

CODE OF CORPORATE GOVERNANCE 2010

(This document is currently being reviewed. An updated version will be available shortly.)

1. **Introduction**

Corporate governance is defined as "the system by which local authorities direct and control their functions and relate to their communities".

East Lindsey District Council is committed to the principles of sound corporate governance as defined in the Framework Document – Delivering Good Governance in Local Government - produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

The Council conducts its affairs with regard to the overriding need for openness, integrity and accountability. The Council keeps its arrangements under constant assessment and observes a policy of continuous improvement consistent with best practice.

The Council is required to have in place a **Code of Corporate Governance** that explains the Council's arrangements in detail and covers all of its policies and procedures including the Codes by which Councillors and Officers must conduct themselves.

The Council's **Code of Corporate Governance** is based upon the Guidance Note issued by CIPFA/SOLACE in support of the Framework Document.

All local authorities must by law have in place a written **Constitution** by which they are bound. The **Constitution** is the single most important document that defines the way the Council works.

Internally, the Governance Business Manager audits the Council's corporate governance arrangements. Each year he prepares an **Annual Governance Statement** in conjunction with other senior managers which explains the governance and control arrangements in place and assesses their effectiveness during the previous year.

Our external auditor is the District Audit Service. The findings of these reviews are open to the public in the form both of a statement in the Council's final accounts and in reports to Council outlining any identified weaknesses with proposals for improvement.

Unless otherwise stated all of the documents referred to in the Code are available on the Council's website www.e-lindsey.gov.uk Alternatively written copies can be obtained and/or documents viewed on application to the Chief Executive's Department unless otherwise specified.

2. **Community Focus**

- 2.1 The Council publishes each year in accordance with statutory timescales, a **Delivery Plan** incorporating the Best Value Performance Plan, which details current performance in service delivery and identify targets for future development.
- 2.2 The Council's financial statements and financial and operational reporting processes are reviewed by the District Auditor in accordance with the Annual External Audit Plan. The resulting opinion of the District Auditor is reported to Council in the **Annual Audit and Inspection Letter**. Throughout the year the District Auditor may issue reports on other aspects of the Council's activity and performance.

Agendas, Reports and Minutes of meetings of Councillors are available on the Council's website.

Not all background documents referred to in Committee reports are available on the website but, provided it is legally permissible, they will be available for public examination at Tedder Hall for a period of up to four years from the date of the meeting and arrangements to view them can be made with the Chief Executive's Department.

- 2.3 The Council has a **Community Plan for a Sustainable Future** and has established a Local Strategic Partnership (LSP) of public, private, voluntary and community sector bodies to deliver it. A governance handbook for the Partnership is available on request.

The LSP has the following Vision: -

East Lindsey is a distinct, dynamic and proud District where organisations and communities work together for a better quality of life.

Based on wide local consultation the LSP agreed on eight priorities: -

- Climate Change & the Environment
- Community Safety
- Economic Prosperity, Education & Skills
- Families, Children & Young People
- Health and Well-Being
- Older People
- Rural Services & Accessibility
- Lincolnshire Coastal Action Zone (CAZ)

There is a Sustainable Community Strategy for Lincolnshire in which the Council plays an active part in delivering the six main themes: -

- Strong Communities
- People are Connected
- Strong Diverse Economy
- Best Use of Our Environment
- Opportunities for Good Health
- Lifestyle County

2.4 In order to give citizens greater say in Council affairs, seven Area Committees have been created. Five cover the towns of Skegness, Mablethorpe, Alford/Spilsby, Louth and Horncastle together with their neighbouring parishes and the remaining two Committees serve the northern and southern rural parishes.

They involve District Councillors for wards within each particular area together with parish council representatives and are held in public. There is opportunity at all meetings for the public to raise issues for discussion.

In addition we have been piloting some alternative ways of improving democratic participation across our largely rural District under a Pathfinder Project. In tandem with the Area Committee structure we have trialled: - a Parish Cluster model where a number of small parishes meet; a Neighbourhood Management model involving a local manager and a team dedicated to a specific area; and a Community Cabinet which brings together the chairs of the Area Committees and the pilot models to share learning. We are carrying out a review of how the pilots have performed in order to reshape our arrangements overall on the basis of what we have learned.

