

BABERGH DISTRICT COUNCIL

From: Director of Finance	Report Number: L49
To: OVERVIEW AND SCRUTINY (STEWARDSHIP) COMMITTEE	Date of Meeting: 12 July 2011

ANNUAL GOVERNANCE STATEMENT 2010/11

1. Purpose of Report

- 1.1 This report reviews the Council's Corporate Governance arrangements as required by the Accounts and Audit (Amendment) (England) Regulations 2011 and seeks approval to the Annual Governance Statement that has been prepared. This is the responsibility of the Overview and Scrutiny (Stewardship) Committee, which acts as the Council's Audit Committee.
- 1.2 To advise Members of proposed changes to the Council's existing Code of Corporate Governance. Appendix B refers.

2. Recommendations

- 2.1 It is recommended that the Committee approves the Annual Governance Statement in Appendix A, based on the evidence in supporting Annex A, and notes that, subject to that approval, the Chairman of the Strategy Committee will sign the 2010/11 Annual Governance Statement on behalf of the Council.
- 2.2 Members are asked to recommend the revised Local Code of Corporate Governance in Appendix B to Strategy Committee for approval, which incorporates recent changes as a result of the Chartered Institute of Public Finance and Accountancy's "Statement on the Role of the Chief Financial Officer in Public Service Organisations".

The Committee is able to resolve recommendation 2.1.

3. Financial Implications

- 3.1 There are no direct financial implications as a result of this report.

4. Risk Management

- 4.1 This report is most closely linked with the Council's Significant Business Risk No. 6 - Performance and Cost Management. Key risks are set out below:

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
Failure to regularly monitor and improve the Council's arrangements could weaken corporate governance, have an impact on service delivery and lead to adverse comments from the External Auditor.	Low	Critical	The Statement is fully supported by relevant documentation and evidence. An action plan to address the issues identified will be incorporated in the Council's overall Corporate Improvement Plan.

5. Consultations

- 5.1 Assurances from senior management within the Council were sought on the extent to which key control systems have operated effectively within their area of responsibility throughout the year.

6. Equality and Diversity Impact

- 6.1 Equality and diversity implications have been considered within the Annual Governance Statement (AGS) arrangements.

7. Shared Service/Partnership Implications

- 7.1 There are no implications for shared services or partnerships arising from this report. However, it is recognised within the report that through the integration process Babergh and Mid Suffolk will look to produce a combined AGS in the future.

8. Key Information

Legislation

- 8.1 The Accounts and Audit (Amendment) (England) Regulations 2011 require the Council to prepare and publish an Annual Governance Statement.
- 8.2 The preparation and publication of the AGS meets the statutory requirement of the Accounts and Audit Regulations, which requires authorities to "conduct a review at least once in a year of the effectiveness of its system of internal control" and to prepare a statement on internal control "in accordance with proper practices". It is the responsibility of this Committee to monitor and review the Council's Corporate Governance arrangements.

What is Governance?

- 8.3 Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems, processes, cultures and values, by which the Council is directed and controlled and through which it is accountable to, engages with and, where appropriate, leads communities.
- 8.4 Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately to good outcomes for the citizens and service users of Babergh.
- 8.5 Good governance has never been so important, particularly with the public sector financial cuts and the need to achieve “more for less”. Service integration with Mid Suffolk District Council will address this but strong governance arrangements will clearly continue to be critical to effective service delivery.
- 8.6 In September 2008 the Council approved and adopted a Local Code of Corporate Governance, which was consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework ‘*Delivering Good Governance in Local Government*’. The core governance principles under the code are set out in **Appendix A**, paragraph 3.1.
- 8.7 Members are now asked to recommend a revised Local Code of Corporate Governance which brings it up to date with the recent Chartered Institute of Public Finance and Accountancy’s “*Statement on the Role of the Chief Financial Officer in Public Service Organisations*” for approval at the next Strategy Committee. **Appendix B** refers. The Statement sets out five principles that define the core activities and behaviours that belong to the role of the Chief Financial Officer (CFO) and the governance requirements needed to support them. This is consistent with the Chief Executive’s senior management proposals for Babergh and Mid Suffolk.
- 8.8 Whilst the format of the Council’s Local Code of Corporate Governance remains the same it has been updated in line with the above changes, which are shown in *italics* within **Appendix B**.
- 8.9 The governance framework is designed to facilitate the efficient and effective achievement of the Council’s policies, aims and strategic priorities and to identify and manage risk to a reasonable level. The governance framework is embedded within the Constitution and the systems, procedures and operations in place throughout the Council. The revised Local Code of Corporate Governance addresses these principles in more detail.
- 8.10 The 2010/11 AGS has regard to this code and the arrangements that are in place. This is attached at Appendix A and covers:
- The Council’s responsibilities in terms of the governance framework;
 - Babergh’s governance environment relating to the six laid down corporate governance principles (Annex A refers); and
 - The effectiveness of Babergh’s arrangements and any governance issues identified that will require actioning to address these.

The Role of the Overview and Scrutiny (Stewardship) Committee

8.11 The AGS covers the system of internal control and risk management, within the overall corporate governance arrangements. This Committee has responsibility for scrutinising the AGS. In undertaking its role it is suggested that the Committee:-

- Considers the AGS (**Appendix A and supporting Annex A**).
- Gives its views on any matters that need further consideration.

The AGS Review Process

8.12 The Audit Manager has had responsibility for co-ordinating the collection of evidence and, together with the Director of Finance (the Council's S151 Officer), has evaluated assurances and supporting evidence to determine whether they are consistent with the governance framework. The review process includes:

- Obtaining assurance from senior management within the Council on the extent that key control systems have operated effectively within their area of responsibility throughout the year;
- Reviewing the Council's governance framework against the best practice governance framework developed by CIPFA/SOLACE;
- Reviewing External Audit and Inspection reports, Internal Audit reports and management monitoring reports;
- Consulting on risk management issues with Babergh's senior management and also with Mid Suffolk senior officers as part of the joint approach to an integrated risk management process; and
- A review of last year's AGS.

Key areas of work

8.13 The current economic climate continues to have a significant impact on local authorities, with significant cuts announced in the government's spending review of autumn 2010. The Council is responding to these changes by seeking opportunities for joint/partnership working with other local authorities, e.g. the Shared Revenue Partnership and Benefit Fraud Partnership with Ipswich Borough Council and Mid Suffolk District Council; a joint Internal Audit Plan with Mid Suffolk.

