

AUDIT COMMITTEE

26 June 2014

CORPORATE GOVERNANCE REPORT & ANNUAL GOVERNANCE STATEMENT
2013/14

REPORT OF CORPORATE GOVERNANCE GROUP

Contact Officer: Stephen Whetnall Tel No: 01962 848 220 email:
swhetnall@winchester.gov.uk

RECENT REFERENCES:

AUD052 – Annual Governance Statement and Corporate Risk Monitoring Update –
12 March 2013

AUD061 – Corporate Governance Report and Annual Governance Statement
2012/13 – 25 June 2013

AUD074 – Annual Governance Statement and Corporate Risk Monitoring Update – 3
December 2013

AUD078 - Annual Governance Statement and Corporate Risk Monitoring Update –
11 March 2014

EXECUTIVE SUMMARY:

This report presents the results of the work conducted by the officer Corporate Governance Group including: the proposed Annual Governance Statement for 2013/14; the Local Code of Governance, and the Council's self assessment against the core principles of the CIPFA/SOLACE Governance Framework.

There is a Statutory requirement for a Committee of the Council, in this case the Audit Committee, to approve and publish an Annual Governance Statement each

year, which will then be signed by the Leader of the Council and the Chief Executive, and included in the Annual Financial Report for 2013/14. It is appropriate for Audit Committee to consider whether the draft statement covers risk issues adequately.

The Corporate Governance Group has reviewed all of the evidence relating to the governance and control systems in operation during the financial year and for the period to date. The regulations require that any items arising up to the date on which the Financial Statements are signed must also be reported, and this will be kept under review and reported to Committee as appropriate. The proposed future actions are identified in Section 5 of Appendix A.

RECOMMENDATIONS:

1. That the Audit Committee approves the Annual Governance Statement for 2013/14 as set out in Appendix A.
2. That the issues arising and proposed actions identified in Section 5 of Appendix A be noted, and that a monitoring report be brought back to the Audit Committee in six months time.
3. That the Local Code of Corporate Governance in Appendix B be approved, and;
4. That the Corporate Governance Self Assessment in Appendix C be noted.

AUDIT COMMITTEE

26 JUNE 2014

CORPORATE GOVERNANCE REPORT & ANNUAL GOVERNANCE STATEMENT 2013/14

REPORT OF CORPORATE GOVERNANCE GROUP

1 Introduction

- 1.1 As set out in Report CAB2132, the role of the Audit Committee with respect of the Annual Governance Statement is:

To oversee the production of the Authority's Annual Governance Statement and to recommend its adoption.

2 Report

- 2.1 The Corporate Governance Group has undertaken the various governance tasks that were planned and prepared the following documents for review:

- a) The Annual Governance Statement for the year 2013/14;
- b) The Local Code of Governance, and
- c) A self assessment against the six core principles of corporate governance in the CIPFA/SOLACE Governance framework (2012 Edition), which were reviewed by Internal Audit as part of the 2013/14 Annual Audit Plan.

- 2.2 These are appended (Appendices A - C). The content is self explanatory and is therefore not repeated in this report.

The officer Corporate Governance Group has membership as set out below

Chief Operating Officer - Stephen Whetnall (Chair); Corporate Director - Steve Tilbury; Chief Finance Officer - Alexis Garlick; Principal Democratic Services Officer - Dave Shaw and Anthony Harvey - Audit Group Manager, Southern Internal Audit Partnership.

Progress will be monitored throughout 2014/15 on the proposed actions identified in Section 5 of Appendix A. A monitoring report will also be brought to Audit Committee in six months time.

- 2.3 For the most part the issues identified in The Annual Governance Statement 2012/13 are being rolled forward to the new Statement for 2013/14 (see Appendix A). However, there are four issues that, following consideration by

the Corporate Governance Group, have been removed from the Annual Governance Statement, as the relevant actions have been taken. These are:

- Welfare Reform
- Business Rates/NNDR
- Community Infrastructure Levy (CIL) Implementation
- Change in External Auditors

OTHER CONSIDERATIONS

3 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

3.1 Good Corporate Governance supports the achievement of the objectives of the Community Strategy and Portfolio Plans.

4 Resource Implications:

4.1 No direct implications. Where further work is taking place, any additional resources required to implement improvements identified will be raised separately or through the budget process.

