



CODE OF CORPORATE GOVERNANCE

APRIL 2010

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

How the principles of corporate governance should be reflected

The focus of governance is to ensure that authorities, other local government organisations or connected partnerships fulfil their purpose and achieve their intended outcomes for citizens and service users and operate in an effective, efficient, economic and ethical manner. This concept should guide all governance activity.

Local government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organisation and to external stakeholders.

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
Used as a basis for: i. Corporate and service planning ii. City of Southampton Strategy iii. Southampton's Local Area Agreement Annual Financial statements Annual Business Plan Formal Annual Report	Annual Business Plan – Corporate Improvement Plan	All updated annually – May Council		
	City of Southampton Strategy	Reviewed annually. Full refresh every 3 years		
	Southampton's Local Area Agreement	Monitored on a quarterly basis		
	Annual Financial Statements	Spring - budget		
	Annual External Audit Letter	Received		
	Annual Governance Statement (formerly the SIC)	Spring		
	Medium Term Service & Financial Plan	Reviewed every 2 years		

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
<p>This information is reflected in the authority's:</p> <ul style="list-style-type: none"> i. Corporate Plan ii. Medium Term Strategy iii. Resourcing Plan <p>in order to ensure improvement</p> <p>Southampton Partnership Annual Business Plan</p>	<p>Corporate Improvement Plan</p> <p>Medium Term Service & Financial Plan</p> <p>Southampton Partnership Annual Business Plan</p>	<p>Updated annually – May Council</p> <p>Reviewed every 2 years</p> <p>Updated annually, approved by SP Delivery Board</p>		
<p>Complaints Procedure</p>	<p>Corporate Complaints Policy and Procedure</p>	<p>Updated annually. Introduced a vexatious and unreasonably persistent complainants and unreasonable complainants behaviour policy in April 2008</p>		
<p>The results are reflected in authority's performance plans and in reviewing the work of the authority</p>	<p>Performance Management Systems and processes</p> <p>Corporate Improvement Plan</p> <p>KPI's / PI's</p>	<p>Adopted</p> <p>Reviewed annually</p> <p>As above</p>		<p>Supplemented by Management Academy</p>

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

How the principles of corporate governance should be reflected

The governing body of an organisation has overall responsibility for directing and controlling that organisation. In local government the governing body is the full council or authority.

Further information on the structures and roles of the local authority governing bodies is included in the guidance notices to this Framework.

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
<ul style="list-style-type: none"> ▪ Constitution ▪ Record of decisions and supporting materials 	<p>Constitution Part 10 "Officer Scheme of Delegation"</p>	<p>Constitution reviewed annually at Full Council in May. Ad hoc reviews throughout the year based on service changes</p>	<p>A substantial review is currently taking place as a result of Council's budget 2010 which resulted in a decision to streamline meetings and decision making processes and substantially review the Officer Scheme of Delegation</p>	<p>Revised Constitution to be considered by Standards and Governance Committee in April 2010 and Council AGM in May 2010</p>
<ul style="list-style-type: none"> ▪ Constitution ▪ Conditions of employment 	<p>Constitution: Part 3 Responsibility for Functions</p> <p>Job Descriptions</p> <p>Competency Statements</p>		<p>As above</p>	
<ul style="list-style-type: none"> ▪ Scheme of Delegation 	<p>Constitution: Part 5 Protocol on Member / Officer Relations</p>		<p>As above</p>	
<ul style="list-style-type: none"> ▪ Statutory provisions 	<p>Constitution Part 10 "Officer Scheme of Delegation"</p>		<p>As above</p>	

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
<ul style="list-style-type: none"> ▪ Job description / specification ▪ Performance management system 	Constitution: Part 3 Responsibility for Functions			
<ul style="list-style-type: none"> ▪ Section 151 responsibilities ▪ S112 / 114 Local Government Finance Act 1988 ▪ Statutory provision ▪ Statutory reports ▪ Budget documentation ▪ Job description / specification ▪ Chief Executive and Leader pairing ▪ Monitoring Officer provisions ▪ Statutory provision ▪ Job description / specification 	<p>In place</p> <p>Regular meetings/agenda in place. Leader attends COMT fortnightly and formally tables written paper on issues</p> <p>In place</p>			
<ul style="list-style-type: none"> ▪ Officer / Member Protocol <p>Pay and conditions policies and practices</p>	<p>Constitution: Part 5 Protocol on Member / Officer Relations</p> <p>Constitution: Part 6 Members Allowance Scheme</p> <p>Pay & conditions of service</p> <p>Performance Management systems and processes</p>	<p>Reviewed as part of the Constitution</p> <p>Reviewed regularly</p>		<p>IRP reviewed and Council decision 2007. Council February 2010 freeze basic and SRA allowances</p>