8.14 In addition, Babergh and Mid Suffolk are looking to integrate staff and services, the purpose of which is to achieve savings for both, whilst maintaining and where possible improving services offered to the residents of both areas.

Developments within the Governance arena

8.15 The attainment of the new coalition government in May 2010 has signalled the start of a programme of radical change for local authorities.

- 8.16 The expected challenge of delivering services with a severely reduced budget was confirmed in the October's 2010 Comprehensive Spending Review. Babergh had already begun planning well in advance of the financial settlement announcement.
- 8.17 There have also been significant changes to the audit and inspection regimes. The Audit Commission is set to be abolished and alongside that, the Comprehensive Area Assessment that it carried out. In addition, the National Indicator Set and Local Area Assessments have been dropped. A guiding principle of all this is that services should be held to account by their users, and local authorities by their residents, rather than by central government.
- 8.18 To replace these former centrally driven processes, a number of new requirements are coming into being. For example the Department for Communities and Local Government has published the Single Data List for Local Government. The List sets out for the first time, all the datasets that central government departments require councils to collect and submit in 2011/12. Local authorities are now required to publish more information on spending to enable local residents to hold the Council to account as part of the Transparency Agenda. Inspection through national bodies is proposed to be replaced by sector-led self-regulation, under the guidance of the Local Government Group.
- 8.19 We have moved into a period of significant change and transition which is requiring local authorities to move from a traditional centralised inspection model to a locally driven accountability structure. The principles and purpose of good governance will remain, however, the future governance arrangements may need to be revised to reflect these changes.
- 8.20 Through the integration process Babergh and Mid Suffolk will look to produce a combined AGS for 2011/12.

9. Appendices

	Title	Location
A	Annual Governance Statement	Attached
B	Revised Local Code of Corporate Governance	Attached

10. Background Documents

10.1 None

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Babergh District Council

ANNUAL GOVERNANCE STATEMENT 2010/11

1. Scope of Responsibility

- 1.1. The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2. In discharging this overall responsibility, the Council needs to have in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3. The Council has updated its Local Code of Corporate Governance, which is consistent with the principles of the CIPFA (the Chartered Institute of Public Finance and Accountancy)/SOLACE (the Society of Local Authority Chief Executives and Senior Managers) Framework '*Delivering Good Governance in Local Government*'. The core principles are listed in 3.1.

A copy of the code is on the Council's website at:

<http://www.babergh.gov.uk/Babergh/Home/About+us/How+we+work/Local+Code+of+Corporate+Governance.htm>

In addition, further information relating to the Council's governance arrangements have been placed in a dedicated area on the Council's website for the convenience of its stakeholders, local people and communities.

- 1.4. This statement assesses the Council's governance framework for the year ended 31 March 2011 and up to the date of approval of the Statement of Accounts. It explains how the Council has complied with the Local Code and the CIPFA/SOLACE Framework, and also meets the requirements of the Accounts and Audit Regulations 2011 in relation to the publication of a statement on internal control.

2. The Purpose of the Governance Framework

- 2.1. Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

- 2.2. The governance framework comprises the Council's systems and processes, its culture and values and the way in which it accounts to, engages with and leads the community. These ensure that the Council monitors progress on achieving its strategic aims and priorities and enables it to consider whether these have led to the delivery of high-quality, cost effective services, which meet the needs of those using them.
- 2.3 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot however eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and priorities, to evaluate the likelihood of those risks being realised (and the impact should they be realised) and to manage them efficiently, effectively and economically.

3. The Council's Governance Framework and Arrangements

- 3.1. The core governance principles of the Council (based on the national CIPFA/SOLACE Framework), as set out in the Local Code of Corporate Governance, are as follows:
- Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area;
 - Members and officers working together to achieve common purpose with clearly defined functions and roles;
 - Promoting values for the Council 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; and
 - Engaging with local people and other stakeholders to ensure robust public accountability.
- 3.2 Key evidence to support and demonstrate the Council's governance arrangements against the core principles, as listed above, are reported in **Annex A**.
- 3.3 In June 2009, CIPFA issued a *Statement on the Role of the Chief Financial Officer in Public Service Organisations*. The Statement supports work to strengthen governance and financial management across the public services.

It consists of the following over-arching principles and is supported by good practice benchmark checklists in relation to:-

- a) governance requirements;
- b) core responsibilities of the Chief Financial Officer; and
- c) personal skills and professional standards.

- 3.4 In the Statement CIPFA recommends that organisations should use the Statement as a framework to benchmark their existing arrangements, and that they should report publicly on compliance to demonstrate commitment to good practice in both governance and financial management.
- 3.5 The Director of Finance and Audit Manager have undertaken an assessment to determine the degree with which the Council complies with the checklist. Overall, this shows that the Council is already substantially complying with the requirements. One important area concerns collaborating with partners and stakeholders when planning the longer term financial strategy of the Council. This area has been acknowledged and indeed is a fundamental part of the work being undertaken to take forward our integration strategy with Mid Suffolk District Council.
- 3.6 The governance requirements to support the principles in the Chief Financial Officer statement have been incorporated into a review and update of the Council's Local Code of Corporate Governance, which Members are asked to approve. Appendix B refers.

4. Review of Effectiveness of Arrangements

Current corporate governance arrangements

- 4.1 The Council annually reviews the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by managers within the Council who have a responsibility for the development and maintenance of the governance environment, the work of internal audit and comments made by the external auditors and other inspection agencies.
- 4.2 For 2010/11, this has been achieved through:
- A review of the evidence supporting the core governance principles by senior management.
 - The Head of Audit's overall opinion of the Council's internal control arrangements as reported in his Annual Audit Report 2010/11; and
 - Reports submitted by the External Auditors, other review agencies and inspectorates.
- 4.3 The AGS is reported to and considered by our External Auditors, who have a role in advising whether robust corporate governance arrangements are in place.

Systems and processes in place

- 4.4 Examples of the Council's arrangements are provided below. They include those existing arrangements, which continue to be effective, and those developed or strengthened during 2010/11.

