

Appendix A

Code of Corporate Governance

FOREWORD

From the Leader of the Council

I am pleased to endorse this Code of Corporate Governance, which sets out the commitment of Cambridgeshire County Council to continue to uphold the highest possible standards of good governance. I hope you will find that the document clearly demonstrates our drive to ensure this.

Good governance is key to achieving our vision for Cambridgeshire.

INTRODUCTION

Good governance

Good governance is about how the County Council ensures that it is doing the right things, in the right way, for the communities it serves, in a timely, inclusive, open, honest and accountable manner.

Our commitment

Cambridgeshire County Council is committed to upholding the highest possible standards of good corporate governance, believing that good governance leads to high standards of management, strong performance, effective use of resources, increased public involvement and trust in the Council and ultimately good outcomes.

Good governance flows from shared values, culture and behaviour and from systems and structures. This Code of Corporate Governance is a public statement that sets out the framework through which the Council meets its commitment to good corporate governance.

The Governance Framework comprises the systems and processes, and cultures and values, by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective services.

Corporate governance of Cambridgeshire is based on the following principles recommended by CIPFA/SOLACE in a joint document entitled 'Delivering Good Governance in Local Government' which builds on the seven Principles for the Conduct of Individuals in Public Life (Appendix A):

- 1 Focussing 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 risk management.
- 5 Developing the capacity and capability of members and officers to be effective.
- 6 Engaging with the local people and other stakeholders to ensure robust public accountability.

This document describes how the Council achieves the six principles of good governance and describes how the Council's corporate governance arrangements will be monitored and reviewed.

Principle One

Focussing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area

Supporting Principles	How Cambridgeshire County Council Achieves the Principle
Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens	<ul style="list-style-type: none">• The Council develops and promotes the Council's Vision and Priorities through its business planning process.• The Council reviews its vision for the local area and its impact on the governance arrangements on a regular basis.• Partnerships are underpinned by a common vision of their work that is understood and agreed by all parties.• The Council communicates its activities and achievements, its financial position and performance on a timely basis.
Ensuring that users receive a high quality of service whether directly, or in partnership or by commissioning.	<ul style="list-style-type: none">• The Council measures the quality of service for users and makes sure that the information needed to review service quality effectively and regularly is available.• The Council has effective arrangements in place to identify and deal with failure in service delivery.• The Council has processes in place to measure value for money and make sure that it and its key partnerships have the information needed to review value for money and performance effectively.• Timely, accurate and impartial advice and information is provided to assist in decision making and to ensure that the Council meets its objectives as detailed in the Business Plan and to provide effective stewardship of public money and value for money in its use. The Council measures the environmental impact of policies, plans and decisions.• The Council 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.• The Council complies with CIFA requirements on capital finance and treasury management.

Principle Two

Councillors and officers working together to achieve a common purpose, with clearly defined functions and roles

Supporting Principles	How Cambridgeshire County Council Achieves the Principle
Ensuring effective leadership throughout the Council and being clear about committee and sub-committee functions and how a scrutiny function will operate	<ul style="list-style-type: none">• The Council sets out a clear statement in its Constitution of the roles and responsibilities of the Council, committees and councillors individually and the authority's approach towards putting this into practice.• The Council sets out a clear statement of the roles and responsibilities of senior officers.
Ensuring that a constructive working relationship exists between Councillors and Officers and that the responsibilities of Councillors and Officers are carried out to a high standard	<ul style="list-style-type: none">• The Council determines a scheme of delegation and reserves powers within the Constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensures that it is monitored and updated when required.• The Chief Executive is responsible and accountable to the authority for all aspects of operational management.• The Council maintains protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.• The Head of Finance (as Section 151 Officer) is responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.• The Head of Finance is a professionally qualified accountant whose core responsibilities include those set out in the Statement on the Role of the Chief Financial Officer (CFO) in Local Government and ensures that they are properly understood throughout the Authority.• The Head of Finance has a line of professional accountability for finance staff throughout the Council and leads the promotion and delivery by the whole Council of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.• Budget calculations are robust and reserves adequate, in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.

