

<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"> • Corporate plan • Annual Statement of Accounts • Summary of Accounts •
<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
<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 Forums

