

Committee: <b>STANDARDS COMMITTEE</b>	Date: <b>16 February 2010</b>	Classification: <b>UNRESTRICTED</b>	Report No.	Agenda Item No.
Report Of: <b>Assistant Chief Executive (Legal Services)</b>		Title: <b>Annual Corporate Governance Review 2009</b>		
Originating Officer: <b>Isabella Freeman</b>		Wards Affected: <b>All</b>		

## **1. SUMMARY**

- 1.1 The Council's corporate governance arrangements are reviewed annually against a framework of good practice produced jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).
- 1.2 This report informs Members of the outcome of the most recent review completed in December 2009 and outlines progress on compliance/action identified as being required by the previous review undertaken in October 2008.

## **2. RECOMMENDATION**

- 2.1 Members are recommended to note the progress on compliance/action arising from the 2008 review as detailed in section 4 of this report agree the outcome of the 2009 review as detailed in Appendix A.

### 3. **BACKGROUND**

- 3.1 Corporate governance is the system by which local authorities direct and control their functions and relate to their communities. This will include decision making processes at all levels within the Council, community engagement, partnership activities, procurement procedures and Member/officer roles, responsibilities and conduct.
- 3.2 The Standards Committee's terms of reference include review of the Council's corporate governance arrangements to ensure the authority operates within a robust framework and the outcome of the corporate governance review is reported to this Committee each year.
- 3.3 On an annual basis, officers have mapped the Council's arrangements for corporate governance against the framework of good practice originally produced jointly by CIPFA and SOLACE in 2001. Since that time local government has been subject to continued reform to improve local accountability and engagement and the framework was revised in June 2007. In October 2007 the Standards Committee agreed the Council's current Local Code of Corporate Governance which reflects the requirements of the CIPFA/SOLACE framework.
- 3.4 The outcome of the annual review against the framework is detailed in the checklist at Appendix A. The framework identifies the following six core principles of good governance:
- **Focusing on the purpose of the authority and on outcomes for the 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 managing 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.**
- 3.5 These six core principles are supplemented by a number of supporting principles as set out in the review checklist attached as Appendix A. The checklist also identifies the specific source documents maintained

by the Council to ensure compliance with these principles and the requirements which underpin the Local Code of Corporate Governance.

- 3.6 As part of the review process, the checklist has been considered by senior council officers to identify any necessary compliance/action required as set out in the final column of Appendix A.

**4. PROGRESS ON COMPLIANCE/ACTION IDENTIFIED BY THE PREVIOUS REVIEW**

- 4.1 The Council carries out regular monitoring to ensure that the Community Plan, Strategic Plan and Tower Hamlets Index objectives are being met and the outcomes are reported to the Corporate Management Team and the Cabinet. The table below sets out the additional compliance/action identified as being required by the previous review in October 2008 and identifies progress to date by reference to the relevant core principle specified in the CIPFA/SOLACE framework.

<b>Core Principle</b>	<b>Compliance/Action Required</b>	<b>Progress to Date</b>
<b>1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.</b>	Deliver workshops for Councillors on performance management by December 2008.	All Member seminar on the Strategic Plan took place on 28 <sup>th</sup> January 2009.
<b>2. Members and officers working together to achieve a common purpose with clearly defined functions and roles.</b>	“Members and officers working together” module in Corporate Training Programme	Two sessions per year are held and scheduled into the learning and development programme.
	Development of role description for Cabinet, Scrutiny and non-executive members by March 2009.	Role descriptions have been drafted for further discussion with Members by May 2010.
	Constitution Review June 2008, Department Schemes of Delegation to be finalised and maintained.	Review undertaken and agreed by full Council on 22.4.09.

	<p>Review local procedure in place for complaints about Member conduct.</p> <p>Review of report writing template and sign-off procedure to ensure compliance.</p> <p>Update Constitution, including the Member/Officer Protocol to take account of new arrangements for the local assessment of complaints about Member conduct.</p> <p>Implementation of new Partnership Governance Framework.</p> <p>Maintain and issue guidance to Council representatives on outside organisations.</p>	<p>Review undertaken and agreed by the Standards Committee on 20.4.09.</p> <p>Template completed December 2009. Guidance to be finalised January 2010 alongside revised forward planning process.</p> <p>Revised Constitution agreed by full Council 22.4.09. Review of Member/Officer Protocol remains outstanding and carried forward as action required in 2009 review.</p> <p>Implemented 24.01.09</p> <p>Undertaken annually in June when notifying organisations of representatives for the year.</p>
<p><b>3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.</b></p>	<p>Refresh Member Learning and Development Programme (ML&amp;D) and achieve IDeA member Development Charter by March 2009.</p> <p>Ensure up to date Code of Conduct training for all Councillors including planning for Induction Programme 2010.</p>	<p>New programme for ML&amp; D drawn up for 2008/09 &amp; 2009/10. IDeA Member Development Charter achieved and awarded to the Council on 12.5.09.</p> <p>All Members trained in either group training or 1:1 sessions. Code of Conduct training is to be the first mandatory seminar to be held on 18 May 2010.</p>

	<p>Complete an ethical standards assessment.</p> <p>Ongoing training for Members participating in Assessment, Review and Hearings Sub-Committees.</p>	<p>Completed and outcomes reported to the Standards Committee on 20.10.09</p> <p>In-house training undertaken January 2009 and cross borough training also held in November 2009.</p>
<p><b>4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.</b></p>	<p>Review of report writing guidance/template.</p> <p>Code of Conduct training for all Members and quarterly reminders re: updating register of interests.</p>	<p>Template completed December 2009. Guidance to be issued January 2010.</p> <p>Undertaken annually. Reminder re: Register of Interests is now undertaken six monthly as agreed with Audit.</p>
<p><b>5. Developing the capacity and capability of members and officers to be effective.</b></p>	<p>Review system for monitoring and reporting to Standards Committee re: completion of member's timesheets.</p> <p>Recruit and develop women to "Councillors of the Future" Programme.</p>	<p>New system for monitoring timesheets to be submitted to Standards Committee in February 2010.</p> <p>Programme completed in February 2009.</p>
<p><b>6. Engaging with local people and other stakeholders to ensure robust public accountability.</b></p>	<p>Develop proposal for webcasting at meetings and for some Council meetings to take place in community venues.</p>	<p>Development work undertaken; Member approval not obtained for implementation in the current year – for further consideration from May 2010 and carried forward as action required in 2009 review.</p>

**5. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

5.1 There are no immediate financial implications arising out of this report.

**6. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

6.1 This report has been prepared by the Assistant Chief Executive (Legal Services) who is also the Council's monitoring officer and incorporates legal comments.

**7. RISK MANAGEMENT IMPLICATIONS**

7.1 Good corporate governance arrangements are essential to the operation and reputation of the Authority. Compliance with the revised CIPFA/SOLACE framework will ensure that the Council's arrangements are robust and improved where necessary.

**8. ONE TOWER HAMLET CONSIDERATIONS**

8.1 A robust corporate governance framework is key to maintaining effective community leadership and confidence in local democracy.

**9. ANTI-POVERTY IMPLICATIONS**

9.1 There are no specific anti-poverty implications arising out of this report.

**10. SAGE IMPLICATIONS**

10.1 This report has no immediate implications for the Council's policy of strategic action for a greener environment.

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LOCAL GOVERNMENT ACT 2000 (SECTION 97)  
LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

Brief description of "background paper"

Tick if copy  
supplied for register

If not supplied, name  
and telephone number  
of holder

Standards Committee file

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