

Scottish Borders Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Fundamentally corporate governance is about openness, integrity and accountability. 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.

The Council operates through a governance framework for the conduct of its affairs which brings together an underlying set of legislative requirements, governance principles and management processes. The Council's revised Local Code of Corporate Governance, which is consistent with the principles and requirements of the CIPFA/SOLACE framework 'Delivering Good Governance in Local Government' 2007 (the 'Framework'), will help to ensure proper arrangements continue to be in place to meet the Council's responsibilities.

The 'Framework' defines the six core principles of good governance, which the Council fully supports, namely:

- (i) Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area;
- (ii) Members and Officers working together to achieve a common purpose with clearly defined functions and roles;
- (iii) Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- (iv) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- (v) Developing the capacity and capability of members and officers to be effective; and
- (vi) Engaging with local people and other stakeholders to ensure robust public accountability.

Scottish Borders Council aims to meet the highest standards of corporate governance to help ensure that it meets its objectives. In accordance with the 'Framework' it will test its structure against these principles by:

- Reviewing its existing governance arrangements against the 'Framework'
- Developing and maintaining an up-to-date Local Code of Governance including arrangements for ensuring its ongoing application and effectiveness
- Preparing a governance statement (Annual Governance Statement) in order to report publicly on the extent to which it complies with its own code on an annual basis, including how it has monitored the effectiveness of its governance arrangements in the year, and on any planned changes for the coming period.

The preparation and publication of an Annual Governance Statement in accordance with the Framework fulfils the statutory requirement for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts. This process not only creates an opportunity for the Council to set out its standard for good governance but also to ensure that its governance arrangements are seen to be sound. This is important as the governance arrangements in public services are closely scrutinised.

CORE 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

Supporting Principle	The Local Code should reflect the requirements for Local Authorities to:	Demonstration of Compliance
1.1 Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users	Develop and promote the authority's purpose and vision	The Council's strategic objectives are reflected in the Council's Corporate Plan and Priorities and Single Outcome Agreement, which is approved by Council and published on the Council's website.
	Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements	The review of Corporate Plan in October 2015 highlighted significant progress during the plan's first two and a half years.
	Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners	The Strategic Assessment underpins the strategic vision for the Council and its partners.
	Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance	The Council produces and publishes annual accounts that set out the financial position and performance. Regular monitoring reports and an outturn report of financial performance against budgets, and quarterly performance monitoring reports set against the Priorities in the Corporate Plan are scrutinised by the Executive Committee and published on the Council's website.
1.2 Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning	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	The Council's Performance Management Framework establishes the mechanism for all services across the Council to ensure the Council meets its legal duty to provide best value to people. There is annual development and monitoring of Service plans and PIs which are aligned to Priorities. This includes a self-assessment process to evaluate actual versus standard service quality.
	Put in place effective arrangements to identify and deal with failure in service delivery	Key roles to monitor and review service performance of Council (Executive Committee) and SB Cares (LLP Strategic Governance Group). Both Corporate and Social Work Complaints are presented to Committee. Audit and Inspection activity presented to relevant Committees include improvement action plans.
1.3 Ensuring that the authority makes best use of resources and that tax payers/service users receive excellent value for money	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	The Corporate Transformation programme was approved to respond to the social, economic and demographic challenges facing the Council and still deliver high quality and improved services. Decision-making reports to Committees outlining any proposals to change policies, strategies and plans include a section on implications covering financial, risks and mitigations, equalities, environmental, rural and governance.

CORE PRINCIPLE 2

Members and Officers working together to achieve a common purpose with clearly defined functions and roles