5. Risk Management Issues

5.1 The effectiveness of Corporate Governance within the Council is a principal ingredient to the organisation's objective of being an effective Community Leader. The efficacy of the governance arrangements directly affects the Council's ability to deliver its contribution to the objectives within the Community Strategy and Portfolio Plans.

5.2 As a result, the actions and controls in implementing Corporate Governance is a key control and in the Council's arrangements to mitigate all its risks. Report AUD95 – Risk Management Policy 2014 (elsewhere on this Committee's agenda) was prepared in conjunction with this report as the considerations overlap.

BACKGROUND DOCUMENTS:

Non-exempt papers covering the following documents:

Delivering Good Governance in Local Government (CIPFA/SOLACE framework);

Annual Assurance Statements prepared by individual Heads of Teams and Corporate Directors;

Internal Audit Agreed Actions;

Internal Audit Annual Report 2013/14;

The Council's Risk Management Policy, Risk Register and Monitoring Reports;

Internal Audit Working Papers on the review of the six core principles in the CIPFA/SOLACE Governance framework; and

Annual Audit Letter for 2012/13.

APPENDICES:

Appendix A: Annual Governance Statement 2013/14

Appendix B: Local Code of Governance

Appendix C: Corporate Governance Self Assessment – To follow

ANNUAL GOVERNANCE STATEMENT 2013/14

1. Scope of Responsibility

Winchester City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Winchester City 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.

In discharging this overall responsibility, Winchester City Council is responsible for putting 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.

Winchester City Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.

This Statement explains how Winchester City Council has complied with the Code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the review of its system of internal control in accordance with best practice, and that the review be reported in an Annual Governance Statement.

2. The Purpose of the Governance Framework

The purpose of the governance framework is to ensure that the authority directs and controls its activities in a way that meets standards of good governance and is accountable to the community. It does this by putting in place an organisational culture and values which drive a responsible approach to the management of public resources, supported by appropriate systems and processes, and ensuring that these work effectively. It works with the Council's Performance Management Framework to ensure that the Council has in place strategic objectives reflecting the needs of the community and is monitoring the achievement of these objectives through delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot 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 ongoing process designed to identify and prioritise the risks to the achievement of Winchester City Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Winchester City Council for the year ended 31 March 2014 and up to the date of approval of the Statement of Accounts for the 2013/14 financial year.

3. The Governance Framework

The core principles of good governance are:-

- Focusing on the purpose of the authority and on outcomes for the local community and creating and implementing a vision for the local area.
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority 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 managed risk.
- Developing the capacity and capability of Members and officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability.

The Council's Performance Management Framework translates the needs of the community and requirements of Government, into cost effective local services designed to deliver the shared vision for the District (economic prosperity, a high quality environment and active communities) and meet statutory requirements.

The Council engages with its communities through a number of mechanisms, including community planning, consultation events, surveys and campaigns relating to specific initiatives. Building on the views expressed and evidence of needs and future trends, the Council has worked with partner organisations to agree a shared vision and set of aims and outcomes for the District that is documented in the Winchester District Community Strategy 2010 – 2020, as revised at Cabinet on 4 December 2013 (Report CAB2533 refers).

The Council's Community Strategy is supplemented by more detailed information on the key projects and programmes of work that the authority will be delivering during the year – with actions to achieve priority outcomes set out in the Portfolio Plans. More detailed business and service plans are drawn up by Council Teams, with targets set for individual members of staff through the annual appraisal process. This process also looks at the development and training needs of staff, with a programme of training then put in place to meet these needs.

Progress against Portfolio Plans and budgets is monitored regularly by the Corporate Management Team, the Performance Management Team, Senior Managers and Portfolio Holders. The Overview and Scrutiny Committee receives reports focusing on delivery of key projects and programmes of work and drawing attention to other areas where progress is exceeding, or falling short of targets. Portfolio Holders also monitor progress in delivery.

