

# Part 5F

## CORPORATE GOVERNANCE STATEMENT

### 1. INTRODUCTION

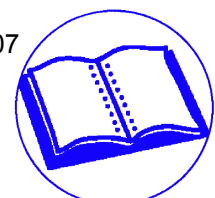
- 1.1 This Corporate Governance Statement was adopted by Horsham District Council on 5th December 2007.
- 1.2 Corporate Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes and cultures and values by which the Council is directed and controlled and through which it accounts to engages with and, where appropriate, leads its communities. Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users. Good governance enables the Council to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk. The Council should aim to meet the standards of the best and governance arrangements should not only be sound but also seen to be sound<sup>1</sup>.

### 2. HORSHAM DISTRICT COUNCIL

- 2.1 This statement explains and describes how Horsham District Council is organised directly and controlled. Much of the organisational structure and the rules by which the Council operates are set out in the Council's Constitution which it is obliged to prepare and keep up to date by virtue of Section 37 of the Local Government Act 2000.
- 2.2 The Council was created by the Local Government Act 1972 and came into being on the 1<sup>st</sup> April 1974. It is a statutory corporation and may only perform those functions allowed by or under statute. The political management structure arises principally under the Local Government Acts 1972 and 2000. The Council as a corporate body comprises 44 councillors elected every four years and has adopted an executive Leader and Cabinet form of executive arrangements. It has appointed a statutory Licensing Committee, two Development Control Committees, an Accounts, Audit and Governance Committee and a Personnel Committee comprising members of the Council. The Council's statutory Standards Committee also includes three persons independent of the Council and three parish councillors. The Councillors or Members are supported by officers and other staff.
- 2.3 The Council's finances are regulated principally by the Local Government Act 1972, the Local Government Finance Acts 1988 and 1992, the Local

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<sup>1</sup> *Delivering Good Governance in Local Government Framework* Solace CIPFA 2007



Government and Housing Act 1989, the Audit Commission Act 1998, the Local Government Act 2003 and Regulations made under those Acts.

2.4 The Council's principal functions are set out in the Local Government Act 1972 and other service specific enactments together with delegated legislation, guidance, specifications and directions. The Council delivers its services directly, through agency arrangements with the County Council and parish councils, through contracts with external suppliers and through partnerships and agreements with other public and voluntary agencies.

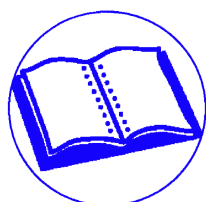
### 3. COUNCIL'S CORPORATE PLAN AND VISIONS

3.1 Behind the formal systems of corporate governance lie the core values of the Council. The Council's core values are set out in its Corporate Plan entitled *Our Community, the Vision, the Mission 2006-11*. There are seven corporate themes:

- Managing Our Resources
- Building Sustainable Communities
- Securing Affordable Homes
- Promoting Good Health
- Helping You to Have Your Say
- Helping Business to Succeed
- Protecting Our World

### 4. THE COUNCIL'S PRINCIPAL FUNCTIONS

<b>Functions</b>	<b>Principal Acts</b>
Development Control	Town and Country Planning Acts 1990-1991
Community Safety	Crime and Disorder Act 1998
Building Control	Building Act 1984
Car Parks and Transport	Road Traffic Regulation Act 1984 and Transport Acts 1985-2000
Community Strategy	Local Government Act 2000
Council Tax and Housing Benefits administration	Social Security Administration Act 1992
Council Tax collection	Local Government Finance Act 1992



<b>Functions</b>	<b>Principal Acts</b>
Economic Development	Local Government Act 2000
Elections and Electoral Registration	Representation of the People Acts 1983-2000, the Political Parties, Elections and Referendums Act 2000 and the Electoral Administration Act 2006
Environmental Health	Food Safety Act 1990, Health and Safety at Work Act 1974, Housing Acts 1985-2002, Public Health Acts 1936-1961, Environmental Protection Act 1990
Housing	Housing Acts 1985-2002
Land Drainage Leisure Facilities	Land Drainage Act 1991 Local Government (Miscellaneous Provisions) Act 1976
Licensing Local Planning	Including the Licensing Act 2003 Planning and Compulsory Purchase Act 2004
National Non-Domestic Rates collection	Local Government Finance Act 1988
Property Ownership and Management	Local Authorities (Land) Act 1963 and the Local Government Act 1972
Waste Collection and Recycling	Environmental Protection Act 1990

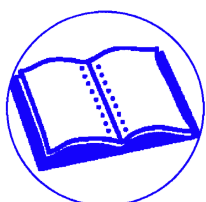
together with statutory instruments, statutory and non-statutory guidance, directions and specifications.

## 5. THE COUNCIL'S CONSTITUTION

5.1 The Council's Constitution was first adopted in its current form with effect from the 23<sup>rd</sup> May 2001. It has been updated several times since that date and continues to be revised. It comprises eight parts.