Supporting Principle	The Local Code should reflect the requirements for Local Authorities to:	Demonstration of Compliance
2.1 Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles & responsibilities of the scrutiny function	Set out a clear statement of the respective roles and responsibilities of the executive and authority's approach towards putting this into practice.	The Council which has overall responsibility for directing and controlling the organisation has approved an Executive / Scrutiny model of decision making. The Executive Committee is the key decision-making and monitoring committee and the Scrutiny Committee for reviewing policy decisions.
	Set out a clear statement of the respective roles and responsibilities of members generally and of senior officers.	The Council's Scheme of Administration (approved January 2015; amended November 2015) sets out the constitution, terms of reference and reporting arrangements for all main formal committees of the authority. The conduct of each Committee meeting is governed by the Council's Procedural Standing Orders.
2.2 Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of authority members and officers are carried out to a high standard	Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule on 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	The Council's Scheme of Delegation (approved June 2014; amended August 2015) sets out the powers delegated to officers to enable effective and efficient fulfilment of their roles.
	Make a Chief Executive responsible and accountable to the authority for all aspects of operational management	The Chief Executive is a Statutory post with job description. Responsibilities delegated to Chief Executive are detailed within the Scheme of Delegation.
	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	Early engagement between Chief Executive and Leader post May 2012 election. Regular meetings are held between Chief Executive and Leader.
	Make a senior officer (the Section 95 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	The Chief Financial Officer is the Statutory Section 95 officer post with job description. Responsibilities are set out within Financial Regulations (approved March 2012) which is the framework for financial rules and regulations. Responsibilities delegated to the Chief Financial Officer are detailed within the Scheme of Delegation.

Supporting Principle	The Local Code should reflect the requirements for Local Authorities to:	Demonstration of Compliance
2.2 (cont'd)	Make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with	The Service Director Regulatory Services fulfils the Monitoring Officer statutory role. Responsibilities delegated to the Monitoring Officer are detailed within the Scheme of Delegation.
2.3 Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other	Develop protocols to ensure effective communication between members and officers in their respective roles	Standards of conduct and behaviour including communication are set out in the Councillors and Employees Codes of Conduct.
	Ensure that an established scheme for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable) are in place	Scottish Local Authorities Remuneration Committee (SLARC) recommendations are followed for Members' Allowance Scheme. Clear pay scales, terms and conditions of service and job descriptions (subject to evaluation and appeal) are in place for Employees. Disclosure of senior officer and member remuneration and pension benefits within annual accounts in accordance with rules.
	Ensure that effective mechanisms exist to monitor service delivery	Annual business plans for each Service include quality standards of service delivery and performance indicators.
	Ensure that the authority's vision, Council's Priorities, Council Priorities, and targets are developed through robust mechanisms, and in approved an Executive / Scrutiny model of decision making, and that they are clearly articulated and disseminated	The Council's strategic objectives are reflected in the Council's Corporate Plan and Priorities and Single Outcome Agreement, which is approved by Council and published on the Council's website. The Strategic Assessment underpins the strategic vision for the Council and its partners. The Council routinely consults with its customers on its services in accordance with the Scottish Borders CPP Community Engagement Framework (2015).
	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	The Council's Vision, Values and Standards stated in Corporate Plan includes "work with partners and stakeholders" Induction and Training programme in place for all Members and employees.
	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 authority to bind their organisation to partner decisions	Approved constitution and partnership agreement for the Community Planning Strategic Board is included in the Scheme of Administration. The Community Plan produced in conjunction with local partners in public services, the private sector, voluntary sector and communities focusses on themes and includes targets and challenges in the plan.

CORE PRINCIPLE 3

Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Supporting Principle	The Local Code should reflect the requirements for Local Authorities to:	Demonstration of Compliance
<p>3.1 Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance</p>	<p>Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect</p>	<p>Values and standards are set out in the codes of conduct. Induction and Training programme in place for all Members and employees.</p>
	<p>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 & communicated through codes of conduct and protocols</p>	<p>Standards are set out in the Councillors Code of Conduct. Employees Code of Conduct reflects the values of the Council, incorporates "The Seven Principles of Public Life" identified by the Nolan Committee on Standards in Public Life, and includes Whistleblowing Policy.</p>
	<p>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</p>	<p>Councillors and Employees Codes of Conduct outline the arrangements for identifying, mitigating and recording conflicts of interest, hospitality and gifts. Members Registers of Interest is published on the Council's website. Declarations of Interest are set out in the Council's Procedural Standing Orders which govern the conduct of each Committee meeting.</p>
<p>3.2 Ensuring that organisational values are put into practice and are effective</p>	<p>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</p>	<p>The Performance Appraisal scheme in place for officers (PRD) is based upon the Council's Values and Standards and includes Demonstrating Positive Behaviours.</p>
	<p>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</p>	<p>Annual Governance Statement is the outcome of self-evaluation of compliance. The Audit and Risk Committee remit includes role to ensure that the highest standards of probity and public accountability are demonstrated.</p>
	<p>Develop and maintain an effective standards committee</p>	<p>Monitoring Officer produces an Annual Report to the Standards Committee in accordance with Monitoring Officer Protocol (best practice).</p>
	<p>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</p>	<p>Decision-making reports to Committees include a section on implications covering financial, risks and mitigations, equalities, environmental, rural and governance.</p>

Supporting Principle	The Local Code should reflect the requirements for Local Authorities to:	Demonstration of Compliance
3.2 (cont'd)	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	The Community Planning Strategic Board (included within the Scheme of Administration) and Joint Delivery Team are responsible respectively for monitoring and implementation of delivery of programmes and projects across the three community planning themes within Community Plan.