The Council's performance management arrangements are regularly reviewed and were further developed in 2013/14 to better demonstrate progress against delivering the outcomes in the Winchester District Community Strategy and the Council's Portfolio Plans (report OS94 – Performance Management Framework, 17 February 2014 refers). The National Performance Framework has been fully embedded in the Council's reporting mechanisms. The Council has an officer Performance Management Team to monitor and direct monthly financial performance, service performance, progress on key corporate projects and risk management and to oversee the implementation of recommendations from Internal Audit reports.

The Council publishes an Annual Financial Report (incorporating the Statement of Accounts) annually within the statutory timescales. The Annual Financial Report incorporates the full requirements of best practice guidance in relation to corporate governance, risk management and internal control.

The Council is subject to independent audit by Ernst and Young and receives an Annual Audit Letter reporting on findings. The Council supplements this work with the Southern Internal Audit Partnership and ad hoc external peer reviews. The Audit Committee undertakes the core functions as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*.

The Council's Constitution explains existing policy making and delegation procedures and the matters which must be dealt with by the full Council. It documents the role and responsibilities of Cabinet, portfolio holders, each committee and members and officers. The Council has approved a protocol governing relationships between Members and Officers as part of its Constitution and has adopted codes of conduct for both Officers and Members which facilitate the promotion, communication and embedding of proper standards of behaviour. Officers have job descriptions and there are clearly defined schemes of delegation, all of which are reviewed from time to time.

The Council's Constitution incorporates clear guidelines to ensure that business is dealt with in an open manner except in circumstances when issues should be kept confidential. Meetings are open to the public except where personal or confidential matters are being discussed. All Cabinet /committee agendas, minutes and portfolio holder decisions are published promptly on the Council's website. In addition, senior officers of the Council can make some decisions under delegated authority. The over-arching policy of the Council is decided by the full Council. The Overview and Scrutiny Committee and Audit Committee hold Portfolio Holders to account for delivery of the Council's policy framework within the agreed budget, and protocols are in place for any departure from this to be properly examined.

Staff awareness training has been undertaken to ensure that the Council complies adequately with the provisions of the Data Protection and Freedom of Information Acts, and Equality requirements.

The Council has appointed the Chief Finance Officer as the Section 151 officer with the statutory responsibility for the proper administration of the Council's financial affairs. CIPFA/SOLACE advise that the Chief Finance Officer should report directly

to the Chief Executive and be a member of the 'Leadership Team', of equal status to other members. The Chief Finance Officer became a member of the Corporate Management Team with effect from 1 April 2013.

The Chief Finance Officer is also a member of the Council's Performance Management Team alongside the Chief Executive, Corporate Directors and Assistant Directors.

The Council has appointed the Chief Operating Officer as the statutory "Monitoring Officer" and has procedures to ensure that the Monitoring Officer is aware of any issues which may have legal implications.

All Cabinet reports are reviewed by the Chief Finance Officer and Monitoring Officer. All reports to Cabinet are required to demonstrate how the matter links to the Council's Community Strategy and Portfolio Plans, and highlight resource implications. Officers are also asked to draw out risk, equality, sustainability, management and legal issues as appropriate. Similar procedures are in place for the Scrutiny and Regulatory Committees.

The Council has whistle-blowing and anti-fraud and corruption policies. It has a formal complaints procedure and seeks to address and learn from complaints. The Council's Standards Committee deals with complaints relating to the conduct of Members.

Members' induction training is undertaken after each election. Members receive regular updates and training on developments in local government.

4. Review of Effectiveness

Winchester City Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

The process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements includes wide input:-

INPUTS TO THE ANNUAL GOVERNANCE STATEMENT



- **Managers and staff** have responsibility for the development and maintenance of a sound governance environment.
- **Elected members** are collectively responsible for the governance of the Council and the full Council is responsible for agreeing the Constitution, policy framework and budget.
- **Southern Internal Audit Partnership's** remit includes the Council's entire control environment. The Head of the Southern Internal Audit Partnership takes account of the Council's assurance and monitoring mechanisms, including risk management arrangements, for achieving the Council's objectives. The Internal Audit Plan is based on the Corporate Risks Register and identifies Internal Audit's contribution to the review of the effectiveness of the control environment. The process includes reports to the Audit Committee on progress of audits. Regular summaries are also produced of the outcome of each audit, together

with reviews of whether agreed recommendations have been implemented. Internal Audit provides an annual opinion on the internal control environment and issues that should be included in this Statement.