Scrutiny arrangements

- The Overview & Scrutiny (Stewardship) Committee acts as the Council's Audit Committee and has responsibility for reviewing the adequacy of internal controls, monitoring the performance of internal audit, monitoring the effectiveness of the risk management framework, monitoring corporate performance of the Council and considering the effectiveness of the Council's governance arrangements.
- Clear scrutiny arrangements to develop policy and monitor the decisions of the Strategy Committee exist. Overview and Scrutiny Committees can 'call-in' a Strategy Committee decision, which has been made but not yet implemented to enable them to consider whether the decision was made in an appropriate manner.
- An effective Standards Committee is maintained, which regulates and oversees the national Code of Conduct. The Monitoring Officer maintains the Council's Constitution and promotes high standards of conduct through the provision of support to the Standards Committee. It should be noted that the Localism Bill proposes dismantling the Standards Committee and are currently awaiting details regarding this.

Senior Management arrangements

- The Council's Management Team meet regularly to discuss strategic matters together with endorsing specified reports prior to them being considered by the Council's relevant Committees.
- The Director of Finance is Section 151 Officer of the Local Government Act 1972 and is part of the current BDC Management Team (and Joint Member Board since May 2011). This post is responsible for ensuring that appropriate advice is given to the Council on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal control.
- Since September 2010 Babergh has shared a Monitoring Officer with Mid Suffolk and there are now three Deputy Monitoring Officers across the two authorities. The post is responsible for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with.

Internal Audit arrangements

- In terms of the work carried out by Internal Audit for 2010/11, the Audit Manager in his annual report was of the opinion that the Council's overall internal control arrangements provide an acceptable level of assurance and that there is satisfactory management of risk.
- Internal Audit reports directly to the Director of Finance, who is also the Section 151 Officer. The Audit Manager has the right of direct access to the Chief Executive and the Chairman of the Overview and Scrutiny (Stewardship) Committee, which acts as the Council's Audit Committee.
- A report on each audit, including recommendations for improvement, was issued to the Director of Finance and other relevant directors and Heads of Service. The Chief Executive and Deputy Chief Executive receive all audit reports that have an 'Ineffective' or 'Poor' audit opinion. There are timely reviews and follow up of recommendations to ensure that they are acted upon. Internal Audit also undertakes fraud investigations and fraud detection work.
- An annual review of the effectiveness of the system of internal audit has been undertaken as part of the AGS arrangements. The Director of Finance and the Audit Manager have completed a checklist in relation to this and can confirm that the system of internal audit is effective.

Other internal arrangements

- The Council regularly publicises its Anti-Fraud and Corruption and Whistleblowing Policy, which provide measures to enable confidential public and officer concerns to be raised with the Council.
- The Overview & Scrutiny (Stewardship) Committee receive an annual report on the Council's ethical framework and how it manages the risk of fraud and corruption. This explains the arrangements in place within the Council to ensure there is a pro-active corporate approach to preventing fraud and corruption and creating a culture where fraud and corruption will not be tolerated. It also provides details of proactive work undertaken by Internal Audit and the Fraud Team to deter, prevent and detect fraud and corruption. In addition, a formal complaints policy exists to deal with other matters of public concern regarding services provided by the Council.
- A Significant Business Risk Register is in place and appropriate staff have been trained in the assessment, management and monitoring of risks. The Risk Management process is reviewed to ensure its relevance to the Council and the Overview and Scrutiny (Stewardship) Committee receive quarterly updates on risk management. Clear risk training and refresher programmes, including partnership risks, ensure that all Members and staff have a level of understanding of how risks and opportunities could affect the performance of the Council and to regard the management of those risks as part of their everyday activities.

- The Council has in place arrangements to ensure effective performance and financial monitoring and management arrangements. The Management Team, Heads of Service and relevant managers actively manage that framework. The Overview & Scrutiny (Stewardship) Committee receives quarterly reports on Finance and Performance Management. Reports are linked on areas identified as requiring the attention of both Overview and Scrutiny Committees.

External arrangements

- The external auditor reports on the Council's governance, performance and accounting arrangements. The External Audit Annual Governance Report and Letter for the financial year 2009/10, issued September 2010, included an unqualified opinion on the Council's Accounts and an unqualified value for money conclusion. In addition, External Audit were able to place reliance on Internal Audit's work for the testing of the effectiveness of specific controls.

5. Future governance issues identified

- 5.1 In September 2010, Babergh and Mid Suffolk District Councils voted to begin the process that could see them create a new single local authority. Resident's views were sought on the merger of the two authorities via a local poll held during May/June 2011. The result of the poll was a 'no' vote for the merger.
- 5.2 Both councils will however continue to plan and deliver ways of bringing the two workforces together as a way of achieving savings and improving capacity and resilience and support for frontline services in an era of public sector cuts. This vision will be extremely challenging and which will need to be carefully managed.
- 5.3 Looking forward, as the public sector continues through a period of severe financial constraint, and the Council develops integrated services with Mid Suffolk, there will be a need to ensure that an appropriate and efficient governance framework with effective systems, processes and controls remain in place to maintain the governance standards within the organisation, commensurate with the Council's risk appetite.
- 5.4 The key challenges facing both Councils against a backdrop of severely reduced resources during 2011/12 are:
 - The need to integrate staff and services when currently both Councils operate very differently. As well as different structures in each, there is a different culture and different systems and processes in place.
 - The need to transform the way we work to achieve the desired savings and efficiencies whilst maintaining and improving performance.
 - The range and complexity of partnerships needed for setting local strategies and plans, commissioning and planning services and delivering them and securing outcomes for communities.

5.5 Proposals to address these challenges are currently in hand with engagement from Members, staff and managers.

6. Chief Executive and Chairman of Strategy Committee - Statement of Assurance

6.1 We are already addressing the key governance risks described above and will continue to do so over the coming year to further strengthen our governance arrangements. We are satisfied that these steps will continue to address the need for any improvements that are required and will monitor the issues raised as part of the Council’s annual review.

Signed.....
Charlie Adan, Chief Executive

Signed
Jennie Jenkins, Chairman of
Strategy Committee

Date

Date

EVIDENCE SUPPORTING THE CORE GOVERNANCE PRINCIPLES

ANNEX A

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
1	<p>Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.</p>	<p>Exercising strategic leadership by developing and clearly communicating the Council's purpose and vision and its intended outcome for citizens and service users.</p>	<p>A ten-year strategic plan is in place covering the period 2008-2018. This was developed as a result of extensive consultation with the local community and key stakeholders including surveys of residents, service users, focus groups and specific initiatives to engage with all sections of the community including groups such as young people and migrant workers.</p> <p>This is supported by three-year rolling Medium Term Plans and a one year Delivery Plan, which provides the basis for individual service plans, targets and actions to achieve the desired outcomes the Council is seeking to achieve.</p> <p>The Council also holds an annual State of the District Debate as part of its Policy and Budget Framework. The 2010/11 debate focused on what had changed since the 2009/10 debate and, in particular, the local economy and the continuing impact of the economic recession; access to and provision of services for vulnerable and other specific groups; improving skills and educational attainment; community leadership and value for money.</p> <p>There is consultation with key partners on improvements to service provision and individual projects. Examples include:</p> <ul style="list-style-type: none"> • Through the Local Area Agreement, which looks to ensure that both county wide and local priorities are aligned to the Council's Strategic Plan, thereby maximising opportunities through the effective deployment of resources.

