

# Thanet District Council Local Code of Corporate Governance

Approved on 6 March 2019



## **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.

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

Rational: 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.

**To demonstrate its commitment to achieving good governance, Thanet district Council has:  
Behaving with integrity**

- A well-established Code of Conduct for Members to ensure that high standards of conduct are maintained.
- All new members are made aware of the Code as part of their induction process.
- A 'Declaration of Acceptance of Office' that is signed by Members once elected which makes reference to the Code.
- Established procedures for dealing with breaches of the Member Code of Conduct.
- Promoted the Kent Code of Conduct to Town and Parish councils which all have adopted.
- A Standards Committee responsible for overseeing the conduct of members and identifying learning and development for members in relation to the Code of Conduct.
- The Committee receives a report at each meeting on the progress of complaints/investigations.
- An annual report is presented to the Standards Committee on councillors' compliance with the ethical standards framework.
- An Employee Code of Conduct that sets out standards of behaviour and conduct the council expects of its employees to ensure that public business is conducted with fairness and integrity. This is signposted as part of staff induction. A standard decision making report format to ensure that all those responsible for taking decisions have the necessary information on which to do so.
- A Code of Practice for Employees for declaring interests and registering gifts and hospitality..
- On its website a register of Members' is published.
- A Members' policy for acceptance and registration of gifts and hospitality.
- A standing agenda item to record members' declaration of interests.
- Minutes show declarations of interest were sought and appropriate declarations made.
- A Customer Complaints and Compliments Policy that is published on the council's website.
- A Whistleblowing Policy in place to enable individuals to raise concerns about malpractice or wrongdoing.
- Member and Staff induction policies

	<ul style="list-style-type: none"> <li>● Job Descriptions are provided to Officers and Members to provide clarity on their roles and responsibilities</li> <li>● We have a protocol on Member/Officer Relations to manage the different but complementary roles of Members and Officers</li> <li>● A specific Protocol for Planning Committee Members to ensure probity and robust decision making</li> <li>● Compulsory training for members of the Licensing, Planning and General Purposes Committees to ensure lawful and robust decision making</li> </ul> <p><b>Demonstrating strong commitment to ethical values</b></p> <ul style="list-style-type: none"> <li>● A regularly reviewed and externally validated Constitution which sets out how the council operates and how it makes decisions. It also states that the council will exercise all its duties in accordance with the law.</li> <li>● Terms of Reference for all committees and decision making meetings.</li> <li>● Policies and procedures that are updated, to ensure adherence to ethical standards including online HR resources, Contract Procedure Rules .</li> <li>● Many council staff are also subject to the ethics of their professional body.</li> </ul> <p><b>Respecting the rule of law</b></p> <ul style="list-style-type: none"> <li>● Clearly defined the statutory roles to designated posts, set out in the Constitution, including the role of Monitoring Officer responsible for ensuring the council operates within the law and decisions are administered correctly.</li> <li>● Set out Role Descriptions for all councillors in the Constitution.</li> <li>● An Anti-Fraud and Corruption Policy which is supported by the Whistleblowing Policy and a hotline for employees to report irregularity and fraud.</li> <li>● A Safeguarding Policy to protect children and vulnerable adults</li> </ul>
<p><b>Core Principle B: Ensuring openness and comprehensive stakeholder engagement</b></p>	
<p>Rational: Local government is run for the public good, organisations</p>	<p><b>To demonstrate its commitment to achieving good governance, Thanet District Council has:</b>  <b>Openness</b></p>

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.