Part of this review process is an annual review report by the Head of Southern Internal Audit Partnership of the effectiveness of the Council's internal audit function. In the light of feedback we have concluded that internal audit is an effective part of the Council's governance arrangements.

- **External Audit** provides an Annual Audit Letter, which includes a review of the Council's Annual Governance Statement and internal controls.
- **Corporate Directors, Assistant Directors and Heads of Teams** complete annual statements of assurance and implement action plans identified as a part of this process.
- **The Monitoring Officer** has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are followed. He also reviews this Statement. Amendments to the Constitution are considered by Cabinet, the Leader, The Overview and Scrutiny Committee, the Standards Committee and Council from time to time as required to reflect managerial and operational changes.
- An officer **Performance Management Team** is responsible for deploying risk management across the Council and the risk assessment of emerging issues, in addition to monitoring progress against Business Plans and budgets.
- An officer **Governance Group** co-ordinates the preparation of this statement and recommends the statement to the Corporate Management Team. The Group monitors compliance in the risk management arrangements and keeps the self-assessment of governance based on the Code of Corporate Governance under review.
- **The Corporate Management Team** reviews this statement and regularly deals with setting policy for risk management. It has a role in setting the culture and values, agreeing the Governance Framework, and implementing the framework throughout all its work.
- **The Audit Committee** monitors the internal control environment through receipt of audit reports and this Statement, and keeps an overview of arrangements for risk management. It also approves this Statement and the Statement of Accounts.
- The **Cabinet** manages risk in making operational and governance decisions together with proposing and implementing the policy framework, budget and key strategies.
- The **Leader and Chief Executive** review and sign this Statement on behalf of the Council.

5. Current Issues

There are a number of issues identified which significantly impact on the 2013/14 and / or future financial years. The Council has also stated how it plans to address them and the following plans have been integrated into the Council's performance management arrangements.

Issue	Action to be taken	Progress / Comments
Asset Management	Maintain an up to date Asset Management Plan and ensure that financial aspects of the Council's fixed assets are appropriately incorporated into the financial planning process, taking account the possible impact of the current economic situation and of opportunities to encourage regeneration through the use of the Council's property portfolio.	<p>Significant capital expenditure was incurred on projects during 2013/14. The new Depot was completed which will release the old site for redevelopment. The Council has recently undertaken renovation/ conversion works at Abbey Mill which has been let as a restaurant to River Cottage. An agreement for lease has been concluded for Avalon House with Southern Health NHS Trust and the Council's improvement works commenced in June 2014. The Council has also contracted to purchase County Council land near the Winchester station which together with the adjacent City Council car park will provide an opportunity for a major redevelopment.</p> <p>Earmarked reserves have been increased to fund future planned expenditure. However there are still some future capital requirements that will need funding to be identified including the River Park Leisure Centre and City Offices. This will be considered further during 2014/15.</p>

Issue	Action to be taken	Progress / Comments
Setting and achieving priorities within the context of reducing resources for local government.	<p>Continued improvement in consultation on Council priorities/budget, for 2013/14 based on the refresh of the Community Strategy.</p> <p>Improvement of links between corporate and departmental business planning, aligning departmental business plans to priority outcomes derived from the Sustainable Community Strategy over a five year period.</p>	<p>The Finance and Organisational Development Portfolio Plan for 2014/15 sets out the key actions which include:</p> <ul style="list-style-type: none"> -Strengthen the financial resilience of the Council by building further on the principles established in the Asset Management Plan; -Develop a savings and income plan to balance the medium term forecast deficit position; and - Develop the Council's Treasury Management Strategy to support the Council's increased capital spending requirements, with an acceptable level of risk.
Partnership arrangements	Continue to develop partnership arrangements where there is an efficiency or improvement led case for doing so.	<p>A number of delivery partnerships are in place to help realise priority outcomes, for example the Community Safety Partnership, Health & Wellbeing Partnership, and Housing Forum.</p> <p>The Council continues to develop a range of partnership and shared services projects including:</p> <ul style="list-style-type: none"> - Housing services - Fully Integrated Merger of Museums services. <p>Shared services already in place include IT, Revenues, Environmental Services, Internal Audit and Learning and Development.</p>