	<ul style="list-style-type: none"> • 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 apply consistently to all activities including partnerships arrangements. • The LGSS Director of Law, Property and Governance (as Monitoring Officer) is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.
Ensuring the relationships between the Council, its partners and the public are clear so that each knows what to expect of the other	<ul style="list-style-type: none"> • The Council maintains protocols to ensure effective communication between members and officers in their respective roles. • The Council sets out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an independent remuneration panel. • Effective mechanisms exist to monitor service delivery. • The Council's vision, strategic plans and priorities are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and are clearly articulated and disseminated. • The Council operates a medium term business and financial planning process to deliver strategic objectives including a medium term financial strategy to ensure sustainable finances, a robust annual budget process that ensure financial balance and a monitoring process that enables this to be delivered. • The medium term business plan is subject to annual review. . • The Council when working in partnership ensures that councillors are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority, specifically: <ul style="list-style-type: none"> • there is clarity about the legal status of the partnership; • representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.

Principle Three

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

Supporting Principles	How Cambridgeshire County Council Achieves the Principle
Ensuring that Councillors and Officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	<ul style="list-style-type: none">• The Council's leadership sets a tone for the organisation by creating a climate of openness, support and respect through its Constitution, Business Plan, Ethical Framework and behavioural statements.• Standards of conduct and personal behaviour expected of councillors and employees, of work between councillors and employees and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols.• The Council has in place arrangements to ensure that Councillors and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and has in place appropriate processes to ensure that they continue to operate in practice.
Ensuring that organisational values are put into practice and are effective	<ul style="list-style-type: none">• The Council maintains shared values including leadership values for both the organisation and employees reflecting public expectations and communicates these with councillors, employees, the community and partners.• The Council has in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitors their continuing effectiveness in practice.• The Council maintains an effective Constitution and Ethics Committee.• The Council uses the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Council.• The Council while pursuing the vision of a partnership, agrees 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.

Principle Four

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Supporting Principles	How Cambridgeshire County Council Achieves the Principle
Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	<ul style="list-style-type: none">• The Council's cross party Committee system provides appropriate oversight and challenge in the Council's decision making process• An effective Internal Audit function is resourced and maintained with regular reporting to the Audit and Accounts Committee.• The Council maintains open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.• The Council has in place arrangements to safeguard Members and employees against conflicts of interest and has in place appropriate processes to ensure that they continue to operate in practice.• The Council maintains an effective Audit and Accounts Committee ensuring it is independent of the decision making process.• The Council maintains an effective, transparent and accessible arrangement for dealing with complaints.
Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.	<ul style="list-style-type: none">• The Council ensures that those making decisions whether for the authority or a partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.• Professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.
Ensuring that an effective risk management system is in place.	<ul style="list-style-type: none">• Risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs.• An Audit and Accounts Committee provides independent assurance of the adequacy of the Council's risk management framework and the associated control environment.• The Council ensures that arrangements are in place for whistleblowing to which employees and all those contracting with the Authority have access.• The Council actively recognise the limits of lawful activity placed on it by, for example, the ultra vires doctrine but also strives to utilise powers to the full benefit of its communities.

Using their legal powers to the full benefit of the citizens and communities in their area.	<ul style="list-style-type: none"> • The Council recognises the limits of lawful action and observes both the specific requirements of legislation and the general responsibilities placed on it by public law. • The Council observes all specific legislative requirements placed upon it, as well as the requirements of general law. The Council integrates the key principles of good administrative law – rationality, legality and natural justice – into its procedures and decision making processes.
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Principle Five