- A range of annual reports that summarise achievements for the year across a range of functions that set out outcomes achieved for Thanet residents.
- Its annual statement of accounts published annually prior to external audit and post audit.
- A Publication Scheme that describes the kinds of information available and provides guidance about how to access personal information and submit a Freedom of Information request.
- Systems in place to ensure that relevant decisions taken by officers are published in accordance with legislative requirements.
- A standard decision making report format is used to ensure the decision maker is presented with all the information necessary to inform the decision including outcomes of consultation.
- Where appropriate background papers are cited in the standard report format.
- Agendas, reports and minutes are published on the council's website.
- Meetings are open to the public unless there are good reasons for not doing so on the grounds of confidentiality.
- Dates for submitting, publishing and distributing timely reports are set and adhered to.
- Corporate Priorities 2015-2019 and Corporate Values 2015-2019 that sets out the vision and priorities for Thanet and strategic direction for the council.
- A copy of the Constitution is available on the council's website.

**Engaging comprehensively with institutional stakeholders**

- Established strong partnerships with the public sector, business and community and voluntary sector across Thanet, including statutory arrangements for Community Safety, Health and Wellbeing and Safeguarding.
- Mechanisms in place to consult where necessary with public sector bodies such as Police, Fire, including a Parish & Town Councils liaison meeting.
- Working through the Thanet Leadership Group (a forum for Chief Officers of member public sector organisations) to work collectively as 'Place Leaders' to improve outcomes for people and place.
- Engaging stakeholders effectively including individual citizens and service users
- Information is provided to the public about Council activities and its business
- Public consultations are conducted using online tools, via the Council website. A Public Engagement Framework, which sets out the plan for public engagement development.
- Established mechanisms to seek the views from individuals, organisations and businesses on

	<p>a number of areas.</p> <ul style="list-style-type: none"> <li>• A petitioning process for the public to bring concerns to the council's attention.</li> </ul>
<p><b>Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefit</b></p>	
<p>Rationale: 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.</p>	<p><b>To demonstrate its commitment to achieving good governance, Thanet District Council has:</b></p> <p><b>Defining Outcomes</b></p> <ul style="list-style-type: none"> <li>• A Council Plan that sets out the council's ambitions and defines the outcomes for people and place.</li> <li>• A strategic planning framework that links all strategies and plans to the Council Plan and needs assessment.</li> <li>• A Community Safety Partnership Plan 2017-20 which includes a Thanet wide approach to community safety</li> <li>• An Economic Growth Strategy 2016</li> <li>• We work with others through structures like the thanet Leadership Group and Margate Task Force to collectively improve the wellbeing of Thanet residents.</li> </ul> <p><b>Set the budget around the outcomes.</b></p> <ul style="list-style-type: none"> <li>• Where appropriate background papers are cited in the standard report.</li> <li>• A Business Case Framework that is used for projects that meet the key decision definition.</li> <li>• An agreed set of principles for the purposes of budget setting.</li> </ul>
<p><b>Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p>	
<p>Rationale: 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</p>	<p><b>To demonstrate its commitment to achieving good governance, Thanet District Council has:</b></p> <p><b>Determining interventions</b></p> <ul style="list-style-type: none"> <li>• A financial planning process that determines level of resources to achieve Council priorities and outcomes and meet statutory duties</li> <li>• A standard decision report format to ensure relevant information to be considered as part of the decision making process of members and officers</li> </ul>

<p>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.</p>	<p><b>Planning interventions</b></p> <ul style="list-style-type: none"> <li>● A Strategic planning framework to ensure that service delivery is aligned to the Council Plan</li> <li>● Annual work programmes developed by Overview and Scrutiny committees</li> <li>● Reviewed the performance management framework which provides reporting at operational, strategic and executive</li> <li>● Financial management and reporting processes that enable regular and timely reporting to budget holders, leadership team and Cabinet</li> </ul> <p><b>Optimising achievement of intended outcomes</b></p> <ul style="list-style-type: none"> <li>● Annually updated Procurement and Plans,</li> <li>● Service Plans that identify service developments and specification.</li> <li>● A medium term financial strategy agreed and reviewed annually based upon Council Plan ambitions and priorities</li> <li>● Securing continuous improvement through engagement with external and peer review mechanisms</li> <li>● Annual Performance and Finance reports</li> <li>● Capital Programme and Treasury Investment Strategy 2017-18</li> <li>● Corporate Asset Management Plan 2017</li> <li>● Organisation Plan</li> <li>● Performance Framework</li> <li>● Risk Management Policy</li> </ul>
<p><b>Core Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it</b></p>	
<p>Rationale: Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes</p>	<p><b>To demonstrate its commitment to achieving good governance, Thanet District Council has:</b></p> <p><b>Developing the entity’s capacity</b></p> <ul style="list-style-type: none"> <li>● Regularly reviewed and published employee policies</li> <li>● Mechanisms established for staff engagement, for example Manager’s Forum, team briefings and the Chief Executive’s coffee mornings</li> <li>● Governance structures for strategic planning of workforce development including the People</li> </ul>