2.5 As well as contributing to the Council's Policy Review and Scrutiny processes through the Area Committees, citizens have the right to attend Meetings of the Council and its committees, including Executive Board. Citizens have the right to ask questions at Area Committee and at Council and also have the right to make representations at the Planning and Licensing Committees.

2.6 The only exceptions to this right are where personal or confidential matters are under discussion when non-Councillors will be excluded from the meeting.

Rules governing the Public Speaking rights of Citizens are contained in the [Constitution](#). A written summary of the rights of the public to attend meetings and to inspect and copy documents is available on request.

2.7 The Executive Board produces a [Forward Plan](#) of Key Decisions to be taken during the following four months. Key Decisions are those that incur significant expenditure or generate significant savings in respect of specific services or those that would have a significant effect on communities within two or more electoral wards.

Significant expenditure is defined as in excess of £100,000 for revenue budgets (running costs) and £250,000 for capital budgets (specific one-off expenditure on acquisitions/projects etc.).

The [Forward Plan](#) is produced on a monthly basis at least fourteen days in advance of the period to which it relates.

The Council's Forward Plan also includes decisions to be taken by Council in the same period.

The Chief Executive publishes annually in the local press, **Notice of the Forward Plan** for the forthcoming year with important information including the dates of publication of each monthly update.

3 Service Delivery Arrangements

- 3.1 The Best Value Performance Plan is produced annually and incorporated in the Council's **Delivery Plan** comparing the performance of each service against a range of actual results for preceding years and providing targets for the future.

Inspection Reports on our services are available on the national website of the Inspection Service at www.audit-commission.gov.uk/cpa and may also be viewed by arrangement at Tedder Hall.

- 3.2 The Council is committed to the principle of sustainability in the development of its services.
- 3.3 The Council has identified in the [Corporate Strategy](#), its Ambitions for the District and the Council and these are used to focus resources more effectively.

The Council's Overall Ambition is to be a District with healthy, prosperous, vibrant people and places.

Our Corporate Ambitions for the whole ***District of East Lindsey*** are to: -

- Improve our economic prosperity
- Nurture our distinctive and vibrant communities
- Reduce inequalities so to improve quality of life

And our Ambitions for the ***Council*** itself are to: -

- Put residents at the heart of all we do
- Be green, open and ethical
- Be an aspirational, high-performing Council

- 3.4 For each Ambition we have identified a number of Aims and specified how we plan to achieve them. Each Department of the Council produces an Annual Service & Financial Plan, which is linked to the Corporate Strategy providing the delivery mechanism for the Aims and a means of measuring progress
- 3.5 The Council conducts its financial affairs in accordance with legislation and has adopted the **Code of Practice on a Prudential Approach to Local Authority Commitments**. The **Code** deals with future funding commitments and ensures that Councillors have all relevant information available to them when making policy decisions.

On an annual basis the Council decides on the policy and budget framework proposals recommended to it by Executive Board and sets the levels of Council Tax for the following year. The process to be followed and the timetable of meetings to be held are specified in the **Budget and Policy Framework in the [Constitution](#)**.

In preparing the estimates officers must have regard to the Council's agreed Ambitions and Executive Board frames its recommendations accordingly.

The Council's financial arrangements are detailed fully in the **Financial Procedure Rules**, which form part of the **[Constitution](#)**.

- 3.6 In addition to the Local Strategic Partnership the Council actively seeks to foster relations and pursue partnership-working arrangements with other local authorities in the area and with other public, private and voluntary sector agencies. The Council is committed to the Shared Services Initiative for joint delivery of services with other authorities across the County.

The Council has adopted a **[Code of Principles of Partnership Working](#)**, which incorporates the procedures that must be observed for the benefit of the Council and its citizens. The Code is incorporated in the **Council's Financial Procedure Rules within the [Constitution](#)**. We have identified and prioritised all of the partnerships we work with in terms of their contribution to achievement of the Council's Corporate Strategy and we continuously review their governance arrangements to ensure they conform to our corporate standards.

- 3.7 The independent **Reports** produced by the Council's external auditor are reported to Councillors. Chief officers must respond positively to all recommendations and Councillors are advised of progress against a timetable for implementation.

