

## Section 5

# Schedule to Assist in Putting the Principles into Practice

**5.1** The illustrative tables overleaf show:

- how the principles of good governance should be reflected
- the requirements that need to be reflected in a local code
- examples of systems, processes and documentation that may be used to demonstrate compliance
- self-assessment tools and useful references.

**5.2** It should be stressed that authorities will need to assess how far their processes and documentation meet the criteria suggested, otherwise the exercise will become a box-ticking process rather than a qualitative exercise. One way to make the exercise more challenging would be to score the authority's arrangements on a scale of 0 to 10, where 10 represents very best practice. This would require the provision of qualitative and/or quantitative data on achievement against the requirements the local code should reflect. This could be done by adding two extra columns – one for a self-assessment score and one to add plans for improvement.

## FOCUSING ON THE PURPOSE OF THE AUTHORITY AND ON OUTCOMES FOR THE COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA

The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance
<ul style="list-style-type: none"> <li>develop and promote the authority's purpose and vision</li> </ul>	<ul style="list-style-type: none"> <li>used as a basis for:                             <ul style="list-style-type: none"> <li>corporate and service planning</li> <li>shaping the community strategy</li> <li>local area or performance agreements</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements</li> </ul>	<ul style="list-style-type: none"> <li>governance code</li> </ul>
<ul style="list-style-type: none"> <li>ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties</li> </ul>	<ul style="list-style-type: none"> <li>partnership protocol</li> <li>governance code</li> </ul>
<ul style="list-style-type: none"> <li>publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance</li> </ul>	<ul style="list-style-type: none"> <li>annual financial statements</li> <li>annual business plan</li> </ul>
<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>this information is reflected in the authority's:                             <ul style="list-style-type: none"> <li>corporate plan</li> <li>annual business plan</li> <li>medium-term financial strategy</li> <li>resourcing plan</li> </ul>                             in order to ensure improvement                         </li> </ul>
<ul style="list-style-type: none"> <li>put in place effective arrangements to identify and deal with failure in service delivery</li> </ul>	<ul style="list-style-type: none"> <li>complaints procedure</li> </ul>
<ul style="list-style-type: none"> <li>decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.</li> </ul>	<ul style="list-style-type: none"> <li>the results are reflected in authority's performance plans and in reviewing the work of the authority</li> </ul>
<p><b>Reference documents</b></p> <p><i>Strong and Prosperous Communities</i>, DCLG (October 2006)</p> <p><i>The Politics of Place</i>, The Leadership Centre for Local Government (October 2006)</p> <p><i>A Councillor's Guide to Performance Management</i> (second edition), IDeA (June 2006)</p> <p><i>A Manager's Guide to Performance Management</i> (second edition), IDeA (June 2006)</p>	

## MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES

The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that maybe used to demonstrate compliance
<ul style="list-style-type: none"> <li>• set out a clear statement of the respective roles and responsibilities of the executive and of the executive’s members individually and the authority’s approach towards putting this into practice</li> <li>• set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers</li> </ul>	<ul style="list-style-type: none"> <li>• constitution</li> <li>• record of decisions and supporting materials</li> </ul>
<ul style="list-style-type: none"> <li>• determine a scheme of delegation and reserve 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 ensure that it is monitored and updated when required</li> </ul>	<ul style="list-style-type: none"> <li>• constitution</li> </ul>
<ul style="list-style-type: none"> <li>• make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management</li> </ul>	<ul style="list-style-type: none"> <li>• conditions of employment</li> <li>• scheme of delegation</li> <li>• statutory provisions</li> <li>• job descriptions/specification</li> <li>• performance management system</li> </ul>
<ul style="list-style-type: none"> <li>• develop protocols to ensure that the leader and chief executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained</li> </ul>	<ul style="list-style-type: none"> <li>• new chief executive and leader pairing consider how best to establish and maintain effective communication</li> </ul>
<ul style="list-style-type: none"> <li>• make a senior officer (the S151 officer) responsible to the authority 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</li> </ul>	<ul style="list-style-type: none"> <li>• section 151 responsibilities</li> <li>• statutory provision</li> <li>• statutory reports</li> <li>• budget documentation</li> <li>• job description/specification</li> </ul>
<ul style="list-style-type: none"> <li>• make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with</li> </ul>	<ul style="list-style-type: none"> <li>• monitoring officer provisions</li> <li>• statutory provision</li> <li>• job description/specification</li> </ul>

