

## **Local Code of Corporate Governance**

### **1.0 Introduction**

1.1 Sevenoaks District Council is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through the development, adoption and continued maintenance of a Local Code of Corporate Governance. Therefore this document sets out and describes the Council's commitment to corporate governance. It identifies the arrangements that have been made and will continue to be made, to ensure its effective implementation and application in all aspects of the Council's work.

### **2.0 Corporate Governance?**

2.1 Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

2.2 International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) defines governance in the following way: *Governance comprises the arrangements put in place to ensure that intended outcomes for stakeholders are defined and achieved.*

2.3 Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes.

2.4 The Council recognises that effective local government relies upon the public establishing and maintaining a level of confidence with both elected Members and Officers of the Council.

2.5 Setting high standards of self-governance provides a clear and demonstrable lead to both our existing and potential partners.

### **3.0 The 'Governing Body'**

3.1 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. In England, the Local Government Act 2000 introduced new governing structures for all local councils, clarifying responsibility for making decisions and establishing a scrutiny role. The Localism Act 2011 amended the provisions relating to Executive Arrangements and allowed local authorities to return to decision-making by committees if they so resolved.

- 3.2 Executive arrangements must include one or more overview and scrutiny committees through which non-executive councillors can question and challenge the policy and performance of the executive and promote public debate. Local authorities also have the General Power of Competence empowering them to act as an individual generally may.
- 3.3 Elected Members are collectively responsible for the governance of the council.

The full council's responsibilities include:

- agreeing the council's constitution comprising the key governance documents including the executive arrangements and making major changes to reflect best practice;
- agreeing the policy framework including the community strategy and other key strategies;
- agreeing the budget.

The executive is responsible for:

- proposing the policy framework and key strategies;
  - proposing the budget;
  - implementing the policy framework and key strategies.
- 3.4 The Chief Executive advises councillors on policy and necessary procedures to drive the aims and objectives of the authority. The Chief Executive is Head of Paid Service and leads a management team consisting of senior managers. The Chief Financial Officer (who is s.151 officer), Monitoring Officer and other senior managers are responsible for advising Members on all relevant issues including legislative, financial and policy considerations.
- 3.5 Sevenoaks District Council currently consists of 54 elected Members. The Council operates a Leader and Cabinet system with seven Cabinet Members. Members carry their own portfolios in line with the Council's key aims. In addition there is a statutory Scrutiny Committee along with , a number of statutory and regulatory committees (such as the Development Control Committee, Licensing Committee and Standards Committee). The Council's Governance Committee has terms of reference generally relating to the good governance of the Council, for example it is required to advise on amendments to the Constitution.
- 3.6 The Council has appointed an Audit Committee to discharge the functions conferred by the Accounts and Audit Regulations 2015. It is established to do this in compliance with Regulations 3 and 6 of the Accounts and Audit Regulations 2015. It has a wide auditing remit including approval of the Annual Governance Statement.

3.7 The Cabinet is advised by a number of Advisory Committees which have no executive power.

#### **4.0 The Principles of Corporate Governance**

4.1 The District Council positively recognises and accepts the following seven core principles of good governance, as identified in Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE, 2016):

- *Core principle 1 - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;*
- *Core principle 2 - Ensuring openness and comprehensive stakeholder engagement;*
- *Core principle 3 - Defining outcomes in terms of sustainable economic, social and environmental benefits;*
- *Core principle 4 - Determining the interventions necessary to optimise the achievement of the intended outcomes;*
- *Core principle 5 - Developing the entity's capacity, including the capability of its leadership and the individuals within it;*
- *Core principle 6 - Managing risks and performance through robust internal control and strong public financial management;*
- *Core principle 7 - Implementing good practices in transparency, reporting and audit to deliver effective accountability.*

4.2 The Council accepts that in order to comply with these principles, it must undertake to ensure that systems and processes are continually monitored and reviewed and are kept up to date.

