

CODE OF CORPORATE GOVERNANCE



What is Corporate Governance?

Corporate governance comprises the systems and values by which councils are directed and controlled and through which they are accountable to and engage with their communities.

To demonstrate compliance with the principles of good corporate governance, Southampton City Council must ensure that it does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

“Delivering Good Governance in Local Government (2012)”

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) have published a framework and guidance notes entitled, “*Delivering Good Governance in Local Government*” (the CIPFA / SOLACE Framework”). This provides guidance to local authorities on how to establish a locally adopted code of corporate governance.

Southampton City Council is committed to applying the six core principles of good governance set out in the CIPFA / SOLACE Framework of:

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

What is the purpose of this Code of Corporate Governance?

Good governance is crucial as it leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users. Further, good governance enables an authority to pursue its aims effectively whilst controlling and managing risk.

Southampton City Council has a robust Constitution and associated governance documents and arrangements in place. Together, they demonstrate that the Council is committed to ensuring that a robust governance framework is in place and one that reflects the core principles of the CIPFA / SOLACE Framework.

The purpose of this Code of Corporate Governance is therefore to provide a simple document with, where appropriate, hyperlinks to relevant documents relating to governance which are available free of charge on the Council’s website.

PRINCIPLE 1: Focusing on the purpose of the authority and the outcomes for the community and creating and implementing a vision for the local area.

Supporting Principles	Evidence
<p>1. Exercising strategic leadership by developing and clearly communicating the Council's purpose and vision and its intended outcome for citizens and service users.</p>	<ul style="list-style-type: none"> • The Council Plan • Southampton Connect Plan • Local Development Framework • Sustainability Principles Document •
<p>2. Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.</p>	<ul style="list-style-type: none"> • The Council Plan • Southampton Connect Plan • Council Constitution (Part 5) – Partnership Code • Procurement Strategy • Customer Access Strategy (in development) • Customer Feedback Procedure • Customer Charter • Comment, Compliment, Complaints Policy • Sustainability Principles Document • Council Performance - webpage
<p>3. Ensuring that the Council makes best use of resources and that tax payers and service users receive excellent value for money.</p>	<ul style="list-style-type: none"> • Medium Term Financial Strategy • Statement of Accounts • Annual Governance Statement (Part of the Statement of Accounts) • Annual Audit Letter • Council Constitution (Part 4) – Financial Procedure Rules • Council Constitution (Part 4) – Budget Policy Framework Procedure Rules • Council Constitution (Part 4) - Contract Procedure Rules • Capital Strategy • Treasury Management Strategy • Asset Management Strategy • Transparency - Publication of Data • Decision Making Guide and Information • Council Performance - webpage • Budget Consultation Process • HRA Budget Report & Business Plan • General Fund Revenue Budget 2013/14 to 2015/16

PRINCIPLE 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles.

Supporting Principles	Evidence
<p>1. Ensuring effective leadership throughout the Council and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.</p>	<ul style="list-style-type: none"> • <u>Council Constitution</u> • <u>Council Constitution</u> (Part 4) – Overview & Scrutiny Terms of Reference • <u>Constitution</u> (Part 3) – Roles and Responsibilities of Senior Officers • <u>Council Constitution</u> (Part 4) – Overview and Scrutiny Procedure Rules • <u>Council Constitution</u> (Part 5) – Officer Member Protocol • <u>Council Constitution</u> (Part 5) Members' Code of Conduct
<p>2. Ensuring that a constructive working relationship exists between Council Members and officers and that the responsibilities of Members and officers are carried out to a high standard.</p>	<ul style="list-style-type: none"> • <u>Council Constitution</u> (Part 5) – Officer Member Protocol • <u>Council Constitution</u> (Part 5) - Members' Code of Conduct • <u>Council Constitution</u> (Part 5) Officers Code of Conduct
<p>3. Ensuring relationships between the Council, its partners and the public are clear so that each knows what to expect of the other</p>	<ul style="list-style-type: none"> • <u>Council Constitution</u> (Part 5) <u>Partnership Code</u> • <u>Customer Charter</u> • <u>Comment, Compliment, Complaints Policy</u>

