



MIDLOTHIAN COUNCIL

CODE OF CORPORATE GOVERNANCE 2013/14

Bob Constable, Leader of the Council
Kenneth Lawrie, Chief Executive

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Version control

1	May 2004	First Code set up
2	October 2006	Altered to acknowledge structural changes in Council and compliance with new best practices
3	January 2012	Altered to acknowledge structural changes in Council and compliance with new best practices
4	August 2013	Altered to acknowledge structural changes in Council and compliance with new best practices

LOCAL CODE OF CORPORATE GOVERNANCE

Introduction

Midlothian Council operates through a governance framework based on legislative requirement, governance principles and management processes. The council has put effort into ensuring that its governance arrangements are robust and lead in good practice

In January 2001 a local code of corporate governance was adopted, that code being based on a governance framework document published by CIPFA/SOLACE.

In 2008, CIPFA/SOLACE produced a new framework 'Delivering Good Governance in Local Government'. As a result, the council has reviewed its governance arrangements and revised the local code of corporate governance.

The code is set out in three parts:

Part 1 - details Midlothian Council's local corporate governance action plan for 13/14 based on our self assessment.

Part 2 - describes the principles of good governance and how the council aims to achieve these.

Part 3 - identifies the council's policy and procedures that are essential to demonstrate compliance with these principles.

Compliance with the code will be evaluated and revised annually and endorsed as follows:

- Officer Working Group – comprising Section 95 Officer, Monitoring Officer and other appropriate senior officers to review and update self assessment and agree improvement plan if required
- Corporate Management Team – for comment
- Audit Committee – for comment
- Cabinet – for approval
- Council – to endorse
- Leader of Council and Chief Executive – to sign off

The working group's assessment of compliance will be reflected in the Annual Governance Statement which the Leader of the Council and the Chief Executive are required to produce as part of the auditing of the Council's annual accounts. In addition the Council's Internal Audit team will also conduct an annual independent audit reviewing the adequacy, effectiveness and extent of compliance with the code.

Part 1

Local Corporate Governance Improvement Action Plan 2013/14 – based on Council Self Assessment 13/14					
Principle	Local Code Ref	Evidence Ref	Action Required	Lead Officer	Timescale
1,2,5 & 6	1,3,3,	1.2, 3.4, 3.1, 2.1, 2.3 & 2.4	Consultation and Engagement Strategy to be approved and implemented	Clytie Robinson	03/14
1 & 2	1,2 & 3	1.2, 2.1, 2.2 & 3.1	Development of reporting template and analysis of complaints for service improvement	Scott Stewart	03/14
2	1	1.1	Undertake and implement a review of Standing Orders, Scheme of Administration and Schemes of a) Scheme of Delegation to Officials and b) Proper Officer Appointments	Jim Clifford	03/14
6	2	2.2	Protocol for recording and relaying Council meetings to be approved and implemented	Jim Clifford	09/13
1	1	1.3	Further development of vision and embedding within Council and Partners	Kenneth Lawrie/CMT	03/14 and annually thereafter
1,6	3,2	3.1 & 2.5	Follow up and complete actions associated with both the BV2 and AIP action plans	Nancy Brown	03/14 and annually thereafter
2	3	3.3	Review and implement revised performance management structure and reporting arrangements	Colin Anderson	09/13
3	2	2.4	Undertake review and implement changes to Single Midlothian Plan	Alastair Mather	11/13
4	1	1.1	Self assessment of audit committee to be coordinated by Audit Manager and Chair of Audit Committee	Elaine Greaves/Graham Herbert	03/14
5	2	2.2	Support Elected Member capacity, by completing the Elected Member training programme	Nancy Brown	03/14 and annually thereafter
5	2	2.2	Develop a robust programme of Elected Member development which will include training on performance management and scrutiny	Nancy Brown	03/14 and annually thereafter
5	2	2.2	Improve scrutiny of education function by elected members	Nancy Brown	03/14
Outstanding Actions from 12/13 Governance Statement			Level of compliance with Audit Scotland's report on Arms Length Bodies and Following the Public Pound	Elaine Greaves/Graham Herbert	03/14
			Ensure a robust programme of Council Transformation is developed and implemented in order to achieve improved service delivery by reshaping provision whilst reducing costs.	Nancy Brown	03/14 and annually thereafter
			Reduction in risk within operational services as far as is reasonably practicable. Reductions in risks in corporate and projects so far as is reasonably practicable.	Chris Lawson	03/14 and annually thereafter