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.

Strategy 2017-20 and Organisation Plan 2017-20

- We have a council wide Appraisal System which is reviewed regularly

**Developing the capability of the entity’s leadership and other individuals**

- Strong Leader and Cabinet political management model is well established
- Opposition groups within the council have their own CMT briefing meetings
- The political management model provides opportunities for non-executive members to focus on their key roles in overview and scrutiny, on regulatory committees, outside bodies and as local community representatives.
- Protocols are in place for governing Members’ and statutory officers’ responsibilities.
- Member role descriptions are set out in the Constitution.
- A Scheme of Delegation to Officers and Appointment of Proper Officers that are reviewed annually in light of legal and organisational changes.
- A Constitution that sets out financial management arrangements through the Financial Regulations and Contract Procedure Rules
- Tracking of new government legislation, announcements, consultations and bills via the tracker system on a weekly basis and circulated to key individuals.
- Adoption of an Employee Appraisal systems, supervision protocols and induction programmes for staff to ensure staff know what is expected of them
- Member induction and development programme to ensure specific and specialist roles have up to date training to effectively carry out role.
- E-learning packages are available for members and officers.
- Specific training for officers is made available through the annual Corporate Training Programme.
- The Leadership and Management Framework is being developed.
- Health & Safety policies designed to protect and enhance the welfare of staff are actively promoted and monitored.
- Adoption of an Apprenticeship Programme offering training, skills and experience in Local Government.
- To ensure best practice, the council have obtained the SEE Member Development Charter

## Core Principle F: Managing risks and performance through robust internal control and strong public financial management

Rationale: 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,

**To demonstrate its commitment to achieving good governance, Thanet District Council has:**

### **Managing risk**

- The Governance and Audit Committee which provides strategic oversight of the processes in place to manage risk and to identify and manage council and strategic risk.
- The Council has in place a Risk Management Strategy and Process
- Risk management arrangements in place including robust systems of identification, evaluation and control of risks which threaten the council's ability to meet its objectives to deliver services.
- Responsibilities for managing individual risks are devolved through CMT to Service Managers.
- The Audit Committee is responsible for considering the effectiveness of the authority's risk management arrangements.

### **Managing performance**

- A well-established performance management framework, with various levels and frequencies for reporting.
- Performance monitoring reports that are produced periodically throughout the year.
- Dates for submitting, publishing and distributing reports are set and adhered to.
- The format of decision making reports ensure that all relevant information is considered such as analysis of options, resource implications etc..
- Reports and minutes and decisions under member consideration are published on the website and are available in hard copy in a variety of formats on request.
- Work Programmes are developed involving all members and co-opted members of panels apply the overview and scrutiny disciplines of policy review and development, call-in, added items and monthly review meetings with Cabinet Members and Directors.
- Agenda, minutes of scrutiny meetings and any associated reports with recommendations to the Executive are published on the council's website.
- Overview and Scrutiny training for members is provided initially at induction, also on an annual basis or on specific subjects within scrutiny panel meetings.

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.