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
<ul style="list-style-type: none"> ▪ Vision, strategy, corporate plans, budgets, performance plan / regime 	<p>Annual Business Plan – Corporate Improvement Plan</p> <p>Southampton's Community Strategy</p>	<p>As stated before</p>		
<p>Protocols for partnership working. For each partnership there is:</p> <ul style="list-style-type: none"> i. A clear statement of the partnership principles and objectives ii. Clarity of each partner's role within the partnership iii. Definition of roles of partnership board members iv. Line management responsibilities for staff who support the partnership v. A statement of funding sources for joint projects and clear accountability for proper financial administration vi. A protocol for dispute resolution within the partnership 	<p>Partnership Terms of Reference and/or Constitutions</p> <p>SCC Partnership Code & Toolkit.</p> <p>Should be incorporated within each Partnership's Terms of Reference and/or Constitution?</p>	<p>ToRs available on SP website.</p> <p>SCC Partnership Code & Toolkit, along with A-Z Directory on Intranet.</p>	<p>SCC Partnership Toolkit formally adopted by Council in May 2009. Training & awareness provided for senior managers & Members.</p>	<p>All existing statutory and non-statutory partnerships will be required to undertake a self-assessment against the Partnership Code & Toolkit by the 31st December 2010. Briefings on the Partnership Code & Toolkit, and the A-Z Directory, have been held for senior managers and Members</p> <p>The results of these self-assessments will provide an overall governance benchmark</p>
<p>(NB from special report <i>Local Partnership and Citizen Redress</i> by LGO</p>				

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

How the principles of corporate governance should be reflected

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.

Good governance builds on the seven principles for conduct of people in public life that were established by the Committee on Standards in Public Life, known as the Nolan principles. In England, the Local Government Act 2000 outlined ten principles of conduct – an additional three to those identified by Nolan – for use in local government bodies. The Nolan seven principles and additional three principles are included in the guidance notes accompanying this Framework.

A hallmark of good governance is the development of shared values, which become part of the organisation's culture, underpinning policy and behaviour throughout the organisation, from the governing body to all staff. These are in addition to compliance with legal requirements on, for example, equal opportunities and anti-discrimination.

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
Members / Officers Code of Conduct performance management system Performance appraisal Complaints procedures Anti-fraud and corruption policy Member / Officer Protocols	Constitution: Part 5 Members' Code of Conduct and Officers' Code of Conduct Whistleblowing (Duty to Act) Anti-Fraud and Anti-Corruption Policy and Strategy Corporate Complaints Procedure Declaration of Interests Register of Gifts and Hospitality for Members Register of Gifts and Hospitality for Officers	All reviewed annually or following revision by Government		

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
<ul style="list-style-type: none"> ▪ Standing Orders ▪ Codes of Conduct ▪ Financial Regulations 	<p>Constitution: Part 5 Members' Code of Conduct and Officers' Code of Conduct</p> <p>Constitution: Part 4 Financial Procedure Rules</p> <p>Constitution: Part 4 Contracts Procedure Rules</p>	All reviewed annually at least	See above. Financial limits are to be revised (ie de minimus limit for Key Decisions) as a part on Constitution review	
<p>Codes of Conduct</p> <p>Terms of reference</p>	<p>Constitution: Part 5 Members' Code of Conduct and Officers' Code of Conduct</p> <p>Constitution: Part 2 (Article 9) Terms of Reference Standards and Governance Committee</p> <p>Constitution: Part 3 Responsibility for Functions – Terms of Reference Standards and Governance Committee</p>	All reviewed annually at least		
<p>Regular reporting to the authority</p> <p>Decision-making practices</p> <p>Protocols for partnership working</p>	Constitution generally	See above		

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

How the principles of corporate governance should be reflected

Decision-making within a good governance framework is complex and challenging. It must further the organisation's purpose and strategic direction and be robust in the medium and longer terms. To make such decisions, authority members must be well informed.

Members making decisions need the support of appropriate systems, to help to ensure that decisions are implemented and that resources are used legally and efficiently.

Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective.

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
<p>Scrutiny is supported by robust evidence and data analysis</p> <p>Decision-making protocols record of decisions and supporting materials</p> <p>Members' Code of Conduct</p>	<p>Constitution: Part 10 – Recording Officer Decisions</p> <p>Constitution: Part 5 Members' Code of Conduct and Officers' Code of Conduct</p>	<p>Key & Significant decisions records held centrally by Democratic Services</p>		
<ul style="list-style-type: none"> ▪ Terms of reference ▪ Membership ▪ Training for committee members <p>Complaints procedure</p>	<p>Constitution: Part 3 Responsibility for Functions – Terms of reference Audit Committee</p> <p>Corporate Complaints Procedure</p>	<p>As before</p>		