5.2	Part		Description
	<b>1</b>		<b>Summary and Explanation</b>
	<b>2</b>		<b>Articles of the Constitution</b>
		Article 1	Constitution
		Article 2	Members of the Council
		Article 3	Members of the Public and the Council
		Article 4	Full Council
		Article 5	Chairing the Council
		Article 6	The Executive
		Article 7	Scrutiny Committees
		Article 8	Regulatory and Other Committees
		Article 9	Standards Committee
		Article 10	Statutory Area Committees
		Article 11	Advisory Groups and Consultative Forums
		Article 12	Joint Arrangements
		Article 13	Officers
		Article 14	Decision-making
		Article 15	Finance - Contracts and Legal Matters
		Article 16	Review and Revision of the Constitution
		Article 17	Suspension - Interpretation and Publication of the Constitution
	<b>3</b>		<b>Responsibility for Functions</b>
		3A	The Executive (Leader and Cabinet)
		3B	Scrutiny Committees
		3C	Scheme of Delegation to Committees
		3D	Arrangements for the Discharge of Functions by Statutory Area Committees
		3E	Joint Arrangements
		3F	Scheme of Delegation to Officers
	<b>4</b>		<b>Rules of Procedure etc.</b>
		4A	Council Rules of Procedure
		4B	Executive Procedure Rules
		4C	Overview and Scrutiny Procedure Rules
		4D	Budget and Policy Framework Procedure Rules
		4E	Access to Information Procedure Rules
		4F	Financial Regulations
		4G	Contract Standing Orders
		4H	Officer Employment Procedure Rules
		4I	Public Speaking at Meetings
		4J	Procedure for Receiving and Considering Petitions



<b>Part</b>		<b>Description</b>
<b>5</b>		<b>Codes and Protocols</b>
	5A	Members' Code of Conduct
	5B	Officers' Code of Conduct
	5C	Monitoring Officer Protocol
	5D	The Council's Code on Comments, Representations, Criticisms of Policy and Complaints
	[5E	Protocol and Probity in Planning]
	5F	Corporate Governance Statement
	5G	Protocol on Member/Officer Relations
	5H	Protocol on Partnership Working
<b>6</b>		<b>Members' Allowances Scheme</b>
<b>7</b>		<b>The Council's Management Structure</b>
<b>8</b>		<b>The Register of Executive (Cabinet) Members</b>

## 6. SPECIFIC AREAS

### 6.1 Access to Information/Freedom of Information

The Council's approach to Access to Information is articulated in the Local Government Act 1972 (as amended) and applied to Executive arrangements as set out at Part 4E of the Council's Constitution. The Council's adopted approach is wider than the minimum standards laid down under the Local Government Act 2000. The Council has adopted a publication scheme under the Freedom of Information Act 2000.

### 6.2 Communication and Consultation

The Council serves many constituencies and takes a planned and proactive approach to internal and external communication as well as consultation. Its Communication Strategy reflects this. While any consultation exercises are undertaken in the context of the statutory constraints, for example Best Value, the Council has embraced consultation on a voluntary basis, for example, with respect to its budget preparation.

### 6.3 Disability and Gender Equality Schemes

The Council is producing schemes to address its statutory obligations in respect of disability and gender equality.

### 6.4 Financial Control

Financial controls are exerted through statutory financial framework in the Local Government Finance Acts 1988 and 1992, the Audit Commission Act 1998, the Local Government Act 2003, the Accounts and Audit Regulations



2003 (as amended) and other Regulations. The Council is required to appoint chief finance officer. It is required to adopt robust financial rules (financial regulations), contract standing orders and a Statement of Internal Control (SIC) and to appoint an internal audit service. External audit is prescribed under the Audit Commission Act 1998.

## **6.5 Human Rights**

Under Sections 3 and 6 of the Human Rights Act 1998 the Council is obliged positively to give effect to the Convention rights scheduled in the Act and not to act in a way which is incompatible with the Convention rights. In accordance with its duties, the Council is asked specifically to consider Human Rights issues through its reports to Members and to officers exercising delegated authority.

## **6.6 Probity**

The Council has adopted Codes of Conduct for Members and Employees. It has established a Standards Committee having the functions set out in Part 3 of the Local Government Act 2000. It has undertaken probity audits. The Council has regular contact with the Commissioner for Local Administration in England (the Ombudsman) and the Standards Board for England. It has appointed both a Monitoring Officer and a Chief Finance Officer. In addition, it has appointed a separate Head of Paid Service. With respect to financial probity, the Council follows the requirements of the Audit Commission Act 1998 and the Audit and Accounts Regulations 2003 (as amended) and appropriate codes of accounting practice. It has an established form of internal audit and is regular liaison with the Audit Commission.

## **6.7 Procurement Strategy**

The Council has adopted a procurement strategy and has up to date financial regulations and contract standing orders.