### **Robust internal control**

- An annual report is produced by Internal Audit which provides an opinion on the council's control environment, and a self-assessment of its arrangements against the public sector internal audit standards and CIPFA's guide to the role of the Head of Internal Audit.
- Anti Fraud and Corruption Strategy which is subject to regular review and is approved by the Audit Committee.
- An annual fraud report summaries anti-fraud activity in the year.
- AGS that provides a high level summary of how the council is meeting the principles of good governance.
- The AGS is reviewed annually by the Audit Committee and the external auditors alongside our annual financial statements.
- An effective internal audit service is resourced and maintained through EKAP
- Internal Audit prepares and delivers a risk based audit plan which is kept under review to reflect changing priorities and emerging risks.
- The council is subject to External Audit and inspection regimes which require action plans which are assigned to officers.
- The Governance and Audit Committee, which is independent of the Executive, oversees the management of governance issues, internal controls, risk management and financial reporting.
- Its performance is subject to annual self-assessment.
- Audit Committee Terms of Reference are reviewed annually and revised to reflect professional bodies' expectations and best practice.
- Training is provided to new Audit Committee members on their role and responsibilities.
- The Constitution, through its Overview and Scrutiny Procedure Rules has opportunities for the council's scrutiny panels to challenge and debate policy and objectives before, during and after decisions are made.

### **Managing data**

- Information Governance Framework sets out the roles, responsibilities, policies and procedures for managing the council's information assets. This is subject to an annual review.
- Effective information sharing is undertaken in accordance with the Data Protection Act and the council's Data Protection & Confidentiality Policy.
- The council's ICT and Information Security Standards provide guidance on the arrangements

that must be in place to ensure personal data is kept protected and secure.

- Information governance and security awareness with officers and members through mandatory information governance training, annual information governance campaign, council wide messages
- Data Subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the council's overall Privacy Notices published on the website and individual Privacy Statements
- Information Sharing Agreements are reviewed on a regular basis, are in place to document the sharing of information using national agreements, or inter-council protocols and agreements
- Data verification and validation processes are integrated within systems and processes.
- A system for Data Protection Impact Assessments has been put in place to ensure that data protection is considered in relevant reports
- The council completes external self-assessments when required
- The council has appointed a Data Protection Officer and Senior Information Risk Owner

**Strong public financial management**

- The Medium Term Financial Plan makes a realistic assessment of the resource that growth allows and allocates that resource to create a sustainable council capable of delivering council priorities and outcomes.
- Underpinned by a set of principles which guide the council in its budget setting decisions In a 'one council' culture of shared responsibility encourages the sharing of good practice and secures cross-council synergies.
- With effective financial management secured through budget planning and control using a system of devolved budget management.
- Contract Procedure Rules and Financial Regulations set out the council's arrangements and ensure that processes continue to operate consistently.
- Financial accountability applied through a hierarchy of reporting arrangements up to council level.
- Financial procedures documented and available for reference on the council's TOM intranet
- Annual Performance and Finance reports

## Core Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Rationale: 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.

**To demonstrate its commitment to achieving good governance, Thanet District Council has:**

### **Implementing good practice in transparency**

- Agendas, reports and minutes are published on the council's website.

### **Implementing good practices in reporting**

- Production of an Annual Reports summarising achievements in the year published on the council's website.
- Annual Financial Statements are produced to meet legal requirements on timeliness and accuracy; are subject to independent external audit; and published on the council's website.

### **Assurance and effective accountability**

- Governance and Audit Committee produces an Annual Report
- AGS that sets out the council's governance framework and the results of the annual review of the effectiveness of the council's arrangements.
- The AGS includes areas for improvement.
- An effective internal audit service is resourced and maintained.
- The Service has direct access to members and provides assurance on governance arrangements via an annual report containing an opinion on the council's internal control arrangements.
- An annual report is produced by Internal Audit which includes a self-assessment of its arrangements against the public sector internal audit standards and CIPFA's guide to the role of the Head of Internal Audit.
- External Audit provides an annual opinion on the council's financial statement and arrangements for securing Value for Money.
- Outcome to leaning through external review e.g. LGA corporate peer challenge - such reviews are reported to cabinet.
- The Council responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies.
- The respective roles of officers and associated responsibilities are set out in the Constitution.