Developing the capacity of Members and Officers to be effective

Supporting Principles	How Cambridgeshire County Council Achieves the Principle
Making sure that Councillors and officers have the skills, knowledge, experience and resources they need to perform well in their roles.	<ul style="list-style-type: none"> • Induction programmes tailored to individual needs are available for councillors and officers to update their knowledge on a regular basis. • The statutory officers have the skills, resources and support necessary to perform effectively in their roles • The roles of statutory officers are properly understood throughout the authority.
Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group.	<ul style="list-style-type: none"> • The Council assesses the skills required by Members and officers and makes a commitment to develop those skills to enable roles to be carried out effectively. • Skills are developed on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed. • Effective arrangements are in place for reviewing the performance of committees and individual members and for agreeing action plans to address any training or development needs.
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.	<ul style="list-style-type: none"> • Effective arrangements are in place to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Authority. • Career structures are in place for members and officers which encourage participation and development.

Principle Six

Engaging with local people and other stakeholders to ensure robust public accountability

Supporting Principles	How Cambridgeshire County Council Achieves the Principle
Exercising leadership through a cross party committee system which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.	<ul style="list-style-type: none">• The Council makes clear to themselves, all employees and the community to whom they are accountable and for what.• The Council considers those institutional stakeholders to whom the authority is accountable and assesses the effectiveness of the relationships and any changes required.• The Council produces reports summarising the results of any member led reviews for presentation to committees or Council
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.	<ul style="list-style-type: none">• Clear channels of communication are in place with all sections of the community and other stakeholders, with monitoring arrangements in place to ensure they operate effectively• Council and committee meetings are held in public unless there are good reasons for confidentiality.• Arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.• The Council has a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate the outcome of the consultation.• The Council's Business Plan includes a summary of its achievements against its vision and priorities for the previous financial year.• The Council is open and accessible to the community, service users and its employees and ensures 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.

<p>Making best use of human resources by taking an active and planned approach to meet responsibilities to employees.</p>	<ul style="list-style-type: none"> • The Council maintains a clear policy on how employees and their representatives are consulted and involved in decision making.
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MONITORING AND REPORTING

The Council will undertake an annual review of its governance arrangements to ensure continuing compliance with best practice to provide assurance that corporate governance arrangements are adequate and operating effectively in practice. Where reviews of the corporate governance arrangements have revealed gaps, actions will be planned to enhance the governance arrangements accordingly.

The Council will prepare an Annual Governance Statement which will be submitted to the Audit and Accounts Committee for consideration and will form part of the Council's annual Financial Statement.

The Governance Statement will include:

- an acknowledgement of responsibility for ensuring there is a sound system of governance and system of internal control;
- a brief description of the key elements of the governance arrangements;
- a brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements;
- an evaluation of the level of assurance that the systems and processes that comprise the Council's governance arrangements can provide; and
- an outline of the actions taken, or proposed, to deal with significant governance and internal control issues.

The Annual Governance Statement will be signed by the Chair of the General Purposes Committee and the Chief Executive on behalf of the Council.

In reviewing and approving the Annual Governance Statement, members will be provided with detailed information regarding the effectiveness of the governance arrangements and system of internal control and how these address the key risks faced by the Council. Those Assurances will be available from a wide range of sources, including internal and external audit, a range of external inspectorates and managers from across the Council.

The Council will continually strive to operate an assurance framework, embedded into its business processes, that maps corporate objectives to risks, controls and assurances. This framework and regular reports on its application and effectiveness will provide members with assurances to support the Annual Governance Statement and will help members to identify whether corporate objectives and significant business risks are being properly managed.

APPENDIX A

Seven principles for the conduct of individuals in public life

The governance framework is supported by the seven **Principles of Public Life**, which set the standards of conduct and behaviour to which Councillors and employees should aspire in their day-to-day dealings (annexed to the **Members' Code of Conduct**).

1. **Selflessness**
Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.
2. **Integrity**
Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
3. **Objectivity**
In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
4. **Accountability**
Holders of public office are accountable to the public for their decisions and actions and must submit themselves to whatever scrutiny is appropriate to their office
5. **Openness**
Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
6. **Honesty**
Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
7. **Leadership**
Holders of public office should promote and support these principles by leadership and example.