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<ul style="list-style-type: none"> • Through the Local Strategic Partnerships (East and West), which contribute to the planning and greater understanding of community needs. Example of projects in each area include: Provision of mini bus for detached youth work; Advice surgery for young people; Parenting Support Programme. • Other partnerships such as the Haven Gateway and Community Safety Partnerships. Examples of projects in each area include: Significant investment into the Dryport project and developing the CCTV monitoring arrangements in the district with the use of volunteers, leading to an increase in the number of offences being detected. <p>The Council is set to integrate its services with Mid Suffolk DC and in preparation for this has developed a vision for both to work towards. Plans are also being prepared to align both authorities' future plans to ensure that outcomes are delivered as efficiently and effectively as possible.</p>
		<p>Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.</p>	<p>The Council is very pro-active in its approach to the commissioning and procurement of services and the use of the web to drive improvements. Examples of this include:</p> <ul style="list-style-type: none"> • A Procurement Strategy and Framework (2008-11) is in place that reflects the Council's corporate aims and priorities and achieves year-on-year savings. There is an Action Plan to support the strategy and a Procurement Task Group (made up of Members and officers) that monitors, reviews and updates the Action Plan throughout the year.

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<ul style="list-style-type: none"> • Procurement arrangements are based on a clear set of Contract Procedure Rules, a Code of Practice that was introduced in 2009/10 and the use of an E-Procurement software system across the Council. • The Council has in place clear service delivery standards that are publicised on its website and monitored, with supporting literature for service users/customers made available. • The Council's Customer Access arrangements have successfully delivered effective customer service and front office arrangements. This has increased the proportion of business completed with customers at the first point of contact. Key outcomes of 2009/10 were: <ul style="list-style-type: none"> ➤ 90% of callers flowing through the front office teams are satisfied with the service they receive. ➤ 80% of calls received are resolved at point of contact. • The Council continues to improve website content and functionality to enable customers to self-service. e.g. online access for Planning applications; Council taxpayers, Benefit claimants, Council tenants and Business ratepayers have direct access to their personal account; online forms allow customers to submit benefit claims, report problems; report fraud, make a complaint or submit a compliment. In addition, there is also a text alert service for customers wishing to be reminded that payment of their council tax is due. • Waste and recycling customer surveys also indicate a high level of customer satisfaction with the service.

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<p>The Council is involved in a wide range of networks and partnerships, including the co-ordination and delivery of the Local Strategic Partnerships for Babergh East and West Suffolk and the Suffolk Strategic Partnership. Governance arrangements for partnerships will always vary depending on the size and scope of the partnership. E.g. LSPs have no legal status but the two covering Babergh area have a constitution. The Haven Gateway partnership manages its activities through a management agreement. In addition, a Significant Partnership Register has been developed and roles and responsibilities of partners are clear. Partnerships are monitored through the Overview and Scrutiny Committees.</p> <p>The Council has a Partnership Strategy that sets out the guiding principles to be followed in establishing and reviewing the effectiveness and governance arrangements of partnerships.</p>
		<p>Ensuring that the authority makes best use of resources and that taxpayers and service users receive excellent value for money.</p>	<p>The Council's Financial Strategy and Policy and Budget Framework are aimed at ensuring Council Tax increases are set at no more than the level of inflation. This has been achieved over the last 6 years, including the Budget for 2010/11.</p> <p>There is strong leadership, ownership and responsibility for all financial matters through the Corporate Management Team and Members. Financial assumptions are challenged and skills are being continuously developed. The Council has in place a very clear and integrated process for strategic and financial planning. A Member Strategic and Financial Planning (SFP) Task Group, supported by officers oversee this. In 2010/11, this involved dealing with the significant challenge of finding Budget savings of £1.6m 2010/11, which was achieved – A Savings and Efficiencies Plan was developed to guide this</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<p>work and the savings agreed aimed to ensure the minimum possible impact on the levels and quality of service provision.</p> <p>Internal Audit carry out a risk based programme of inspections ensuring controls are in place and effective. These controls encompass financial systems, corporate governance arrangements, risk management and performance management</p> <p>The current economic climate continues to have a significant impact on local authorities, with significant cuts announced in the government's spending review of autumn 2010. The Council is responding to these changes by seeking opportunities for joint/partnership working with other local authorities, e.g. the Shared Revenues Partnership and Benefit Fraud Partnership with Ipswich Borough Council and Mid Suffolk District Council; joint Internal Audit Plan with Mid Suffolk. In addition, Babergh and Mid Suffolk are looking to integrate their services, the purpose of which is to achieve efficiency savings for both, whilst maintaining and where possible, improving services offered to the residents of both areas.</p>
2	Members and officers working together to achieve a common purpose with clearly defined functions and roles.	Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.	<p>The Council operates streamlined Committee arrangements, which is reflected in the Constitution. There is a Political Leaders Group that meets informally to consider and give a steer on key issues (although this is not a decision-making body) and to act as a conduit to their Groups.</p> <p>Senior managers continue to build on the IDeA leadership training undertaken in 2009/10 and this has helped to ensure that Management Team and Heads of Service are well equipped to deal with the challenges that the Council is facing.</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<p>The Council's Constitution clearly sets out the roles and responsibilities of Councillors, the Chairman, the Vice-Chairman of Council and Committees. It also details the rules of procedure and Overview & Scrutiny Committee Terms of Reference.</p> <p>The Council's Scrutiny Committees play an important role in that they hold decision takers to account through scrutinising their activities. During 2010/11, they provided challenge to the Council in a number of ways. For example the Overview & Scrutiny (Stewardship) Committee, which also acts as the Council's Audit Committee, scrutinised the following areas:</p> <ul style="list-style-type: none"> • Achievements against the One Year Delivery Plan; • Service and financial planning/savings proposals; • The External Auditor's Annual Audit Letter for 2009/10 and Annual Audit Plan 2010/11, the Treasury Management Strategy, the Annual Governance Statement and Report, the 2009/10 Financial Outturn and draft Statement of Accounts, and all formal complaints made to the Council in 2009/10; • The significant business and operational risks facing the Council and the approval of revised Management Action Plans; • Internal Audit reports and fraud and corruption arrangements; • The Procurement Strategy Action Plan; and • Quarterly Performance and Financial Management reports. <p>The Overview & Scrutiny (Community Services) Committee scrutinised the following areas:</p> <ul style="list-style-type: none"> • The Community Safety Partnership;