Issue	Action to be taken	Progress / Comments
Housing Finance	<p>Implementing the consequential changes to the Housing Revenue Account and the Treasury Management procedures, of the Government's Housing Finance Reform effective from 1 April 2013.</p> <p>Delivering the Council's new homes programme.</p>	<p>The Council took on debt and paid £157.6m to the Government in March 2012 in accordance with the requirements of housing finance reform.</p> <p>Treasury management procedures for the management of the cash flow and the debt are under further development.</p> <p>Preparations are being made for accounting changes for depreciation and componentisation.</p>
Capacity	<p>Ensure capacity to deliver priorities.</p> <p>More effective use of officer capacity through agile working.</p> <p>Effective Flexible Resource Management to achieve target savings.</p> <p>Developing a robust approach to Programme Management.</p>	<p>Performance Management Team leads in monitoring progress with key projects and managing capacity to ensure delivery of priorities.</p> <p>The <i>1-team</i> approach to staff deployment continues to assist with directing staff resource to priority areas.</p> <p>The Major Projects Team is supporting the prioritisation of resources for the Council's significant projects.</p>
Silver Hill	<p>To work with the Council's development partner TIAA Henderson Real Estate to progress the scheme.</p>	<p>Henderson have proposed revisions to the consented scheme to improve design and commercial prospects. Subject to obtaining the necessary consents, start on site could be achieved by January 2015.</p>

Issue	Action to be taken	Progress / Comments
Changes to Governance Arrangements	To input into the Local Government Boundary Commission review to reflect the Council's aspiration for its future governance arrangements and to continue to implement the Council's own improvements to its decision making arrangements.	Input into the Review, Stage 1 July 2014 Stage 2 Oct/Nov 2014 Changes made to the Council's Constitution in 2013/14 to streamline decision making need to be embedded in 2014/15.
Performance and Risk Management	Respond appropriately to recommendations included in recent Internal Audit report on Performance and Risk Management.	Work is underway to embed the performance arrangements as set out in the recently approved Performance Management Framework across the Council. Risk workshops to allow for the updating of operational, project and partnership risks to be held with risk owners during the summer of 2014.
Recruitment and Retention	Analyse the workforce profile and monitor trends to develop a revised Workforce Strategy and detailed plans to ensure that the Council has the right people with the right skills at the right time.	Work is on going to review the Workforce Strategy and refresh it to meet future needs. A review of the Pay and Reward profile of the Council is establishing the current position with in the employment market and assessing future requirements. Developing detailed plans to address any specific areas of concern.

We propose, over the coming year, to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review.

Signed:

Simon Eden
Chief Executive
Winchester City Council

Dated:

Signed:

Councillor R. Humby
Leader of the Council
Winchester City Council

Dated:

Winchester City Council's Local Code of Corporate Governance

Definition of Governance

For the purpose of this Local Code, Winchester City Council has accepted the definition of Corporate Governance as stated within the CIPFA/SOLACE Framework, as follows:

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

It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities”.

Good Governance Standards

The Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) have published a framework document for Corporate Governance in Local Government.

Winchester City Council is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through the development, adoption and continued maintenance of a Local Code of Corporate Governance, as recommended by the CIPFA/SOLACE Framework.

This document, Winchester City Council's “Local Code of Corporate Governance”, therefore sets out and describes the Council's commitment to corporate governance, and identifies the arrangements that have been made, and indeed will continue to be made, to ensure its effective implementation and application in all aspects of the Council's work.