4.3 The Council accepts that good corporate governance can only be achieved if effective leadership is demonstrated through the Council providing a vision for its community and leading by example in its decision making and other processes and actions. Members and Officers must at all times also conduct themselves in accordance with high standards of conduct.

#### **5.0 Corporate Plan**

5.1 The Council is determined to ensure Sevenoaks District Council is an organisation that each and every one of its residents and businesses can be proud of.

5.2 The Council's Vision is:

- To provide value for money;
- To work in partnership to keep the District of Sevenoaks safe;
- To collect rubbish efficiently and effectively;
- To protect the Green Belt; and

- To support and develop the local economy.

5.3 Central to the Council's success is its belief in customer service and the empowerment of its staff. 'The customer is anyone who isn't me' is everyday language and known by all of the staff.

5.4 The Council trusts staff to take decisions, to take informed risks and to innovate. It does not look to blame, but instead focus on what can be done differently next time. This approach has allowed the Council to reduce its budgets and workforce whilst seeing improvements in productivity, performance and satisfaction with services.

## **6.0 Openness and Reporting**

6.1 The Council reaffirms its commitments in the Local Code of Corporate Governance (2008) to:

- (a) Ensure that the Local Code of Corporate Governance is made available and communicated to all Members and Officers and is available for inspection by the public;
- (b) Designate a senior Officer as responsible for overseeing, implementing, monitoring and reviewing the operation of the Local Code of Corporate Governance;
- (c) Report annually in the Annual Governance Statement on compliance with the Code and any changes that may be necessary to maintain it and ensure its effectiveness. This will include any recommendations made by recognised external bodies such as external auditors;
- (d) Where appropriate develop an Action Plan to identify and review areas of the Code where further work is required, and make the necessary arrangements to ensure it is undertaken.
- (e) Provide annual statements in key corporate documents on how the Council is complying with the Code, including how it has maintained the effectiveness of its corporate governance arrangements during the year and any planned changes for the forthcoming year.
- (f) Ensure that actions identified in any Corporate Governance Action Plan which is developed will receive full consideration within the budget setting process.

## **7.0 Commitments**

7.1 The Council also reaffirms its previous commitment to ensure that the principles of corporate governance will be applied in all aspects of its corporate activities and in particular:

- Sevenoaks District Council will welcome constructive challenge as an opportunity to learn and improve performance. It may come from a variety of forms - external audit, regulatory, inspection, peer review, commissioned consultants or input from other high-performing authorities;
- Sevenoaks District Council will support good practice for political parties to identify the future skills base and type of representation needed for politicians and, using appropriate selection methods, to take steps to fill these gaps when seeking candidates for election and for succession planning;
- Sevenoaks District Council will support good practice for new chief executive and leader pairings to consider how best to establish and maintain effective communication.
- Sevenoaks District Council will support good practice for Members and Officers to reject offers of hospitality, such as invitations to sporting events, from firms that the authority is contracting with, or may contract with in the future;
- Although scrutiny generally looks at issues and policies once they are in place scrutiny should also take place at the policy development stage. Sevenoaks District Council will aim to achieve this;
- Sevenoaks District Council will support good practice for political parties to appraise the performance of those that are elected and put in place training and development programmes to fill any skills gaps and also for future politicians;
- Sevenoaks District Council will support good practice for appraisals of the Chief Executive's performance to be externally validated;
- Sevenoaks District Council, as a local authority, is well placed to understand and respond to particular challenges within the local community. By bringing together key representatives from community, religious and political groups they can encourage debate on such issues as integration and policing and focus on shared values.

## **8.0 Compliance with the Principles**

- 8.1 The Council may choose to adopt and adhere to an Action Plan which sets out the extent to which the Council is complying with the principles of Good Governance and provides for areas of improvement.
- 8.2 Such a document is to be based on the principles and sub principles set out in the Framework.