CORE PRINCIPLE 4

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Supporting Principle	The Local Code should reflect the requirements for Local Authorities to:	Demonstration of Compliance
4.1 Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	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	The Council's scrutiny arrangements are established through the Scheme of Administration (approved January 2015; amended November 2015) through committee structures and specified remits. The Scrutiny Committee's main remit is for monitoring and reviewing policy decisions.
	Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based	Committee Minutes and Reports are published on the Council's website. Council business only held in private if required by legislation. Decision-making reports to Committees outlining any proposals to change policies, strategies and plans include a section on implications covering financial, risks and mitigations, equalities, environmental, rural, governance.
	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	Councillors and Employees Codes of Conduct outline the arrangements for identifying, mitigating and recording conflicts of interest, hospitality and gifts. Members Registers of Interest is published on the Council's website. Declarations of Interest are set out in the Council's Procedural Standing Orders which govern the conduct of each Committee meeting.
	Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee	The role of the Audit and Risk Committee is to have high-level oversight of internal control, governance and risk management, and independence is maintained though membership of those not on the Executive Committee. Learning & development includes Induction, seminars and individual sessions. Annual self-evaluation of effectiveness of Audit and Risk Committee against best practice guidance and Annual Report to Council thereon (best practice).
	Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints	Complaints and comments policy and procedures in place for both Corporate and Social Work (statutory) service areas. Annual Complaints Reports to relevant committee. Chief Social Worker Annual Report presented to Council.

Supporting Principle	The Local Code should reflect the requirements for Local Authorities to:	Demonstration of Compliance
<p>4.2 Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs</p>	<p>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</p>	<p>Decision-making reports to Committees outlining any proposals to change policies, strategies and plans include a section on implications covering financial, risks and mitigations, equalities, environmental, rural, governance. Guidance on preparing reports for committee approved by Council. Committee reports are published on Council’s website one week in advance of meeting dates. Officers attend Committee meetings to advise as appropriate.</p>
	<p>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</p>	<p>Guidance on preparing reports for committee includes mandatory consultation in advance with the Chief Legal Officer, Chief Financial Officer, Monitoring Officer, Clerk to the Council, Chief Officer HR, and Chief Officer Audit and Risk.</p>
<p>4.3 Ensuring that an effective risk management system is in place</p>	<p>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</p>	<p>Risk Management Policy and Strategy approved by the Council. Risk management practice embedded in business planning and performance management processes. Corporate, Strategic and Operational risk registers, programme and project risk registers, and partnership risk registers. Corporate training programme.</p>
	<p>Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access</p>	<p>Employees Code of Conduct includes Whistleblowing Policy. Induction programme.</p>
<p>4.4 Using their legal powers to the full benefit of the citizens and communities in their area</p>	<p>Actively recognise the limits of lawful activity place on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities</p>	<p>The Local Code of Corporate Governance includes Scheme of Administration, Procedural Standing Orders, Scheme of Delegation and Financial Regulations which reflect the legal requirements placed upon the authority.</p>
	<p>Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law</p>	<p>Training is provided to members and officers in areas of identified need e.g. licensing, planning, employment, pension, and data protection matters. Legal advice, led by Chief Legal Officer, is available to all services and at all decision making meetings.</p>
	<p>Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision-making processes</p>	<p>Advice and overseeing compliance on legal matters is provided by the Chief Legal Officer, the Monitoring Officer and the Clerk to the Council as set out in Scheme of Delegation, job descriptions, and protocols.</p>