	Supporting changes in ICT and buildings rationalisation improvements in structure testing of ICT and Business Recovery Plans	Chris Lawson/Steve Curren	03/14 and annually thereafter
	The Council will continue to assess the impact of the new Welfare Reform Act on Council services and Midlothian citizens and develop local action plans	Hillary Kelly	03/14

Part 2

Principles of Good Governance and how Midlothian Council aims to achieve these

Principle 1 FOCUSING ON THE PURPOSE OF THE AUTHORITY AND ON OUTCOMES FOR THE COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA	
<i>Rationale: Local government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organisation and to external stakeholders.</i>	
Good Governance is about:	To demonstrate its commitment to good governance Midlothian Council will:
Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users.	<ul style="list-style-type: none"> • Develop and promote our purpose and vision. • Review on a regular basis our vision for the local area. • Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners. • Publish an annual report on a timely basis to communicate our activities and achievements, financial position and performance.
Ensuring that users receive a high quality of service whether directly, or in partnership or by commissioning.	<ul style="list-style-type: none"> • Make sure that the information needed to review service quality effectively and regularly is available. • Put in place arrangements to identify and deal with failure in service delivery.
Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money.	<ul style="list-style-type: none"> • Review the use of resources and monitor service delivery.

Principle 2 MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES	
<i>Rationale: A constructive working relationship between members and officers, with clear roles and responsibilities, is essential to the achievement of our vision.</i>	
Good Governance is about:	To demonstrate its commitment to good governance Midlothian Council will:
Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.	<ul style="list-style-type: none"> • Set out a statement of the respective roles and responsibilities of members and of senior officers.
Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard.	<ul style="list-style-type: none"> • Determine a scheme of delegation and reserve powers, taking account of relevant legislation, and ensure that it is monitored and updated when required. • Make the Chief Executive responsible and accountable to the Council for all aspect of operational management. • Ensure the Leader and Chief Executive are clear on their respective roles and that a shared understanding or roles and objectives is maintained • Make the Head of Finance and Human Resources (section 95 officer) responsible for ensuring appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining effective systems of internal financial control. • Make the Head of Customer Services (monitoring officer) responsible for ensuring that agreed procedures are in place.
Ensuring relationships between the authority, its partners and the public are clear so that each know what to expect of the other.	<ul style="list-style-type: none"> • Develop protocols to ensure effective communication between members and staff in their respective roles. • Ensure that an established scheme for remuneration of members and staff and an effective structure for managing the process is in place. • Ensure that effective mechanisms exist to monitor service delivery. • Ensure that our vision, Single Midlothian Plan, priorities and targets are developed, through robust mechanisms and in consultation with the local community and other key stakeholders, and t hat they are clearly articulated and disseminated. • When working in partnership ensure that members are clear about respective roles and responsibilities both individually and collectively. • When working in partnership, ensure that there is clarity about the legal status of the partnership; and ensure that representatives of organisations both understand and make clear to all other partners the extent of their ability to bind their organisation to partners' decisions.

Principle 3	
PROMOTING VALUES FOR THE COUNCIL AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR	
<i>Rationale: A hallmark of good governance is the development of shared values, which become part of the culture, underpinning policy and behaviour throughout the organisation.</i>	
Good Governance is about:	To demonstrate its commitment to good governance Midlothian Council will:
Ensuring Council members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.	<ul style="list-style-type: none"> • Ensure that our leadership sets a tone for the organisation by creating a climate of openness, 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 Council, its partners and the community are defined and communicated through codes of conduct and protocols • Put in place arrangements to ensure that members and staff are not influenced by prejudice, bias or conflict of interest in dealing with different stakeholder and put 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"> • Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations, and communicating 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 standard of conduct mechanism. • Use our shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Council.

