

REVISED CODE OF CORPORATE GOVERNANCE

1. Foreword

- 1.1 Herefordshire Council is committed to the highest standards of governance. It must meet high ethical standards of conduct in everything it does; it must comply with legal requirements; and it must use public money and other resources economically, efficiently and effectively.
- 1.2 In order to discharge these responsibilities, Members and senior Officers must ensure the proper governance of the Council's affairs and the stewardship of its resources.
- 1.3 The Council's Code of Corporate Governance is consistent with the principles of and reflects the requirements within the CIPFA/SOLACE Framework, 'Delivering Good Governance in Local Government in Local Government.
- 1.4 Whilst all Councillors and Managers are responsible for the effective application of the Code, the Director of Resources for the Council is responsible for compliance of the code in matters of financial probity, performance and risk. The Assistant Chief Executive Legal and Democratic, who is also the Monitoring Officer, is responsible for the effective compliance of the Code in respect of legal obligation and ethical standards.
- 1.5 In order to strengthen standards of governance, and to comply with legislation, there will be an annual review of the effectiveness of the Code of Corporate Governance.
- 1.6 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 and accountable manner.
- 1.7 It comprises the systems, processes, culture and values by which the Council is directed and controlled, and through which it accounts to, engages with and leads the community.
- 1.8 The Council is committed to the six core principles of good governance:
 - i. Focusing on the purposes of the Council and on outcomes for the community and creating and implementing a vision for the local area
 - ii. Members and Officers working together to achieve a common purpose with clearly defined functions and roles
 - iii. Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 - iv. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
 - v. Developing the capacity and capability of members and officers to be effective
 - vi. Engaging with local people and other stakeholders to ensure robust public accountability.

2. The Six Core Principles of Good Governance

2.1 Focusing on the purposes of the Council and on outcomes for the community and creating and implementing a vision for the local area.

2.1.1 Through carrying out our responsibilities and in our influence of the wider community, the Council will:

- i. Demonstrate strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and services users.
- ii. Ensure that users receive a high quality of services whether directly or by commissioning.
- iii. Ensure that the authority makes best use of resources and that tax payers and service users receive excellent value for money.

2.1.2 The Council will maintain effective arrangements to:

- i. Develop and promote the authority's purpose and vision.
- ii. Review on a regular basis the authority's vision for the County and its implications for the authority's governance arrangements.
- iii. Ensure that the partnerships are underpinned by partnership agreements setting out a common vision of their work that is understood and agreed by all partners.
- iv. Publish an Annual Report on a timely basis, presenting an objective and understandable report on the authority's activities and achievements, its financial position and performance. This would include the statements that:
 - (a) Explain the Council's responsibilities for the Annual Statements of Accounts.
 - (b) Confirm that the Council complies with relevant standards and the Code of Corporate Governance.
 - (c) Explain the effectiveness of the Council's systems for managing risk and internal control.
- v. Measure the quality of service for users and make sure that the information needed to review service quality effectively and regularly is available. Cabinet has approved a data quality policy.
- vi. Put in place effective arrangements to identify and deal with failure in service delivery.
- vii. Measure value for money and make sure that the authority or partnership has the information needed to review value for money and performance effectively.
- viii. Measure the environmental impact of policies, plans and decisions.
- ix. Regularly review arrangement for how the Council's financial and operational reporting processes are independently scrutinised, including internal and external audit review of this code.

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

2.2.1 The Council through its constitution and monitoring procedures will:

- i. Ensure effective leadership throughout the authority, being clear about executive and non executive functions and the roles and responsibilities of the scrutiny function.

- ii. Ensure 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.
- iii. Ensure relationships between the authority, its partners and the public are clear so that each knows what to expect of the other.

2.2.2 The Council will:

- i. Set out within the Constitution a clear statement of the respective roles and responsibilities of the Executive and of the Executive Members individually and the authority's approach towards putting this into practice.
- ii. Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers within the Constitution.
- iii. Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decisions of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required. The Scheme of Delegation is contained in the Council's Constitution.
- iv. Make the Chief Executive responsible and accountable to the authority for all aspects of operational management. The Chief Executive, as the Head of Paid Service, has designated authority under the Scheme of Delegation as outlined in the Constitution.
- v. 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 and objectives is maintained.
- vi. 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. This function is carried out by the Council's Director of Resources, and the role defined within the Council's Constitution. Regular financial reports are submitted to Audit and Corporate Governance Committee, Cabinet and Council.
- vii. Make a senior officer (the Monitoring Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. The function of the Monitoring Officer, is designated to the Assistant Chief Executive Legal and Democratic.
- viii. Develop and monitor protocols to ensure effective communication between members and officers in their respective roles as outlined in the Council's Code of Conduct and Scheme of Delegation.
- ix. 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. An Independent Remuneration Panel for Members Allowances has been established by the Council which provides recommendations on the remuneration of Members and Member positions to Council. Officer remuneration is determined by national pay negotiations.
- x. Ensure that effective mechanisms exist to monitor service delivery. The Performance Improvement Cycle sets out the reporting process for monitoring the Council's targets.
- xi. 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 written and communicated.

- xii. 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.
- xiii. When working in partnership ensure that there is clarity about the legal status of the partnership and ensure that representatives of the partner organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.