PRINCIPLE 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

Supporting Principles	Evidence
<p>1. Ensuring Council Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance</p>	<ul style="list-style-type: none"> • Council Constitution (Part 5) - Members' Code of Conduct including Register of Interests • <u>Council Constitution</u> (Part 5) Officers Code of Conduct • Officer Code of Conduct including register of Gifts and Hospitality • Regulation of Investigatory Powers Act 2000 • Corporate Surveillance Policy • <u>Council Constitution</u> • <u>Council Constitution</u> (Part 4) – Financial Procedure Rules • <u>Council Values</u>

<p>2. Ensuring that organisational values are put into practice and are effective.</p>	<ul style="list-style-type: none"> • Council Constitution (Part 4) - Executive Procedure Rules • Council Constitution (Part 10) – Officer Scheme of Delegation • The Council Plan • Transparency - Publication of Data
--	--

PRINCIPLE 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

Supporting Principles	Evidence
<p>1. Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny</p>	<ul style="list-style-type: none"> • Council Constitution • Council Constitution – (Part 4) – Council Procedure Rules • Council Constitution (Part 4) – Overview Scrutiny Procedure Rules • Council Constitution (Part 3) – Responsibility for Functions: Terms of Reference - Overview & Scrutiny • Regulation of Investigatory Powers Act 2000 Corporate Surveillance • Data Protection Policy • Comment, Compliment, Complaints Policy • Publication Scheme
<p>2. Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants or needs</p>	<ul style="list-style-type: none"> • Data Quality Policy • Constitution (Part 2) – Decision Making • Customer Access Strategy (in development) • Council Constitution (Part 4) - Executive Procedure Rules • Council Constitution (Part 10) – Officer Scheme of Delegation • Customer Charter • The Council Plan • Southampton Connect Plan
<p>3. Ensuring that an effective risk management system is in place</p>	<ul style="list-style-type: none"> • Risk Management Policy & Strategy • Strategic Risk Register • Annual Audit Letter
<p>4. Using the Council’s legal powers to the full benefit of the citizens and communities in the City</p>	<ul style="list-style-type: none"> • Council Constitution • Council Constitution -(Part 5) – Monitoring Officer Protocol

PRINCIPLE 5: Developing the capacity and capability of members and officers to be effective.

Supporting Principles	Evidence
1. Making sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.	<ul style="list-style-type: none"> • Member User Group • Workforce Strategy (People Plan)
2. Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.	<ul style="list-style-type: none"> • Council Performance - webpage • Member User Group • Member Training Programme and Councillor Personal Development Plan • Workforce Strategy
3. Encouraging new talent for membership of the Council so that best use can be made of individuals' skills and resources in balancing continuity and renewal.	<ul style="list-style-type: none"> • Customer Access Strategy (in development) • Council Constitution • Equalities Scheme • Southampton Compact - Partnership working with the community and voluntary sector

PRINCIPLE 6: Engaging with local people and other stakeholders to ensure robust public accountability.

Supporting Principles	Evidence
1. Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships	<ul style="list-style-type: none"> • Council Constitution (Part 4) - Overview & Scrutiny Procedure Rules • The Council Plan • Customer Access Strategy (in development) • Council Constitution (Part 5) – Partnership Code • Connect Plan • Customer Charter • Southampton Compact - Partnership working with the community and voluntary sector
2. 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 Council, in partnership or by commissioning.	<ul style="list-style-type: none"> • The Council Plan • The Sustainable Communities Strategy • y • Statement of Accounts • Budget Consultation Process • Medium Term Financial Strategy • Equality and Safety Impact Assessments • Council Constitution (Part 5) – Partnership

	Code <ul style="list-style-type: none"> • <u>Sustainability Principles Document</u>
3. Making best use of human resources by taking an active and planned approach to meet responsibility to staff.	<ul style="list-style-type: none"> • Workforce Strategy (People Plan)

Monitoring and Review

The Council will monitor the arrangements set out in this Code of Corporate Governance for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date.

Each year the Council will publish an Annual Governance Statement which will explain and assess how the Council has complied with this Code of Corporate Governance and provide details of how continual improvement in the system of internal control will be achieved.

The Governance Committee has responsibility at Member level and the Monitoring Officer has responsibility at officer level for reviewing the corporate governance arrangements set out in this Code of Corporate Governance. Further, the Governance Committee generally considers all processes for risk, control and governance and provides independent, effective assurance about the adequacy of the Council's governance environment and is responsible for promoting and maintaining high standards of probity and conduct of Members and co-opted members.

April 2014