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<ul style="list-style-type: none"> • The Discretionary Community Grants Scheme; • The development of a key and operational partnership between Babergh and South Suffolk Leisure; • The Housing Panel's 2009/10 Housing Review • Waste Collection performance; and • The Emergency Planning and Response action plan. <p>The above, along with other matters that were addressed, are reflected in the committee's Annual Reports to Council.</p> <p>The Constitution clearly sets out the roles of Chief Officers and Statutory Officers and the responsibility for functions. This includes:</p> <ul style="list-style-type: none"> • The Chief Executive as the Head of Paid Service • The Director of Finance is Section 151 Officer (under the Local Government Act 1972) who is responsible for making sure that appropriate advice is given to the Council on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal control; and • The Monitoring Officer, who is responsible for ensuring that the Council acts in a lawful manner and that it does not do anything that might cause maladministration or injustice.
		<p>Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of authority members and officers are carried out to a high standard.</p>	<p>A Standards Committee is in place which is responsible for promoting and maintaining high standards of conduct and ethics across the Council, monitoring the operation of codes of conduct for Councillors and staff, developing good practice protocols, overseeing the whistle-blowing procedure and investigations by the Ombudsman into complaints against the Council.</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<p>Task Groups and Panels, with Member and Officer joint working, are established to deal with key areas and issues. These include (in addition to the SFP and Procurement Task Groups):</p> <ul style="list-style-type: none"> • HR Panel • Housing Panel • Information Management Task Group • Pin Mill Task Group • Constitutional Review Task Group <p>The outcomes of their work are reported to Council annually.</p> <p>In addition, there are Members Seminars throughout the year, which are used to consider key issues and share important information that is relevant to the Council's activities and achievements. These provide a very useful forum for informal soundings on the direction of the Council and the decision-making process.</p> <p>As in previous years, the Council proactively raised the standards of ethical conduct through providing ethics training, guidance and information. Progress made in developing the ethical environment during 2010/11 was communicated to Members, staff, stakeholders and local people. Co-opted members of the committee have also throughout the year attending Council/committee members (and reported back to the committee) to ensure that high standards of behaviour are displayed and taken action where lapses have been witnessed.</p> <p>An Annual Report of standards committee is produced to review the work of the committee over the preceding year.</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<p>The Committee also receives a year end report to review complaints received and whether any measures need to be taken or lessons learned.</p>
		<p>Ensuring relationships between the authority and the public are clear so that each knows what to expect of the other.</p>	<p>The Council provides members of the public with details of service delivery standards on its website and through various literature. These include:</p> <p>Benefits:</p> <ul style="list-style-type: none"> • Once we have all the information we need to assess Housing or Council Tax Benefits, we will complete the assessment within 14 days. • If your circumstances change, or you make an enquiry we aim to amend our records within 6 days. <p>Building Control:</p> <ul style="list-style-type: none"> • Site Inspections to be made within 24 hrs of a request - on the same working day when the request is received before 10.30am. • All plans to be vetted within 5 weeks of receipt (or 8 weeks when an extension of time agreed) <p>NB as from 1st April 2011 these service delivery standards will be the responsibility of the Shared Revenues Partnership (partners include Babergh, Mid Suffolk and Ipswich Borough Council)</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<p>Bus passes for elderly and disable people:</p> <ul style="list-style-type: none"> to issue bus passes to qualifying persons within 10 working days of application being approved. Application forms are available from the website or by telephoning the above number. NB as of 1st April 2011 the responsibility for concessionary travel has transferred to Suffolk County Council and for 2011/12 this service standard has been deleted. <p>The Customer Access arrangements reflect customer needs and are well publicized. High rates of customer satisfaction are being achieved.</p>
3	Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.	Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.	<p>The Council's governance arrangements are set out in the Constitution and a Local Code of corporate Governance. The Constitution includes the roles and responsibilities of senior officers and members, which are reinforced through induction and training programmes.</p> <p>There is a Members' Code of Conduct, which Members must sign. The Monitoring Officer and Standards Committee manage the Members' Code of Conduct. There is a Confidential Information Protocol setting out the Council's expectations on the handling of confidential information of any description. The Standards Committee has also issued advice notes on the conduct of site inspections, conduct during election moratorium and rules surrounding predetermination and bias. These have been circulated to all members and reinforced through training provided to all members.</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<p>For officers, codes and protocols are issued on appointment and reinforced through the induction process and guidance. Breaches of proper standards are investigated and resolved using the HR Disciplinary, Capability or Grievance procedures. Behavioural conduct is also addressed through the annual Performance Appraisal process.</p> <p>The Code of Conduct for Members and staff includes a register of interests and of gifts and hospitality.</p> <p>These are in place to:</p> <ul style="list-style-type: none"> • Define the standards of personal behaviour councillors, officers and agents of the Council must follow; and • Ensure that elected Members and officers are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. <p>A complaints procedure is in place for the Council to receive and investigate any complaint made against it</p> <p>Sub-Committees of the Standards Committee have been established to assess and handle complaints against members and its decision are available on a register which is open to the public.</p> <p>The Financial Procedures Rules make it clear that any suspected irregularities should be reported to the appropriate officers and the Anti-Fraud and Corruption and Whistleblowing Policy is available on the Council website.</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<p>The bi-annual fraud awareness newsletter continues to be published to staff and Members. It is designed to highlight areas of fraud in the workplace and to help staff and Members understand why we need to combat it effectively.</p> <p>In addition, annual reminders are sent to staff and Members reminding them of their responsibilities regarding declaration of interests and gifts and hospitality.</p>
		<p>Ensuring that organisational values are put into practice and are effective.</p>	<p>The Council has set out its values within the Strategic Plan as a series of pledges.</p> <p>The Council has an Organisational Development Plan, which aligns staff, skills development and employment policy and practices to the aims and objectives of the organisation. This assists with future workforce planning.</p> <p>The Chief Executive regularly addresses all staff on the current issues and challenges facing the Council. Similarly the Chief Executive and Management Team briefs and informs the Members through the quarterly seminars.</p> <p>The Council's Financial Regulations and Procedures, contained within the Council's Constitution, make it clear that any suspected irregularities should be reported to the appropriate officers. The Council's Anti-Fraud and Corruption and Whistleblowing Policy is available on the Council's website and is promoted through newsletters to staff and email.</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
4	Taking informed and transparent decisions, which are subject to effective scrutiny and managing risk.	Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.	All Agendas and Minutes of Council meetings are recorded and available to the public (except where there are legal restrictions). There is an active scrutiny function, which plays an active and robust role in managing performance. Training on the Scrutiny function has been made available for councillors in order to ensure a high standard of scrutiny.
		Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.	<p>Council and Committee meetings are supported by trained and qualified staff. Report-writing advice and guidelines have been provided to enable report authors to provide good quality information in plain English to promote transparent, accessible decision-making. This was jointly updated with Mid Suffolk DC in 2010/11 – primarily to increase the focus on partnership working, and equality and diversity.</p> <p>The Council recognises the importance of having reliable information to support the delivery of excellent services to its customers. For example, in 2010/11 the Council completed its investment in and implementation of the Local Authority Modernisation Programme (LAMP). This is a national initiative designed to improve the quality and usability of the Council's land and property information.</p> <p>The Council has followed up on areas for improvement identified through last year's data quality audit. The Council has a clear Data Quality Policy and action plan in place to ensure that we continue to secure further improvements; progress on which is reported to the Overview and Scrutiny (Stewardship) Committee. Data quality is promoted by the Data Quality 'champions' (which together form the Performance Indicator Co-ordinators Group) and reinforced corporately through the Manager and Team Leader Forums.</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<p>The Council's Performance Management Framework outlines the relationship between the Council's various business management and reporting systems. It also sets out accountability arrangements for the collection, recording and reporting of all statutory and business critical data.</p>
		<p>Ensuring that an effective risk management system is in place.</p>	<p>The Risk Management Strategy provides guidance to Members and officers on responsibilities and on the application of risk management processes.</p> <p>The Overview and Scrutiny (Stewardship) Committee ensures that the Council identifies and effectively manages its significant business risks, which impact on achievement of the Council's corporate aims and priorities.</p> <p>Risk Management action plans are in place in relation to each significant risk and progress made in managing the risks is monitored by Members on a quarterly basis. In addition, the Council has provided further training and refresher workshops to staff during 2010/11.</p>
		<p>Using their legal powers to the full benefit of the citizens and communities in their area.</p>	<p>Decisions taken are in the best interests of the community of Babergh. examples include:</p> <ul style="list-style-type: none"> • Through the Community Safety Partnership (CSP) the needs of the community are realised. The action plan for 2010/11 took a thematic stance, consistent with the approach adopted in the previous year. Rather than focus on types of crime, the partnership feel that organising around themes gives a better opportunity for a comprehensive approach to problem solving rather than the narrower focus on specific crime types. The themes adopted were: <ul style="list-style-type: none"> ➤ Creating Safer Town Centres at Night ➤ Anti-Social Behaviour and Engaging Positively with Young People