Audit Committee monitors effective implementation of agreed actions and the Governance Business Manager submits regular progress reports on the implementation of recommendations. Audit Committee has the power

to call the Council's officers to account if they are not satisfied with progress.

4.0 Structures and processes

- 4.1 Rules governing relationships between paid officers of the Council and elected Members and their relative responsibilities must be observed as specified in the **Protocol on Member/Officer Relations** within the [Constitution](#).
- 4.2 A [Timetable of Member Meetings](#) is determined in advance for the year ahead in March/April of each year. The Timetable is featured on our website but copies are available on request to the Chief Executive's office.
- 4.3 The Council of sixty elected Members retains certain functions that by law it alone can exercise. The Executive Board exercises all other functions with the exception of some quasi-judicial planning and licensing matters, which are dealt with by dedicated committees.

The Council and the Executive Board have delegated certain powers to officers. An exhaustive Schedule of Powers Reserved and Delegated by the Council is incorporated in the [Constitution](#).

- 4.4 Only the full Council can make or amend the Policy Framework and change the [Constitution](#). The Executive Board is responsible for making operational decisions on all policy areas that are not within the Policy Framework of Council.

The scrutiny function is exercised by an Overview Committee and two Scrutiny Committees. These advise the Executive and the Council as a whole on policy and service delivery. These Committees will normally meet in public to discuss and make recommendations on the development of policy and to hold the Executive to account for their actions including the use of call-in powers. The only exceptions to this rule are where personal or confidential items defined by legislation are under consideration, when non-Councillors will be excluded from the meeting

All decisions of the Executive are subject to scrutiny by Councillors who can call-in any decision for consideration by the Overview Committee. Key decisions can only be called-in if four Councillors agree to do so but non-key decisions can be called in by a single Councillor.

The relative roles and responsibilities of the Executive Board, Overview and Scrutiny and Committees of the Council are specified in the **Constitution**.

The official business of all Councillor meetings must be conducted in accordance with the **Procedure Rules** incorporated in the [Constitution](#).

4.5 The Council provides a programme of Councillor training with a specific induction scheme for new Councillors and ongoing update sessions for everyone. Subject-specific training is mandatory for Councillors serving on Planning, Licensing and Standards Committees and training in Equality & Diversity and Councillor Code of Conduct & ethical standards is mandatory for all Councillors.

The Council records attendance by Councillors at training session and publishes the results annually

4.6 The Executive Board operates in accordance with the **Executive Procedure Rules** defined in the [Constitution](#). The key role of all Councillors is to: -

- Collectively be the ultimate policy makers and carry out a number of strategic and corporate management functions
- Contribute to the good governance of the area and actively encourage community participation and citizen involvement in decision making
- Represent their communities and bring their views into the Council's decision-making process ie become the advocate of and for their communities
- Deal with individual casework and act as an advocate for constituents in resolving particular concerns or grievances, particularly as detailed under Area Committees or other such models the Council agrees to from time-to-time
- Respond to constituents' enquiries and representations, fairly and impartially
- Balance different interests identified within the Ward and represent the Ward as a whole
- Be involved in decision-making
- Be available to represent the Council on other bodies
- Maintain the highest standards of conduct and ethics.

4.7 Councillors are paid fixed allowances in accordance with the Councillors' **Allowance Scheme** incorporated in the [Constitution](#). The Independent Remuneration Panel review the Scheme of Allowances regularly and Council considers its proposals but is not bound to accept them.

4.8 The Council has made the following statutory appointments: -

- Chief Executive and Head of Paid Service with overall corporate management and operational responsibility.
- Chief Finance Officer with overall responsibility for corporate financial matters to ensure proper financial records and controls are in place and to advise the Council of the financial implications of any policy or decision.
- Monitoring Officer with responsibility for ensuring that agreed procedures are followed and that decisions are lawful, fair and within the Council's Budget and Policy Framework

The roles and responsibilities of the above post holders together with those of the Strategic Directors are specified in the **Constitution**.

Their terms of remuneration are reviewed by the Business Manager Workforce and Organisational Development whose recommendations are submitted as confidential reports for consideration by the Executive Board.

- 4.9 As a fundamental principle the officers serve the District Council as a whole and have a duty and a right to provide appropriate professional advice to Councillors, which should be fearless, factual, honest, objective and politically neutral. The provision of this advice is the principle means by which Councillors can gain assurance that their decisions comply with the law and relevant standards and Codes of Conduct.