Principle 4
TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK

Rationale: Officers need the support of appropriate systems to help ensure that decisions are well informed, implemented and that resources are used legally and efficiently. An effective risk management system identifies and assesses risks, decides on appropriate responses and then decides on appropriate responses and then provides assurance that the chosen responses are effective.

Good Governance is about:	To demonstrate its commitment to good governance Midlothian Council will:
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"> • Ensure effective scrutiny arrangements are in place which encourage constructive challenge and enhance our performance overall and that of any organisation for which we are responsible. • Ensure that there are open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and consideration on which decisions are based. • Ensure that there are arrangements to safeguard members and staff against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice. • Maintain an effective, independent audit committee. • Ensure that effective, transparent and accessible arrangements are in place 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"> • Ensure that those making decisions are provided with information that is fit for purpose – relevant, timely and gives 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.
Ensuring that an effective risk management system is in place.	<ul style="list-style-type: none"> • Ensure that risk management is embedded; with members and managers at all levels recognising that risk management is part of their job. • Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the Council have access.
Using legal powers to the full benefit of the citizens and communities in the area.	<ul style="list-style-type: none"> • Actively recognise the limits of lawful activity place on the Council by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of the communities. • Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities place on the Council by public law. • Observe all specific legislative requirements placed upon the Council, and in particular integrate the key principles of good administrative law – rationality, legality and natural justice – into our procedures and decisions-making processes.

Principle 5
DEVELOPING THE CAPACITY AND CAPABILITIES OF MEMBERS AND OFFICERS TO BE EFFECTIVE

Rationale: Authorities need people with the right skills to direct and control them effectively. In addition, governance is strengthened by the participation of people with many different types of knowledge and experience.

Good Governance is about:	To demonstrate its commitment to good governance Midlothian Council will:
Making sure that member and officers have the skills, knowledge, experience and resources they need to perform their roles well.	<ul style="list-style-type: none"> • Provide induction programme tailored to individual needs and opportunities for members and staff 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 Council. • Facilitate learning and development opportunities for members and staff.
Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.	<ul style="list-style-type: none"> • Assess the skills required by members' and staff 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. • Ensuring that effective arrangements are in place for addressing any training or development needs.
Encouraging new talent for membership of the Council so that best use can be made of individuals' skills and balancing continuity and renewal.	<ul style="list-style-type: none"> • Ensure that effective arrangements are in place designed to encourage individuals from all section of the community to engage with and contribute to our work.

Principle 6
ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY

Rationale: Authorities need people with the right skills to direct and control them effectively. In addition, governance is strengthened by the participation of people with many different types of knowledge and experience.

<p>Good Governance is about:</p>	<p>To demonstrate its commitment to good governance Midlothian Council will:</p>
<p>Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.</p>	<ul style="list-style-type: none"> • Be clear to our staff and the community about what we do. • Consider those institutional stakeholders with whom we engage and assess the effectiveness of the relationships and any changes required. • Ensure the outcomes of our scrutiny function are open to the community and other stakeholder where appropriate.
<p>Taking an active and planned approach to dialogue with the accountability to the public to ensure effective and appropriate service delivery whether directly by the Council, or in partnership or by commissioning.</p>	<ul style="list-style-type: none"> • Ensure channels of communication are in place with all section 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 us to engage with all section of the community effectively. These arrangements will recognise that different section of the community have different priorities and establish explicit processes for dealing with these competing demands. • Consult with the public an service users on our services and have a feedback mechanism to demonstrate what has changed as a result. • On an annual basis publish a range of information showing our performance in relation to service delivery and finance. • Ensure that we are open and accessible to the community, service users and staff and ensure that we make a commitment to openness and transparency in all of our dealings, 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 responsibility to staff.</p>	<ul style="list-style-type: none"> • Develop and maintain arrangements for consulting and involving staff in decision making.