Winchester City Council recognises that effective local government relies upon establishing and maintaining the confidence of the public in both the elected Members and Officers of the Council.

The effective application of the six principles of good governance directly supports the Council's three overarching outcomes that have been identified for the Winchester District through the Winchester District Community Strategy:

- Active Communities
- Prosperous Economy
- High Quality Environment

- Effective and Efficient Council

A copy of the Winchester District Community Strategy can be obtained through the following link and provides detail on what is covered within the above four overarching outcomes.

The Council's response to the Community Strategy is contained in Portfolio Plans 2014/15 approved by Council at its meeting on 8 January 2014 – report CL90 refers. Winchester City Council's good corporate governance standards are outlined below. The Council will prepare an Annual Governance Statement to evaluate its governance against the principles below:-

GOOD GOVERNANCE PRINCIPLE 1

Winchester City Council will focus on the purpose of the authority and on outcomes for the community and create and implement a vision for the local area.

We will:

- develop and promote the authority's purpose and vision
- review on a regular basis, and with our communities, the authority's vision for the local area and its impact on the authority's governance arrangements
- ensure that partnerships are underpinned by a common vision of their contribution that is understood and agreed by all parties
- publish information on a timely basis to communicate the authority's activities and achievements, its financial position and performance
- 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
- put in place effective arrangements to identify and deal with failure in service delivery
- 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.

GOOD GOVERNANCE PRINCIPLE 2

Winchester City Council will, by Members and officers working together, achieve a common purpose with clearly defined functions and roles.

We will:

- set out a clear statement of the respective roles and responsibilities of the executive (Cabinet) and of the executive's members individually (portfolio holders) and the authority's approach towards putting this into practice
- set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers
- 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
- make the Chief Executive responsible and accountable to Council for all aspects of operational management
- develop 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
- 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
- make a senior officer (the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with
- develop protocols to ensure effective communication between members and officers in their respective roles
- set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process
- ensure that effective mechanisms exist to monitor service delivery
- 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
- 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
 - ensure that there is clarity about the legal status of the partnership
 - ensure that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.

GOOD GOVERNANCE PRINCIPLE 3

Winchester City Council will promote values for the authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour.

We will:

- ensure that the authority's leadership sets a tone for the organisation by embedding and sustaining a climate of openness, integrity, support and respect
- 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
- 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
- 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
- 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
- develop and maintain an effective standards committee
- 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 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.

GOOD GOVERNANCE PRINCIPLE 4

Winchester City Council will take informed and transparent decisions which are subject to effective scrutiny and managed risk.

We will:

- 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
- develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based
- 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
- develop and maintain an effective audit committee which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee.
- ensure that effective, transparent and accessible arrangements are in place for dealing with complaints
- 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
- 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
- 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
- ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access
- actively recognise the limits of lawful activity placed on us by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of our communities
- 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
- observe all specific legislative requirements placed upon us, 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 our procedures and decision-making processes.

GOOD GOVERNANCE PRINCIPLE 5

Winchester City Council will develop the capacity and capability of members and officers to be effective.

We will:

- provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis
- 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
- assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively
- 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
- ensure that effective arrangements are in place for reviewing the performance of the executive (Cabinet) as a whole and of individual members and agreeing an action plan to address any training or development needs
- 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
- ensure that career structures are in place for members and officers to encourage participation and development.
- ensure that staff are given the skills to enable them to be deployed in a flexible way designed to support the effective management of priority actions, projects and programmes.

GOOD GOVERNANCE PRINCIPLE 6

Winchester City Council will engage with local people and other stakeholders to ensure robust public accountability.

We will:

- make clear to ourselves, all staff and the community to whom we are accountable and for what
- consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required
- produce an annual report on the activity of the scrutiny function
- 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
- hold meetings in public unless there are good reasons for confidentiality
- ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements will recognise that different sections of the community have different priorities and we will establish explicit processes for dealing with these competing demands
- establish a clear policy on the types of issues we 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
- on an annual basis, publish an annual report giving information on the authority's vision, strategy, performance plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period
- 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
- develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.

Corporate Governance – Self Assessment – To follow