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
Members' Induction Scheme Training for committee chairs	In place			Annual post election programme in place for May 2010 onwards
Record of decision-making and supporting materials	Constitution: Part 10 Recording Officer Decisions	As before		
<ul style="list-style-type: none"> ▪ Risk Management protocol ▪ Financial standards and regulations Whistleblowing Policy	<ul style="list-style-type: none"> ▪ RM Policy and Strategy ▪ Constitution: Part 4 Financial Procedure Rules Whistleblowing (Duty to Act)			
<ul style="list-style-type: none"> ▪ Constitution ▪ Monitoring Officer provisions ▪ Statutory provisions ▪ Monitoring Officer provisions ▪ Job description / specification ▪ Statutory provision 	Constitution	As before		

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

How the principles of corporate governance should be reflected

Effective local government relies on public confidence in authority members, whether elected or appointed, and in officers. Good governance strengthens credibility and confidence in our public services.

Authorities need people with the right skills to direct and control them effectively. Governance roles and responsibilities are challenging and demanding, and authority members need the right skills for their roles. In addition, governance is strengthened by the participation of people with many different types of knowledge and experience.

Good governance means drawing on the largest possible pool of potential members to recruit people with the necessary skills. Encouraging a wide range of people to stand for election or apply for appointed positions will develop a membership that has a greater range of expertise and knowledge. It will also help to increase the diversity of authority members in terms of age, ethnic background, social class, life experiences, gender and disability. This concept should also be borne in mind when members are appointed to the boards of other public service organisations.

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
<ul style="list-style-type: none"> ▪ Training and development plan ▪ Induction programme ▪ Update course / information <p>Job descriptions / personal specifications membership of top management team</p>	<p>Member training and induction programme</p> <ul style="list-style-type: none"> ▪ Job descriptions ▪ Competency statements 		<p>Member Development Strategy developed and maintained by Member User Group in addition to PDP planning</p>	

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
Training Development Plan				
<p>Training and development plan reflect requirements of a modern councillor including:</p> <ul style="list-style-type: none"> i. The ability to scrutinise and challenge ii. The ability to recognise when outside advice is required iii. Advice on how to act as an ambassador for the community iv. Leadership and influencing skills 	Member training and induction programme			Training and induction programme reviewed annually

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

How the principles of corporate governance should be reflected

Local government is accountable in a number of ways. Elected local authority members are democratically accountable to their local area and this gives a clear leadership role in building sustainable communities. All members must account to their communities for the decisions they have taken and the rationale behind those decisions. All authorities are subject to external review through the external audit of their financial statements. They are required to publish their financial statements and are encouraged to prepare an annual report. Many are subject to national standards and targets. Their budgets are effectively subject to significant influence and overview by government, which has powers to intervene. Both members and officers are subject to codes of conduct. Additionally, where maladministration may have occurred, an aggrieved person may appeal either through their local councillor or directly to the ombudsman.

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
City of Southampton Strategy	Southampton's Community Strategy Neighbourhood Management arrangements	New arrangements implemented as referred to above		Neighbourhood Management arrangements have been refocused to more carefully meet the needs of local people based around a three district area model (West, Central and East). The majority of frontline services have re-aligned the services into the three area model and this is affording closer links with the Police, Hampshire Fire & Rescue services and the Health service providers who all operate on a similar three area model. Local priorities are identified

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				<p>and actioned through a number of routes including Community Priority Planning meetings (led by the Police), feedback from Friends, Resident / Tenant and Community groups and voluntary sector stakeholders and other partners.</p> <p>Ward Councillors play an active role in championing local issues at multiple levels.</p> <p>In the past year multi agency District Management Groups have been established that focus on overseeing / establishing the district priorities & coordinating actions to address the key priorities for each district area (with a current focus on environmental & safety issues as part of the Crime & Disorder Reduction Partnership). The DMG's link closely with the 'localities team working' that is being developed by Children & Young People services and Health providers as there are a number of areas where an integrated approach is</p>

Source documents / good practice / other means that may be used to demonstrate compliance	Suggested evidence (cross ref with evidence in SCC's current Code of Corporate Governance)	Progress / Evidence	Issues	Action
Annual report	Annual report			essential to maximise the opportunities for local communities and the city.
Processes for dealing with competing demands within the community	City of Southampton Strategy			
Partnership framework Communication strategy	Southampton's Local Area Agreement Neighbourhood Management arrangements Southampton Partnership Constitution Southampton portal for partnership working at www.southampton-partnership.com	Updated fortnightly		
<ul style="list-style-type: none"> ▪ Annual report ▪ Annual financial statements ▪ Annual business plan 	Annual Business Plan – Corporate Improvement Plan Annual Governance Statement (formerly SIC) Medium Term Service & Financial Plan	Updated annually – May Council Reviewed every 2 years		
Constitution	Constitution – Articles 1 & 2			
Constitution	Constitution			