Part 3

Policies, Procedures and other Evidence

Policy, Procedure, Evidence	Core Principles					
	1	2	3	4	5	6
Access to Information Act						•
Accounts in compliance with statutory professional reporting standards		•				
Analysis of service complaints	•					
Annual Assurance Statement		•				
Annual Audited Accounts						•
Annual Budget Setting and Budget Monitoring Reports						•
Annual Financial Statements	•					
Annual Governance Statement						•
Annual Performance Report	•					•
Annual Statutory Reports						•
Anti fraud and Corruption Policies			•			
Assurance and Improvement Plan (AIP)	•	•			•	
Audit and External Inspections						•
Audit Committee, with Independent Chair and Independent Non Voting person	•			•	•	
Benchmarking APSE, SHBVN, Other Local Authorities etc	•					
Best Value Audit					•	
Business Continuity Plans	•			•		
Business Transformation Board	•			•		
Business Transformation Steering Group	•			•		
Cabinet Portfolios		•				
Chief Executive Job Description		•				
Chief Executive Performance Review to Elected Members		•				
Citizen Panel Consultations		•				•
Code of Conduct for Members/Councillors and associated training		•	•	•		
Code of Conduct for Officers		•	•	•		
Code of Corporate Governance Improvement Plan 2013/14		•				
Code of Corporate Governance Local Plan 2013/14	•	•				
Committee Report Calendar				•		

Policy, Procedure, Evidence	Core Principles					
	1	2	3	4	5	6
Communication and Marketing Strategy	•					•
Community Consultations						•
Community Engagement					•	
Community Plan Consultations						
Community Planning Board and Community Planning Structure and Partners	•					•
Community Planning Partnership meetings and role and scope of each partnership defined	•					
Community Planning Partnership pages on website				•		•
Community Planning Partnership Stakeholder and Service User Groups						•
Complaints Handling Procedure (SPSO Model)	•		•	•		
Complaints Procedure - Complaints against Councillors		•		•		
Consultation and Engagement Strategy (Draft)	•	•			•	•
Consultation Exercises						•
Continuing Professional Development (CPD)					•	
Corporate Guidance on Service Planning and Performance (Draft)	•	•				
Corporate Induction	•					
Corporate Management Team	•	•				
Corporate Parenting			•			
Corporate Procurement Strategy	•					
Council Annual Performance Report	•					
Council Tax Leaflet						•
Council Transformation Programme and associated project board – service reviews, efficiency savings etc	•		•	•		
Council Transformation Strategy	•					
Councillor Code of Conduct		•				
Customer Access Strategy (Channel Shift)						•
Customer Care Standards	•					
Data Protection Act						•
Definition of roles in partnership agreements, e.g. memorandum of understanding, partnership arrangements		•				
Director/Elected Member Liaison				•		
Divisional and Corporate Management Team Meetings						•
E Learning – LearnPro			•		•	
Elected member development/training programme	•		•			
Elected member on line resources and links to improvement service					•	

Policy, Procedure, Evidence	Core Principles					
	1	2	3	4	5	6
Elected Member Portfolio Holders				•		
Elected member salaries in accordance with Scottish Local Government Remuneration Recommendations		•				
Employee Engagement Sessions						•
Employee Survey						•
Equality Impact Assessments			•			
Equality Outcome & Mainstreaming Report 2013/17			•			
Equality Working Groups						•
External assurance report, action plans developed and monitored through Covalent	•					
External Audit Reports	•					•
External Inspection Reports						•
Financial Directives	•					
Financial Discipline	•					
Financial Regulations		•	•	•		
Financial Statements						•
Freedom of Information Procedures/Act			•			•
Future Model of Service Delivery			•			•
Head of Customer Services Monitoring Officer		•		•		
Head of Finance and HR S.95 Officer and member of Corporate Management Team		•				
Housing Newsletters						•
HR policies and procedures published on intranet, including Harassment, Absence			•			
In Brief						•
Induction Procedures and ongoing training for Members			•	•	•	
Induction Procedures and policy lead training for Officer			•		•	
Inside Midlothian						•
Internal and External audit recommendations managed and monitored via quarterly performance reporting		•				
Internal Audit and Risk Management Functions separate				•		
Internal Audit Managers statement on Internal Control		•				
Internal Audit Programme, Reports and follow ups		•	•	•		
Internal/External Audits would reflect breaches in Standing Orders and/or Financial Regulations				•		
Job Descriptions – including specification where necessary for statutory officers roles		•			•	
Job Evaluation Team in Place		•				
Joint Consultation arrangements including with Trades Unions			•			•