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<ul style="list-style-type: none"> ➤ A Focus on Key Areas ➤ Promoting Responsible Alcohol Use as a priority and Tackling Substance ➤ Abuse amongst under 18s ➤ Helping Vulnerable Families and Individuals ➤ Emerging Crime Issues <ul style="list-style-type: none"> • The past year has seen further Babergh CSP activities with a number of targeted crime prevention initiatives and high profile events designed to heighten awareness and inform the public about community safety issues. Improvements have also been made in tackling Anti-Social Behaviour (ASB) with, for example, the development of a structured ASB process and a reporting and recording system at BDC. See also earlier reference to the CSP under Core Principle 1 • The Council has adopted the Government's Enforcement Concordat which states that good enforcement practice should set clear standards, be carried out in an open, helpful manner and have a proportionate and consistent approach, together with a clear complaints service.

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
5	Developing the capacity and capability of members and officers to be effective	Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.	<p>The Council aims to ensure that Members and staff have the skills, knowledge and capacity they need to discharge their responsibilities and recognise the value of well-trained and competent people in effective service delivery. All new Members and staff undertake a comprehensive induction to familiarise themselves with protocols, procedures, values, aims and priorities of the Council.</p> <p>The Council's Organisational Development (OD) Plan aligns staff skills, development and employment policy and practices to the aims and objectives of the organisation.</p> <p>Individual training and development needs for staff are systematically identified and activities followed up and evaluated through a performance appraisal system that includes all staff. A corporate training plan is tailored to meet the OD Plan objectives.</p> <p>The annual appraisal also provides a mechanism for assessing key skill areas linked to job requirements and identifying needs.</p>
		Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.	<p>The Council delivers an ongoing training and development programme for Members throughout the year based on the skill requirements as assessed by Members themselves and on topical issues suggested by senior officers.</p> <p>For officers, individual training and development needs are systemically identified and activities followed up and evaluated through a performance appraisal system.</p> <p>In addition, a corporate training plan is tailored to meet the Organisational Development Plan objectives.</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
		Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal.	The Council has a clear Member development programme. Skills and talents of Members are identified from which Member 'Champions' are appointed.
6	Engaging with local people and other stakeholders to ensure robust public accountability	Exercising leadership through a robust scrutiny function, which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.	There are two Overview and Scrutiny Committees, (one of which acts as the Council's Audit Committee), which support the work of the Strategy Committee and the Council as a whole. They hold investigations into matters of local concern and developing reports and recommendations and advise the Strategy Committee on policies, budget and service delivery. They monitor Strategy Committee decisions, and have call-in powers as set out in the Council's constitution.
		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 authority, in partnership or by commissioning.	<p>The Council is committed to listening to local people and involving them in the achievement of these outcomes.</p> <p>All meetings of the Council are open to the press and public. At meetings of the Council, Babergh residents have the opportunity to ask a question of any Committee Chairman which has been submitted in writing at least two days before the meeting. The Agenda sets out the business to be dealt with at the meeting. Some items, usually at the end of the Agenda, may be confidential, and the press and public will be asked to leave before they are discussed.</p> <p>Annual meetings are held with Town and Parish Councils to inform them on key issues and developments that affect the Council's current and future activities. In 2010/11, these focused on savings and efficiencies, and the integration with Mid Suffolk DC.</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<p>As part of developing and monitoring the Council's Strategic Plan, the Council consults with the public and other stakeholders through the annual State of the District Debate. It also held its annual 'Business Evening' meeting with businesses.</p>
		<p>Making best use of human resources by taking an active and planned approach to meet responsibility to staff.</p>	<p>The Council has an Organisational Development Plan in place, which details the Council's vision of how to develop and support staff in securing the future of the Council and services to the people of Suffolk. An Action Plan sets out the medium term issues that are being addressed and developed.</p> <p>The Council has a well established dialogue with Unison and the HR Panel. In 2010/11 this included regular meetings on the Budget savings that the Council needed to make, which resulted in a voluntary collective agreement on the savings that related to staff terms and conditions.</p> <p>The HR Panel, which includes Members and a Unison representative, receive regular updates on HR issues, including monitoring the establishment.</p> <p>Organisational change is fully recognised and addressed by the Council, being a separate theme within the OD Plan. In staff briefings and team meetings throughout the year, the Chief Executive has personally delivered the message across the Council that Senior Managers recognise the impact of change for staff and the importance of providing support through training and regular communication.</p>