CORE PRINCIPLE 5

Developing the capacity and capability of members and officers to be effective

Supporting Principle	The Local Code should reflect the requirements for Local Authorities to:	Demonstration of Compliance
5.1 Making sure that members and officers have the skills, knowledge, experience and resources they need to perform their roles well	Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis	'Introduction to becoming a Councillor' programme in advance of local elections (best practice). Comprehensive ongoing training programme (including e-learning and seminars) in place for all staff and elected members.
	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	The Scheme of Delegation sets out the roles and responsibilities of statutory officers (Chief Executive, Chief Social Work Officer, Chief Financial Officer, and Monitoring Officer). Membership of Professional Bodies.
5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group	Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively	Identification of training needs for elected members Job descriptions and person specifications in place for employees include membership of Professional Bodies as required. Development and performance review process in place for all employees (PRD)
	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	Elected Members Development Programme Training provided to members and officers in areas of identified need e.g. licensing, planning, employment, pension, and data protection matters.
	Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs	The mid-term report in October 2015 of performance against Corporate Plan provides evidence of how the Executive Committee is fulfilling its remit. Annual self-evaluation of effectiveness of Audit and Risk Committee against best practice guidance and Annual Report to Council thereon (best practice).
5.3 Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal	Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority	Additional members appointed from an external source as non-voting members to Executive Committee for specialist themes economic development/business, education and to Audit and Risk Committee (best practice). Membership of the Scrutiny Committee short-life working groups can include representatives from other agencies, as appropriate to the review topic.
	Ensure that career structures are in place for members and officers to encourage participation and development	Workforce planning programme rollout underway to develop People plans for 2016/17 to enable succession plans.

CORE PRINCIPLE 6

Engaging with local people and other stakeholders to ensure robust public accountability

Supporting Principle	The Local Code should reflect the requirements for Local Authorities to:	Demonstration of Compliance
6.1 Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships	Make clear to themselves, all staff and the community to whom they are accountable and for what	The Council's strategic objectives are reflected in the Council's Corporate Plan and Priorities and Single Outcome Agreement, which is approved by Council and published on the Council's website. The Strategic Assessment underpins the strategic vision for the Council and its partners.
	Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required	The Scottish Borders CPP Community Engagement Framework (2015) sets out principles for engagement and toolkit provides prompt lists of stakeholders. Localities approach using and evolving Area Forums for the purpose of local engagement and the monitoring of locality action plans e.g. Cheviot pilot.
	Produce an annual report on the activity of the scrutiny function	Public Performance Reporting published on Council's website including delivery of Single Outcome Agreement and Statutory Performance Indicators as part of Local Government Benchmarking Framework. Statement of Accounts published in accordance with statutory requirements. Annual Reports presented to relevant committee and made accessible to the public e.g. Chief Social Work Officer Annual Report, Education Standards and Quality Report, Director of Public Health Annual Report.
6.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning	Ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively	Ability to communicate with discrete groups in an appropriate manner e.g. health and social care integration. SB Connect community newsletter Household Survey
	Hold meetings in public unless there are good reasons for confidentiality	Calendar of main Council and Committee meetings. Minutes and committee reports are published on the Council's website. Council business only held in private if required by legislation.
	Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands	The Scottish Borders CPP Community Engagement Framework (2015) sets out principles for engagement and the Toolkit shares best practice methods and enables engagement activities to be delivered in a consistent, cost effective and transparent manner.

Supporting Principle	The Local Code should reflect the requirements for Local Authorities to:	Demonstration of Compliance
<p>6.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning (cont'd)</p>	<p>Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changes as a result</p>	<p>The Scottish Borders CPP Community Engagement Framework (2015) sets out principles for engagement and the Toolkit shares best practice methods and enables engagement activities to be delivered in a consistent, cost effective and transparent manner.</p>
	<p>On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and satisfaction of service users in the previous period</p>	<p>Public Performance Reporting including delivery of SOA and SPIs published on Council's website. The review of Corporate Plan in October 2015 highlighted significant progress during the plan's first two and a half years. Statement of Accounts published in accordance with statutory requirements. Both Corporate and Social Work Complaints are presented to Committee. Audit and Inspection activity presented to relevant Committees include improvement action plans.</p>
	<p>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</p>	<p>Corporate governance is about openness, integrity and accountability and the Local Code sets out the Council's systems and processes through which it accounts to, engages with and, where appropriate, leads its communities. Compliance with Data Protection and Freedom of Information legislation.</p>
<p>6.3 Making best use of human resources by taking an active and planned approach to meet responsibility to staff</p>	<p>Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making</p>	<p>HR Policies and Procedures Trade Unions consultation forums Employee Council Staff communications e.g. SB Update, SB sCene</p>