Policy, Procedure, Evidence	Core Principles					
	1	2	3	4	5	6
Joint Working						•
Leader and Depute Leader positions					•	
Leadership Forum		•	•			
Leadership Pathway – Initiate, Involve and Inspire			•		•	
Local Area Network (LAN)						•
Meeting/Report Calendar prepared and issued by Secretariat			•	•		
Mi Future Project – including Competency Framework and Development Plans		•	•		•	
Midlothian Councils reviewed and updated Visions13/14	•		•			
Midlothian Economic Recovery Plan	•					
Midlothian Local Development Plan	•					
Midlothian News						•
Midlothian Tourism Action Plan	•					
Minutes/CMT/Scrutiny published on intra/internet as appropriate			•	•		
Model Publication Scheme/Guide to Information (Adoption)						•
Monitoring Officer Protocol		•		•		
Neighbourhood Planning Arrangements		•				•
Notices of Motion and Question to Leader of Council at Council meetings				•		
Partnership Principles and Objectives		•	•			
Pay and Grading Structure in Place		•				
People Strategy 2011-2014 (includes People Values)					•	•
Performance Indicators	•	•				•
Performance Management System – Covalent	•					
Performance Review and Scrutiny Committee Audit Committee agendas and minutes available on line	•	•		•	•	•
Pre Agenda Meetings				•		
Processes in place for approving, grading and addressing appeals		•				
Procurement Strategy and Procedures, which includes Tender Procedures	•		•	•		
Proper Officer Appointments	•					
Protocol for recording and relaying/transmitting Council Meetings (Draft)						•
Provost and Depute Provost positions					•	
Public Performance Reporting						•
Quarterly Performance reports to Performance and Scrutiny Committee		•				
Record of decision making and supporting materials				•		

Policy, Procedure, Evidence	Core Principles					
	1	2	3	4	5	6
Records Management and Retention Schedules			•			•
Records of Council Meetings						•
Register of gifts and hospitality for employees			•	•		
Register of interests, including gifts and hospitality for Elected Members			•	•		
Regular meetings between Chief Executive and Leader of Administration		•		•		
Regular review of Council Policy and Procedure in line with National Policies and Code of Conduct			•			
Retention Schedules						•
Risk Management Group				•		
Risk Management Policy				•		
Risk Registers, Corporate, Service and Project based				•		
Risk Reporting via Covalent, Corporate Performance Reporting System	•			•		
Risk Training and Guidance				•		
Scheme of Administration		•	•	•		
Scheme of Delegated Authority		•		•		
Scheme of Delegation to Officers		•				
Scheme of Delegation to Officials		•				
Scrutiny function through 'call in' procedure		•		•		
Senior Councillor and Standard Councillor positions					•	
Service Annual Performance Report	•					
Service Level Agreements – Out of Hours Service and Community Alarms		•				
Service Level Agreements incorporate Management Arrangements		•				
Service participation in Benchmarking		•				
Service Plans	•					
Service Review Programme		•				
Single Midlothian Plan (which includes The Single Outcome Agreement for Midlothian Community Planning Partnership)	•	•	•		•	•
Staff competency appraisals			•			
Standard Report Template				•		
Standards Committee, with remit outlined in Midlothian Councils Scheme of Administration and Independent Chair			•			
Standing Orders		•	•	•		•
Statement of Internal Control						•
Statutory Indicators						•
Strategic Environmental Assessment	•					

Policy, Procedure, Evidence	Core Principles					
	1	2	3	4	5	6
Strategic Leadership Group	•	•				
Tenants Forum						•
Training and Empowering staff to deal with complaints	•					
Voluntary Sector Compact Arrangements	•					
Website – 4* SOCITM rating						•
Website - consultations					•	•
Whistle blowing Policy and Procedures			•	•		