The basis of the relationship between Councillors and officers is defined in the **Protocol on Councillor/Officer Relations** within the [Constitution](#).

5.0 **Management of Risk and Internal Control**

- 5.1 The Council has a [Strategy for the Management of Risk](#) that informs the decision-making process. Each Service maintains a business risk assessment and Corporate Management Team is responsible for the Council's high-level strategic risk register

The Chief Executive is responsible for the strategic risk management function, for promoting it throughout the Council and for advising Chief Officers and Councillors on risk management and insurance. Operationally the Governance Business Manager is responsible for monitoring and maintaining the Council's risk management arrangements and reporting progress on a quarterly basis to Audit Committee and Executive Board

- 5.2 The Governance Business Manager is responsible for maintaining an adequate and effective system for auditing the records and system of internal control. Internal Audit provides an independent and continuous appraisal of accounting, financial and other processes to ensure that public funds are properly safeguarded and used economically, efficiently

and effectively in accordance with statute and the Council's Financial and Contracts Procedure Rules.

The Council's Audit Committee is responsible for monitoring the Internal Audit and risk management functions and reports directly to Council.

Internal Control and Risk Management arrangements are continuously monitored and an annual assessment is performed of their effectiveness. The Governance Business Manager produces an **Annual Governance Statement**, which is reviewed by Audit Committee at the same time but separately from the [Annual Statement of Accounts](#) and recommended to Council for approval in the same manner.

The Internal Audit function is defined in the **Council's Financial Procedure Rules** within the [Constitution](#). The Terms of Reference of the Audit Committee can be viewed on our website.

- 5.3 The Chief Executive as Head of the Paid Service is responsible for ensuring that properly qualified staff are appointed to the establishment and that proper standards of training are developed.

The Business Manager Workforce and Organisational Development is responsible for providing staff training and development in accordance with the Investors In People accreditation currently held by the Council and will provide a programme of post-entry training tailored to each employee designed to improve the skills of its workforce and keep them relevant and up to date.

- 5.4 The District Auditor reviews the performance and effectiveness of the Council's Internal Audit and Risk Management functions and report the outcome in the [Annual Audit and Inspection Letter](#) to the Council.

The Council's relationship with the District Auditor accords with the Joint Working Protocol that accompanies the External Audit Annual Plan.

6.0 **Standards of Conduct**

- 6.1 Councillors and officers must observe the highest ethical standards and must not be influenced by prejudice, bias or conflict of interest in their dealings with different stakeholders.
- 6.2 Councillors are required to formally adopt the Council's **Code of Conduct** and cannot take office until they have done so. A separate Planning Code of Good Practice is incorporated into the Constitution for the guidance of Councillors serving on Planning Committee

The Standards Committee of the Council is charged with promoting and maintaining high standards of conduct and monitoring the operation of the **Codes**.

All complaints about the conduct of Councillors are received by the Council's Standards Committee for consideration and investigation at local level. Only very serious cases are referred to Standards for England. Standards Committee is chaired by a lay member who is a member of the public and as well as District Councillors the Committee includes other lay and parish council members who are appointed by Council for fixed terms following a formal selection process

- 6.3 The Monitoring Officer contributes to the promotion and maintenance of high standards of conduct by providing support to the Standards Committee.

The Councillor **Code of Conduct** and the role and responsibility of the Standards Committee are specified in the **Constitution**.

- 6.4 All officers of the Council must comply with their own **Code of Conduct** within the Personnel Policies and Procedures, which is an internal document.

Breaches of the **Code** are investigated and appropriate action is taken.

- 6.5 The Council has a **Corporate Feedback Procedure** that explains how members of the public may register their complaints, compliments, comments or suggestions. Copies are also available at Area Offices.
- 6.6 The Council observes a **Whistle-blowing Policy** which enables officers and Councillors to anonymously report any concerns they might have in accordance with the Public Interest Disclosure Act 1998.

Reports are passed securely for investigation to the Chief Executive. Cases of possible fraud are investigated in accordance with the Council's **Anti-Fraud & Corruption Policy**.

The Act makes provision for disciplinary action to be taken against any employee making a complaint that subsequently is proven to have been malicious or vexatious.