	CORE PRINCIPLES	SUPPORTING PRINCIPLES	BABERGH DISTRICT COUNCIL EVIDENCE
			<p>The Council operates an EAP scheme for all staff which provides 24 hour telephone counselling and face to face counselling sessions where required.</p> <p>The Council has a programme of staff focussing on the integration project. The results of these and ensuing actions are reported to staff and acted upon.</p>

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Babergh District Council

Local Code of Corporate Governance

1. Introduction

- 1.1 This document sets out how Babergh District Council aims to apply the principles of Corporate Governance. It has been developed in accordance with best practice outlined in the Delivering Good Governance in Local Government Framework and the Application Note to Delivering Good Governance in Local Government: a Framework, both published by Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).
- 1.2 The council first published a Code of Corporate Governance in 2002. This has been subject to an annual review to ensure that it reflects best practice. As such, the council is committed to the principles of good governance and will maintain its commitment through the development, adoption and continued maintenance of this Code of Corporate Governance.
- 1.3 The council is required to develop and maintain an up-to-date Code of Corporate Governance and to prepare an Annual Governance Statement (AGS) in order to report publicly on the extent to which the council complies with this Code.

2. Defining governance

- 2.1 CIPFA and SOLACE define governance as being about how the council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 2.2 It comprises the systems and processes and cultures and values, by which the Council is directed and controlled and through which it is accountable to, engages with and leads communities.
- 2.3 Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users. Good governance enables the council to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk and opportunity.

3. Principles of good governance

- 3.1 The council recognises the six core principles of good governance which are:
 1. focusing on the purpose of the council and on outcomes for the community and creating and implementing a vision for the local area;
 2. members and officers working together to achieve a common purpose with clearly defined functions and roles;
 3. promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 4. taking informed and transparent decisions which are subject to effective scrutiny and managing risk;

5. developing the capacity and capability of members and officers to be effective; and
6. engaging with local people and other stakeholders to ensure robust public accountability.

4. Applying the principle of good governance

4.1 CIPFA/SOLACE have identified that the six principles of good governance have a number of supporting principles, which in turn have a range of specific requirements that apply across the council's business. The following tables show how each of the principles should be applied. Compliance with these principles will be subject to annual review (see section 5 of the Code).

Principle 1: Focusing on the purpose of the council and on outcomes for the local community and creating and implementing a vision for the local area	
Supporting principle	The Council is required to:
Exercising strategic leadership by developing and clearly communicating the council's purpose and vision and its intended outcome for citizens and service users	<p>Develop and promote the council's purpose and vision.</p> <p>Review on a regular basis the council's vision for the local area and its implications for the council's governance arrangements.</p> <p>Ensure that partnerships are underpinned by a common vision of the council's work that is understood and agreed by all partners.</p> <p>Regularly communicate the council's activities and achievements, its financial position and performance.</p>
Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.	<p>Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.</p> <p>Put in place effective arrangements to identify and deal with failure in service delivery.</p>
Ensuring that the council makes best use of resources and that tax payers and service users receive excellent value for money.	<p>Decide how value for money is to be measured and make sure that the council or partnership has the information needed to review value for money and performance effectively.</p> <p>Measure the environmental impact of policies, plans and decisions.</p>

	<p><i>Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money and value for money in its use.</i></p> <p><i>Ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary.</i></p> <p><i>Ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code.</i></p>
<p>Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles</p>	
<p>Supporting principle</p>	<p>The Council is required to:</p>
<p>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>	<p>Within the Constitution:</p> <p>(i) set out a clear statement of the respective roles and responsibilities of the Cabinet and Portfolio Holders individually, and the council's approach towards putting this into practice; and</p> <p>(ii) set out a clear statement of the respective roles and responsibilities of other councillors, committees and senior officers.</p> <p><i>Ensure that the Chief Finance Officer reports directly to the Chief Executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact.</i></p>
<p>Ensuring that a constructive working relationship exists between members and officers and that the responsibilities of members and officers are carried out to a high standard.</p>	<p>Determine the scheme of delegation and reserve powers within the Constitution, including a formal schedule of those matters specifically reserved for collective decision of the council, taking account of relevant legislation, and ensure that it is monitored and updated when required.</p> <p>Make the Chief Executive responsible and accountable to the council for all aspects of operational management.</p>