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

2.3.1 The Council will:

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

2.3.2 To support these principles, the Council will:

- i. Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect. The Council has an agreed Code of Conduct for adherence by all Members and Officers.
- ii. 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 coded of conduct and protocols. The Council has an agreed Code of Conduct for adherence by all Members and Officers.
- iii. 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.
- iv. 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.
- v. Develop and maintain an effective Standards Committee. The Council has an established Standards Committee, which is chaired by an Independent Member.
- vi. 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.
- vii. 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.

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

2.4.1 The Council will:

- i. Be rigorous and transparent about how decisions are taken, listening and acting on the outcome of constructive scrutiny.

- ii. Use good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.
- iii. Ensure that an effective risk management system is in place.
- iv. Use our legal powers to the full benefit of the citizens and communities in their area.

2.4.2 The Council's arrangements will:

- i. Develop and maintain an effective scrutiny function that encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which the authority is responsible.
- ii. Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based. Information relating to the decision making processes are maintained under the Council's retention policy.
- iii. Put in place arrangements to safeguard members and employees against conflicts of interest and establish appropriate processes to ensure that such arrangements and processes continue to operate in practice. A register of Members Interests is maintained and updated on a regular basis.
- iv. 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. The Audit and Corporate Governance's terms of reference are outlined in the Council's Constitution.
- v. Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints. The Council has an established comments, complaints and compliments policy for dealing with complaints expeditiously which is available to the public in several forms (including leaflet and the website).
- vi. Ensure that those making decisions whether for the authority or a partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.
- vii. 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. Reports to meetings which support the Council's formal governance structures make reference to legal and financial implications as defined by appropriate officers.
- viii. 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. The Council has a combined risk management strategy, policy and toolkit as agreed by the Cabinet on 1 May 2008.
- ix. Ensure that arrangements are in place for whistle blowing to which staff and all those contracting with the authority have access. The Council's policy on whistleblowing is publicly available in several forms (including via the website and in a leaflet form. The policy is also accessible to staff via the Council's intranet.
- x. Actively recognise the limits of lawful activity placed on both Members and Officers by, for example, the *ultra vires* doctrine but also strive to utilise powers to the full benefit of the communities which the Council serves.

- xi. 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.
- xii. Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into our procedures and decision-making processes.

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

2.5.1 The Council is committed to developing the capacity and capability of both Members and Officers, and will:

- i. Ensure that Members and Officer have the skills, knowledge, experience and resources they need to perform well in their roles
- ii. Develop the capability for Member and evaluate their performance, as individuals and as a group.
- iii. Encourage new talent for membership of the authority so that best use can be made of individual's skills and resources in balancing continuity and renewal.

2.5.2 In order to meet this commitment, the Council will:

- i. Provide induction programmes tailored to individual needs and opportunities for member and officer to update their knowledge on a regular basis. Newly appointed Members have access to a structured induction programme providing information on the scope of the Council's functions. A programme of seminars has been established to provide regular updates to Members on issues relating to Council activities. A review of member development support is currently underway. Officers new to the authority attend appropriate training including a Central Induction day. Newly appointed Officers are supported by their relevant line manager who establishes an appropriate structured programme of induction.
- ii. 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, with proper management and supervision by top management.
- iii. Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.
- iv. 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.
- v. 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. Defining the support required to addressing members development needs are currently being addressed.
- vi. Ensure that effective arrangements designed to encourage individuals from all section of the community to engage with, contribute to and participate in the work of the authority, and improve publicity regarding the right of the public to attend committee meetings.

- vii. Ensure that career structures are in place for member and officers to encourage participation and development.

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

2.6.1 The Council will continue to develop active engagement with residents and communities and will:

- i. Exercise leadership through a robust scrutiny function, effectively engaging local people and all local institutional stakeholders, including partnership, and developing constructive accountability relationships.
- ii. 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 authority, in partnership or by commissioning
- iii. Make best use of human resources by taking an active and planned approach to meet responsibilities to staff.

2.6.2 To support these principles and to meet this commitment, the Council will:

- i. Make clear to themselves, all staff and the community to whom they are accountable and for what.
- ii. Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationship and any changes required.
- iii. Produce an annual report on the activity of the scrutiny function.
- iv. Ensure that clear channels of communication are in place with all sections of the community and other stakeholder, and put in place monitoring arrangements to ensure that they operate effectively.
- v. Hold meetings in public unless there are good reasons for confidentiality
- vi. 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 and be reviewed regularly.
- vii. Establish a clear policy of the types of issues that the Council will meaningfully consult on or engage with the public, including a feedback mechanism for those consultees to demonstrate what has changed as a result of their input.
- viii. 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.
- ix. 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 partnership, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
- x. Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision-making.

3. Monitoring and Review

3.1 The Council will monitor and review the arrangements in place with the Council to meet and demonstrate compliance with the code on an ongoing

basis, to ensure they remain effective, up to date and continue to reflect best practice.

- 3.2 A report on compliance with the Code including a review of the assurance framework in place will be considered by the Audit and Corporate Governance Committee annually, to enable them to assess the adequacy and effectiveness of the code and the extent of compliance and formally report their findings to Council.