The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that maybe used to demonstrate compliance
<ul style="list-style-type: none"> <li>develop protocols to ensure effective communication between members and officers in their respective roles</li> </ul>	<ul style="list-style-type: none"> <li>member/officer protocol</li> </ul>
<ul style="list-style-type: none"> <li>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)</li> <li>ensure that effective mechanisms exist to monitor service delivery</li> </ul>	<ul style="list-style-type: none"> <li>pay and conditions policies and practices</li> </ul>
<ul style="list-style-type: none"> <li>ensure that the organisation’s vision, strategic plans, priorities 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</li> </ul>	<ul style="list-style-type: none"> <li>vision</li> <li>strategy</li> <li>corporate plans</li> <li>budgets</li> <li>performance plan/regime</li> </ul>
<ul style="list-style-type: none"> <li>when working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority</li> <li>when working in partnership:</li> <li>ensure that there is clarity about the legal status of the partnership</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>protocols for partnership working. For each partnership there is :                             <ul style="list-style-type: none"> <li>a clear statement of the partnership principles and objectives</li> <li>clarity of each partner’s role within the partnership</li> <li>definition of roles of partnership board members</li> <li>line management responsibilities for staff who support the partnership</li> <li>a statement of funding sources for joint projects and clear accountability for proper financial administration</li> <li>a protocol for dispute resolution within the partnership</li> </ul> </li> </ul> <p>NB: from special report <i>Local Partnerships and Citizen Redress</i>, Local Government Ombudsman (2007)</p>
<p><b>Reference documents</b></p> <p><i>Final Report of the SOLACE Commission on Managing in a Political Environment</i>, SOLACE (2005)</p> <p><i>Changing Organisational Cultures</i>, Audit Commission (2005)</p>	<p><b>Tools to assist local authorities for self-assessment purposes</b></p> <p><i>Managing in a Political Environment: A Handbook of Techniques, Tools and Processes</i>, SOLACE (2005)</p>

## PROMOTING VALUES FOR THE AUTHORITY AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR

The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that maybe used to demonstrate compliance
<ul style="list-style-type: none"> <li>ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect</li> </ul>	
<ul style="list-style-type: none"> <li>ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols</li> </ul>	<ul style="list-style-type: none"> <li>members'/officers' code of conduct</li> <li>performance management system</li> <li>performance appraisal</li> <li>complaints procedures</li> <li>anti-fraud and -corruption policy</li> <li>member/officer protocols</li> </ul>
<ul style="list-style-type: none"> <li>put in place arrangements to ensure that members and employees of the authority 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</li> </ul>	<ul style="list-style-type: none"> <li>standing orders</li> <li>codes of conduct</li> <li>financial regulations</li> </ul>
<ul style="list-style-type: none"> <li>develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners</li> </ul>	<ul style="list-style-type: none"> <li>codes of conduct</li> </ul>
<ul style="list-style-type: none"> <li>put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice</li> </ul>	<ul style="list-style-type: none"> <li>codes of conduct</li> </ul>
<ul style="list-style-type: none"> <li>develop and maintain an effective standards committee</li> </ul>	<ul style="list-style-type: none"> <li>terms of reference</li> <li>regular reporting to the council</li> </ul>
<ul style="list-style-type: none"> <li>use 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 authority</li> </ul>	<ul style="list-style-type: none"> <li>decision-making practices</li> </ul>
<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>protocols for partnership working</li> </ul>
<p><b>Reference documents</b></p> <p><i>Standards of Conduct in English Local Government: The Future</i>, ODPM (2005)</p>	<p><b>Tools to assist local authorities for self-assessment purposes</b></p> <p><i>Ethical Governance Diagnostic: Setting High Standards in Public Life</i>, Audit Commission (2005)</p>

## TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK

The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance
<ul style="list-style-type: none"> <li>develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible</li> </ul>	<ul style="list-style-type: none"> <li>scrutiny is supported by robust evidence and data analysis</li> </ul>
<ul style="list-style-type: none"> <li>develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based</li> </ul>	<ul style="list-style-type: none"> <li>decision-making protocols record of decisions and supporting materials</li> </ul>
<ul style="list-style-type: none"> <li>put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice</li> </ul>	<ul style="list-style-type: none"> <li>members' code of conduct</li> </ul>
<ul style="list-style-type: none"> <li>develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee</li> </ul>	<ul style="list-style-type: none"> <li>terms of reference</li> <li>membership</li> <li>training for committee members</li> </ul>
<ul style="list-style-type: none"> <li>ensure that effective, transparent and accessible arrangements are in place for dealing with complaints</li> </ul>	<ul style="list-style-type: none"> <li>complaints procedure</li> </ul>
<ul style="list-style-type: none"> <li>ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications</li> </ul>	<ul style="list-style-type: none"> <li>members' induction scheme</li> <li>training for committee chairs</li> </ul>
<ul style="list-style-type: none"> <li>ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately</li> </ul>	<ul style="list-style-type: none"> <li>record of decision making and supporting materials</li> </ul>
<ul style="list-style-type: none"> <li>ensure that 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</li> </ul>	<ul style="list-style-type: none"> <li>risk management protocol</li> <li>financial standards and regulations</li> </ul>
<ul style="list-style-type: none"> <li>ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access</li> </ul>	<ul style="list-style-type: none"> <li>whistle-blowing policy</li> </ul>