	<p><i>Ensure that the authority's governance arrangements allow the Chief Finance Officer direct access to the Chief Executive and to other leadership team members.</i></p> <p>Develop protocols to ensure that the Leader and Chief Executive have a shared understanding of their roles and objectives.</p> <p>Make a senior officer (the s151 officer) responsible to the council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining and effective system of internal financial control.</p> <p><i>Appoint a professionally qualified CFO whose core responsibilities include those set out in the Statement on the Role of the CFO in Local Government and ensure that they are properly understood throughout the authority</i></p> <p><i>Ensure that the Chief Finance Officer:</i></p> <ul style="list-style-type: none"> • <i>leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively;</i> • <i>has a line of professional accountability for finance staff throughout the organisation; and</i> • <i>ensures that budget calculations are robust and reserves adequate, in line with CIPFA's guidance</i> <p><i>Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where the authority is acting in an enabling role.</i></p> <p>Make a senior officer (the Monitoring Officer) responsible to the council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.</p>
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<p>Ensuring relationships between the council, its partners and public are clear so that each knows what to expect of the other.</p>	<p>Develop protocols to ensure effective communication between members and officers in their respective roles.</p> <p>Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable).</p> <p>Ensure that effective mechanisms exist to monitor service delivery.</p> <p>Ensure that the council's vision, strategic plans, proprieties and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated.</p> <p><i>Establish a medium term business and financial planning process to deliver strategic objectives including:</i></p> <ul style="list-style-type: none"> • <i>a medium term financial strategy to ensure sustainable finances;</i> • <i>a robust annual budget process that ensures financial balance; and</i> • <i>a monitoring process that enables this to be delivered</i> <p><i>Ensure that these are subject to regular review to confirm the continuing relevance of assumptions used.</i></p> <p>When working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and the council.</p> <p>When working in partnership:</p> <ul style="list-style-type: none"> • Ensure that there is clarity about the legal status of the partnership • Ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.
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Principle 3: Promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour	
Supporting principle	The council is required to:
<p>Ensuring members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.</p>	<p>Ensure that the council's leadership sets a tone for the organisation by creating a climate of openness, support and respect.</p> <p>Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the council, its partners and the community are defined and communicated through codes of conduct and protocols.</p> <p>Put in place arrangements to ensure that members and employees of the council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.</p>
<p>Ensuring that organisational values are put into practice and are effective</p>	<p>Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations, and communicate these with members, officers, the community and partners.</p> <p>Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.</p> <p><i>Ensure that systems and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.</i></p> <p>Develop and maintain an effective standards committee.</p> <p>Use the council's shared values to act as a guide for decision-making and as a basis for developing positive and trusting relationships.</p> <p>In pursuing the vision of a partnership, agree a set of values against which decision-making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.</p>

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk	
Supporting principle	The council is required to:
Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.	<p>Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the council's performance overall and that of any organisation for which it is responsible.</p> <p><i>Ensure an effective internal audit function is resourced and maintained.</i></p> <p>Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.</p> <p>Put in place arrangements to safeguard members and officers against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice.</p> <p>Develop and maintain an effective audit committee which is independent of the executive and scrutiny functions or make other arrangements for the discharge of the functions of such a committee.</p> <p><i>Ensure that the authority's governance arrangements allow the Chief Finance Officer direct access to the Audit Committee and the Audit Commission.</i></p> <p>Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.</p>
Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.	<p>Ensure that those making decisions whether for the council or the partnership are provided with information that is fit for the purpose – relevant, timely and giving clear explanations of technical issues and their implications.</p> <p><i>Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority.</i></p> <p>Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision-making and used appropriately.</p>

	<p><i>Ensure the authority's governance arrangements allow the Chief Finance Officer to bring influence to bear on all material decisions.</i></p> <p><i>Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance.</i></p>
<p>Ensuring that an effective risk management system is in place.</p>	<p>Ensure that risk management is embedded into the culture of the council, with members and managers at all levels recognising that risk management is part of their role.</p> <p><i>Ensure the authority's arrangements for financial and internal control and for managing risk are addressed in annual governance reports.</i></p> <p><i>Ensure the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes.</i></p> <p>Ensure that effective arrangements for whistle-blowing are in place to which officers, the public and all those contracting with or appointed by the council have access.</p>
<p>Using their legal powers to the full benefit of the citizens and communities in their area.</p>	<p>Actively recognise the limits of lawful activity placed on the council by, for example, the ultra vires doctrine, but also strive to utilise their powers to the full benefit of their communities.</p> <p>Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on the council by public law.</p> <p>Observe all specific legislative requirements placed upon the council, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into procedures and decision-making processes.</p>

Principle 5: Developing the capacity and capability of members and officers to be effective	
Supporting principle	The council is required to:
<p>Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.</p>	<p>Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.</p> <p>Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the council.</p> <p><i>Ensure the Chief Finance Officer has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role.</i></p> <p><i>Review the scope of the Chief Finance Officer's other management responsibilities to ensure financial matters are not compromised.</i></p> <p><i>Provide the finance function with the resources, expertise and systems necessary to perform its role effectively.</i></p>
<p>Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.</p>	<p>Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.</p> <p><i>Embed financial competencies in person specifications and appraisals.</i></p> <p><i>Ensure that councillors' roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities.</i></p> <p>Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.</p> <p>Ensure that effective arrangements are in place for reviewing the performance of the council as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs.</p>

<p>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.</p>	<p>Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the council.</p> <p>Ensure that career structures are in place for members and officers to encourage participation and development.</p>
<p>Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.</p>	
<p>Supporting principle</p>	<p>The council is required to:</p>
<p>Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.</p>	<p>Ensure that members and officers understand their accountabilities to the community and this is clearly communicated.</p> <p>Consider those institutional stakeholders to whom the council is accountable and assess the effectiveness of the relationships and any changes required.</p> <p>Produce an annual report on the activity of the scrutiny function.</p>
<p>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.</p>	<p>Ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively.</p> <p>Hold meetings in public unless there are good reasons for confidentiality.</p> <p>Ensure that arrangements are in place to enable the council to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.</p> <p>Establish a clear policy on the types of issues the council will meaningfully consult on or engage with the public and services users about including a feedback mechanism for those consultees to demonstrate what has changed as a result.</p> <p>On an annual basis, publish information on the council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.</p>

	Ensure that the council as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
Making best use of human resources by taking an active and planned approach to meet responsibility of staff.	Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision-making.

5. Annual review and reporting

- 5.1 Each year the Council will carry out a review of its governance arrangements using the above principles as a guide. The review will ensure compliance with this Code and any emerging good practice. The purpose of the review will be to provide assurance that governance arrangements are adequate and operating effectively, and where any gaps are observed, to identify action which is planned to ensure effective governance in the future.
- 5.2 The outcome of the review will take the form of an Annual Governance Statement prepared on behalf of the Chairman of the Strategy Committee and the Chief Executive. It will be submitted to the Overview and Scrutiny (Stewardship) Committee for consideration and review. The Annual Governance Statement will contain an action plan to address any areas identified for improvement from the review.
- 5.3 The preparation and publication of the Annual Governance Statement meets the statutory requirement of the Accounts and Audit Regulations which require authorities to 'conduct a review at least once a year of the effectiveness of its system of internal control' and to prepare the statement 'in accordance with proper practices'.

6. Conclusion

- 6.1 Babergh District Council is fully committed to the principles of corporate governance, and through the measures outlined within this Code, will ensure that adequate arrangements are made with regard to its continued effectiveness, monitoring and review.