

Thanet District Council Local Code of Corporate Governance

Approved on

LOCAL CODE OF CORPORATE GOVERNANCE

INTRODUCTION

The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) defines governance as follows: “Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved”

The International Framework also states that: “To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times”. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders”

GOOD CORPORATE GOVERNANCE

Thanet District Council is committed to achieving good corporate governance and this Local Code describes how the Council intends to achieve this in an open and explicit way. The local code is based upon the CIPFA SOLACE framework “Delivering Good Governance in Local Government” (April 2016) which replaced the document published in 2007. As laid out in the guidance it “is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities”. Consequently the local Code has been written to reflect the Council’s own structure, functions, and the governance arrangements in existence.

The local code is based on the following 7 principles, the first 2 of which underpin the remaining 5 with the overall aim of “Achieving the intended outcomes while acting in the public interest at all times”.

The principles are as follows:

Acting in the public interest requires a commitment to and effective arrangements for:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement

In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance also requires a commitment to and effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Many of the requirements of the code are included in the Council's constitution and the Council's key strategies and policies.

<https://www....>

<https://www.thanet.gov.uk/your-services/how-do-we-make-decisions/decision-making-at-the-council/the-constitution/>

MONITORING AND REVIEW

The Code of Corporate Governance is subject to annual review. This review includes an assessment as to the effectiveness of the processes contained within the Code. This includes annual assessments such as:

- Annual review of the Constitution
- Annual report of the Standards Committee
- Overview and Scrutiny Panel Annual Report
- Head of Internal Audit Annual Report
- Governance and Audit Committee Annual Report
- External Audit Annual Letter

The outcome of this review is reported in the Annual Governance Statement.

The following details how the Council meets the core principles and the systems, policies and procedures it has in place to support this.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Key Documents: Annual Review	Key Documents: Ad-Hoc Review/Production	Contributory Processes/Regulatory Monitoring
<ul style="list-style-type: none"> ● Annual Performance and Finance reports ● Corporate Values 2015-2019 ● Governance and Audit Committee Annual Report ● Overview and Scrutiny Panel Annual Report ● Organisation Plan 2017-20 ● Pay Policy Statement 2017 ● People Strategy 2017-20 ● Standards Committee Annual Report 	<ul style="list-style-type: none"> ● Anti-Fraud and Corruption and Whistle Blowing Policy ● Committee terms of reference ● Committee report pro-forma ● Constitution ● Contract Standing Orders ● Meeting Reports and Minutes ● Procurement Strategy ● Protocol on Member/Officer Relations ● Member's Code of Conduct ● Officer's Code of Conduct ● Protocol for Planning Committee Members ● Record of Decision Making and Supporting Materials 	<ul style="list-style-type: none"> ● Appraisal System ● Complaints/Compliments Policy ● Corporate Intranet (TOM) ● Declarations of interest at meetings (Members and Officers) ● Gifts and Hospitality Registers ● Induction – Members/Staff ● Job Descriptions (Officers and Members) ● Law and Governance ● Member Training and Development ● Monitoring Officer ● Partnership Protocol ● Registers of Interests ● Safeguarding Policy

Principle B: Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Key Documents: Annual Review	Key Documents: Ad-Hoc Review/Production	Contributory Processes/Regulatory Monitoring
<ul style="list-style-type: none"> ● Corporate Priorities 2015-2019 ● Corporate Values 2015-2019 ● Members Allowance Scheme 2017 ● Organisation Plan 2017-20 ● Pay Policy Statement 2017 ● Overview and Scrutiny & Annual Report ● Scheme of Delegations 	<ul style="list-style-type: none"> ● Communication Strategy ● Constitution ● Decision making Protocol (Art 13) ● Equalities Policy ● Fol Publication Scheme ● Information Governance Framework ● Record of Decision Making and Supporting Materials ● Report pro-forma ● Timeline for Meetings & Reports 	<ul style="list-style-type: none"> ● Budget setting and reporting ● Cabinet/CMT Meetings ● Corporate Intranet (TOM) ● Council Tax information on website ● Customer/Citizen Consultation and Surveys ● Meeting Reports and Minutes ● Online Council Tax information ● Partnership Protocol ● Website

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Key Documents: Annual Review	Key Documents: Ad-Hoc Review/Production	Contributory Processes/Regulatory Monitoring
<ul style="list-style-type: none"> ● Annual Performance and Finance reports ● Capital Programme and Treasury Investment Strategy 2017-18 ● Corporate Asset Management Plan 2017 ● Corporate Priorities 2015-2019 ● Corporate Values 2015-2019 ● Organisation Plan ● Performance Framework ● Risk Management Policy 	<ul style="list-style-type: none"> ● Community Safety Partnership Plan 2017-20 ● Economic Growth Strategy 2016 ● Equalities Policy ● Record of Decision Making and Supporting Materials ● Service Plans 	<ul style="list-style-type: none"> ● Budget setting and reporting ● Cabinet/CMT meetings ● Customer/Citizen Consultation and Surveys ● Meeting Reports and Minutes ● Risk management process ● Safeguarding Policy

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Key Documents: Annual Review	Key Documents: Ad-Hoc Review/Production	Contributory Processes/Regulatory Monitoring
<ul style="list-style-type: none"> ● Budget Strategy 2017 ● Corporate Priorities 2015-2019 ● Corporate Values 2015-2019 ● Medium Term Financial Plan 2015-19 ● Organisation Plan 2017-20 ● Performance management framework ● Risk Management Strategy 	<ul style="list-style-type: none"> ● Communications Strategy ● Partnership Protocol ● Service Plans ● Timeline for Meetings & Reports 	<ul style="list-style-type: none"> ● Budget setting and reporting ● Cabinet/CMT meetings ● External Funding Protocol ● Partnership Protocol ● Performance reports ● Section 151 Officer

Principle E: Developing the council's capacity including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

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<ul style="list-style-type: none"> ● Annual Performance and Finance reports ● Asset Management Plan 2017 ● Organisation Plan 2017-20 ● People Strategy 2017-20 ● Scheme of Delegation 	<ul style="list-style-type: none"> ● Constitution ● Contract Standing Orders ● Financial Procedure Rules 	<ul style="list-style-type: none"> ● Appraisal System ● Benchmarking ● Chief Executive/Leader Briefings ● Customer/Citizen Consultation and Surveys ● Head of Paid Service ● Health and Safety policies and processes ● HR Policies ● Induction- Member/Officer ● Job Descriptions – Member and Officer ● Member Briefings ● Member Training and Development Group ● Partnership Protocol ● Peer Reviews ● Personal Development Plans ● Safeguarding Policy

F. Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services.

Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

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G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Key Documents: Annual Review	Key Documents: Ad-Hoc Review/Production	Contributory Processes/Regulatory Monitoring
<ul style="list-style-type: none"> ● Annual Governance Statement ● Budget Monitoring ● Governance and Audit Committee & Annual Report ● Members Allowance Scheme ● Overview and Scrutiny & Annual Report ● Pay Policy Statement ● Performance reports ● Standards Committee & Annual Report ● Scheme of Delegation 	<ul style="list-style-type: none"> ● Annual review of internal audit arrangements ● Whistle Blowing Policy 	<ul style="list-style-type: none"> ● External Audit ● Internal Audit ● Section 151 Officer ● Website