## **6.8 Race Relations**

Under the Race Relations Act 1976 (as amended) the Council is bound by a general duty to promote racial equality. The general duty provides that in carrying out all its functions the Council must have regard to the need to eliminate unlawful racial discrimination, promote equality of opportunity and promote good relations. There are further specific duties to produce a Racial Equality Scheme and to put in place detailed employment monitoring procedures by reference to racial groups. In accordance with the general duty the Council is asked specifically to consider race relations issues through its reports to Members and to officers exercising delegated authority.



## 6.9 Reduction of Crime and Disorder

The Crime and Disorder Act 1998 requires the Council to consider the reduction of crime and disorder in the exercise of its functions. Members and officers exercising powers are specifically asked to consider this duty in reports.

## 6.10 Risk Management

In addition to the structural and organisational arrangements which are described in this Corporate Governance Statement including the allocation of the assessment and management of risk amongst Members and Heads of Service, the Council has established a Risk Management Group. The framework for risk management covers Corporate Governance, which highlights the work of the Corporate Management Team with a standard template for reports and the Constitutional Framework. Operational risks are identified through the Risk Management Group and also include an Emergency Plan for civil emergencies, a separate business continuity plan detailing key services and operational needs as well as recovery procedures. Departmental risk assessments are prepared and undertaken within departments and advice and support is provided to a wide range of voluntary and community based organisations concerning insurance and risk management best practice. The Council has in place arrangements for assessing and managing risks to the health and safety of its employees and members of the public.

## 6.11 Sustainability

The Council's approach to sustainability encompasses the corporate themes shown in the *Visions* document. Major projects or developments in services are "tested" against a sustainability framework. The Council's decision-making framework requires that all matters for consideration are reported using a standard format. The framework ensures that in addition to linkage with the corporate themes, all matters reported consider and take into account issues of budget, sustainability, crime and safety, human rights and equal opportunities.

## 7. OTHER CONSTRAINTS ON THE COUNCIL'S ACTIONS

### 7.1 Statutory Framework

As a creation of statute, the Council must comply with the mandatory and directory requirements of statute and any other constraints inherent in the statutory framework.



## **7.2 Democratic Control**

Policy decisions within the Council are made by elected Members who are subject to election every four years. Senior management (subject to statutory protection) are appointed by elected Members.

## **7.3 Government Direction**

Within the statutory framework Ministers can provide guidance and direction and can, in certain circumstances, intervene directly in the affairs of the Council. There are many examples of a requirement for Government consent or approval to courses of action.

## **7.4 General Law**

The Council is subject to the general law regarding its activities as an employer, the owner and occupier of property and other assets, in contract, in tort, under health and safety legislation and in respect of the supply of goods and services. In addition, the Council is subject to the regulatory regimes applied to others, for example in respect of planning control and licensing (albeit in many cases in a modified form). Members and officers are individually subject to the law on misfeasance and misconduct in public office.

## **7.5 Judicial Control**

The Council is a creation of statute and may only work within its statutory confines. Decisions may only be taken by those Members, bodies or officers authorised to do so by the Council. Stepping outside the statutory constraints, acting without due authority or reaching decisions in a legally unreasonable way can lead to judicial intervention through judicial review.

## **7.6 Appellate Jurisdiction**

Many of the Council's regulatory functions are subject to review through appellate processes. Many licensing functions may be reviewed by magistrates' courts and planning decisions may be reviewed through the Planning Inspectorate. Some decisions, for example in the housing field, are subjected to internal review as well as external appeal.

## **7.7 External Inspectorates**

The Council's external auditors have an unfettered purview of the Council's activities. In addition, there are service specific inspectorates. The Audit Commission is responsible for Best Value and these activities include the



Housing Inspectorate. The Benefit and Fraud Inspectorate and the Department for Work and Pensions have an overview of benefits administration. The Health and Safety Executive administers the Health and Safety at Work aspects. Ofsted is responsible for the Council's playschemes. The Office of Surveillance Commissioners oversees the application of the Regulation of Investigatory Powers Act 2000.

## **7.8 External Scrutiny**

Complaints of corporate maladministration may be investigated by the Commission for Local Administration in England (the Ombudsman) within the parameters of the Local Government Act 1974. Breaches of the Code of Members' Conduct are referable to the Standards Board for England. The disciplinary apparatus has as its ultimate sanction the power to disqualify members.

## **7.9 Accreditations**

Several services have been accredited by external bodies. These include The Law Society (Legal), British Standards Institution (Planning Development Control and Administration and Building Control), Chartermark (Leisure and Helppoints), Investors in People (whole Council). Each of the accrediting bodies lays down minimum requirements as to processes or quality.

## **7.10 Professional Bodies**

Many members of staff holding professional qualifications are subject to regulation by their professional bodies for example solicitors, accountants and town planners. Statute can make the membership of such bodies a pre-requisite to the holding of a particular post, for example that of the Chief Finance Officer.

## **8. MORE INFORMATION**

More information may be obtained from:

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