The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance
<ul style="list-style-type: none"> <li>actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities</li> </ul>	<ul style="list-style-type: none"> <li>constitution</li> <li>monitoring officer provisions</li> <li>statutory provision</li> </ul>
<ul style="list-style-type: none"> <li>recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law</li> </ul>	
<ul style="list-style-type: none"> <li>observe all specific legislative requirements placed upon them, 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 their procedures and decision-making processes.</li> </ul>	<ul style="list-style-type: none"> <li>monitoring officer provisions</li> <li>job description/specification</li> <li>statutory provision</li> </ul>
<p><b>Reference documents</b></p> <p><i>Worth the Risk: Improving Risk Management in Local Government</i>, Audit Commission (2001)</p> <p><i>Risk Management in the Public Services</i>, CIPFA/ALARM (2001)</p> <p><i>The Orange Book - Management of Risk Principles and Concepts</i>, HM Treasury (October 2004)</p> <p><i>Audit Committees: Practical Guidance for Local Authorities</i>, CIPFA (2005)</p> <p><i>The Good Scrutiny Guide: A Pocket Guide for Public Scrutineers</i>, Centre for Public Scrutiny (2006)</p> <p><i>Overview and Scrutiny in Local Government : A Handbook for Elected Members</i>, Centre for Public Scrutiny (2006)</p> <p><i>A Wider Conversation: Effective Scrutiny of Local Strategic Partnerships</i>, IDeA (February 2007)</p>	<p><b>Tools to assist local authorities for self-assessment purposes</b></p> <p><i>A Toolkit for Local Authority Audit Committees</i>, The CIPFA Better Governance Forum (2006)</p>

## DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS AND OFFICERS TO BE EFFECTIVE

The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that maybe used to demonstrate compliance
<ul style="list-style-type: none"> <li>provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>training and development plan</li> <li>induction programme</li> <li>update courses/information</li> </ul>

The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that maybe used to demonstrate compliance
<ul style="list-style-type: none"> <li>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 authority</li> </ul>	<ul style="list-style-type: none"> <li>job description/personal specifications membership of top management team</li> </ul>
<ul style="list-style-type: none"> <li>assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively</li> </ul>	<ul style="list-style-type: none"> <li>training development plan</li> </ul>
<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>training and development plan reflect requirements of a modern councillor including:                             <ul style="list-style-type: none"> <li>the ability to scrutinise and challenge</li> <li>the ability to recognise when outside advice is required</li> <li>advice on how to act as an ambassador for the community</li> <li>leadership and influencing skills</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs</li> </ul>	<ul style="list-style-type: none"> <li>performance management system</li> </ul>
<ul style="list-style-type: none"> <li>ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority</li> </ul>	<ul style="list-style-type: none"> <li>strategic partnership framework</li> <li>stakeholders' forums' terms of reference</li> <li>area forums' roles and responsibilities</li> <li>residents' panel structure</li> </ul>
<ul style="list-style-type: none"> <li>ensure that career structures are in place for members and officers to encourage participation and development</li> </ul>	<ul style="list-style-type: none"> <li>succession planning</li> </ul>
<p><b>Reference documents</b></p> <p><i>Frontline Councillor: How Local politicians can Make a Difference to their Communities</i>, IDeA (2007)</p>	

## ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY

The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance
<ul style="list-style-type: none"> <li>• make clear to themselves, all staff and the community to whom they are accountable and for what</li> <li>• consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required</li> </ul>	<ul style="list-style-type: none"> <li>• community strategy</li> </ul>
<ul style="list-style-type: none"> <li>• produce an annual report on the activity of the scrutiny function</li> </ul>	<ul style="list-style-type: none"> <li>• annual report</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively</li> <li>• hold meetings in public unless there are good reasons for confidentiality</li> <li>• ensure that arrangements are in place to enable the authority 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</li> </ul>	<ul style="list-style-type: none"> <li>• community strategy</li> <li>• processes for dealing with competing demands within the community</li> </ul>
<ul style="list-style-type: none"> <li>• establish 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 what has changed as a result</li> </ul>	<ul style="list-style-type: none"> <li>• partnership framework</li> <li>• communication strategy</li> </ul>
<ul style="list-style-type: none"> <li>• on an annual basis, publish a performance plan giving information on the authority'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</li> </ul>	<ul style="list-style-type: none"> <li>• annual report</li> <li>• annual financial statements</li> <li>• corporate plan</li> <li>• annual business plan</li> </ul>

The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance
<ul style="list-style-type: none"> <li>ensure that the authority 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</li> </ul>	<ul style="list-style-type: none"> <li>constitution</li> </ul>
<ul style="list-style-type: none"> <li>develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making</li> </ul>	<ul style="list-style-type: none"> <li>constitution</li> </ul>
<p><b>Reference documents</b></p> <p><i>Governing Partnerships: Bridging the Accountability Gap</i>, Audit Commission (2005)</p> <p><i>The Good Governance Standard for Public Services</i>, The Independent Commission on Good Governance in Public Services (2004)</p>	<p><b>Tools to assist local authorities for self-assessment purposes</b></p> <p><i>The Annual Governance Statement: Meeting the Requirements of the Accounts and Audit Regulations 2003, incorporating Accounts and Audit (Amendment) (England) Regulations 2006 – Rough Guide for Practitioners</i>, The CIPFA Finance Advisory Network (2007)</p>