

Governance Committee

Tuesday, 7th March, 2023, 6.00 pm

Shield Room, Civic Centre, West Paddock, Leyland PR25 1DH

Urgent Item – Local Code of Corporate Governance

Following agreement by the Chair, and following the agreement of the Mayor in accordance with para 5.5. of Part 4 of the Council's Constitution, an urgent item will be considered at the meeting of the Governance Committee on 7 March 2023 – agenda item 7 - Local Code of Corporate Governance. A revised agenda is outlined below and the report relating to the item is attached.

Revised Agenda

1 Apologies for absence

2 Declarations of Interest

Members are requested to indicate at this stage in the proceedings any items on the agenda in which they intend to declare an interest. Members are reminded that if the interest is a Disclosable Pecuniary Interest (as defined in the Members' Code of Conduct) they must leave the room for the whole of that item. If the interest is not a Disclosable Pecuniary Interest, but is such that a member of the public could reasonably regard it as being so significant that it is likely that it would prejudice their judgment of the public interest (as explained in the Code of Conduct) then they may make representations, but then must leave the meeting for the remainder of the item.

3 Minutes of the Last Meeting

Minutes of the meeting held on Tuesday, 10 January 2023, to be signed as a correct record.

4 Audit Progress Report and Sector Update

Report of the External Auditor, Grant Thornton.

5 Final Audit Findings Report 2021-22

Report of the External Auditor, Grant Thornton to follow.

6 Internal Audit Plan and progress update

Report of the Head of Audit and Risk.

7 Local Code of Corporate Governance

(Pages 3 - 22)

Report of the Director of Governance attached.

Chris Sinnott
Chief Executive

Electronic agendas sent to Members of the Governance Committee

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Report of	Meeting	Date
Director of Governance and Monitoring Officer	Governance Committee	Tuesday, 7 March 2023

Local Code of Corporate Governance

Is this report confidential?	No
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Is this decision key?	Not applicable
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Purpose of the Report

1. To update members on the outcome of a review of the Local Code of Corporate Governance.

Recommendations to Governance Committee

2. For members to approve the Local Code of Corporate Governance at Appendices A and B to this report.

Reasons for recommendations

3. It is good practice to have a Local Code of Corporate Governance which enables an improved understanding for members, officers and the public of how the Council discharges its obligations and functions.

Other options considered and rejected

4. The Council could choose not to have a local code. This would be lawful but is not recommended practice and the benefits of having a code would be lost.

Corporate priorities

5. The report relates to the following corporate priorities: (please bold all those applicable):

An exemplary council		Thriving communities	
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A fair local economy that works for everyone		Good homes, green spaces, healthy places	
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Background to the report

6. The Council have adopted a Local Code of Corporate Governance. This is compliant with CIPFA Guidance and follows best practice. The Local Code sets out how the Council delivers its Corporate Governance Framework and explains how it operates.
7. The Local Code should be reviewed frequently to ensure it is up to date and reflects the current framework. If the Local Code is incorrect, members, officers and the public would be misled as to how the council operates, significantly undermining the trust and confidence in the organisation and transparency in operation.

Changes

8. A significant amount of work has gone into recent years in developing the governance environment. In the last 12 months the council have launched a new Equality Framework to update the approach of the Council to Equality and Diversity.

Climate change and air quality

9. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Risk

10. There are no risks identified save that if the Code incorrectly references documents this will mislead the public and users of the local code. This has been mitigated by sharing the document with stakeholders to check.

Comments of the Statutory Finance Officer

11. No comments.

Comments of the Monitoring Officer

12. No comments, the report addresses any issues I may raise.

Appendices

Appendix A Local Code of Corporate Governance
Appendix B Appendix A to the Local Code

Background documents

There are no background papers to this report.

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Report Author:	Email:	Telephone:	Date:
Chris Moister (Director of Governance)	chris.moister@southribble.gov.uk		02.03.2023

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SOUTH RIBBLE BOROUGH COUNCIL
LOCAL CODE OF CORPORATE GOVERNANCE
MARCH 2023

South Ribble Borough Council

Local Code of Corporate Governance

1. Introduction

The "Local Code of Corporate Governance" (the Local Code) sets out and describes the Council's commitment to corporate governance and identifies the arrangements that have been developed and maintained to enable the transparent and fair delivery of the Council's work. Each year the Council prepares an annual governance statement which tests the internal control environment against our Local Code. The Local Code is an important document which provides the framework for our compliance with good governance standards.

2. Background

The framework "Delivering Good Governance in Local Government" was first published by the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) late in 2007. This framework has been reviewed by CIPFA and Solace in 2015 and a revised framework, Delivering Good Governance published in spring 2016. It details 7 core principles which should form the basis for each council's Local Code. These will be considered below.

3. What is Corporate Governance?

Each local authority operates through a governance framework. It is a system that sets out how we manage our obligations and behaviours and how we make decisions. For the purpose of this Local Code, South Ribble Borough Council has accepted the following definition of Corporate Governance:-

"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 authorities are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities".

South Ribble Borough Council recognises that effective local government relies upon establishing and maintaining the public's confidence in both the elected Members and officials, which then underpins the credibility and confidence in the services that we provide. Good governance should focus on outcomes for residents and service users.

South Ribble Borough Council seeks to encourage the values of good governance to both our existing and potential partners through the promotion of these behaviours and by providing a clear and demonstrable lead.

4. **South Ribble Borough Council's Corporate Strategy**

The Council's vision is:

“A healthy and happy community, flourishing together in a safer and fairer borough that is led by a council recognised for being innovative, financially sustainable and accountable.”

The Council's corporate priorities are:

- **An exemplary council**
- **Thriving communities**
- **A fair local economy that works for everyone**
- **Good homes, healthy places and green spaces.**

All the activities and work the council undertakes and delivers should be capable of being traced into the corporate priorities and the delivery of our vision. This ensures that residents can be clear as to why we are undertaking our works and making these decisions.

The priorities set what outcomes the Council is looking to deliver and the corporate projects set how these outcomes will be delivered.

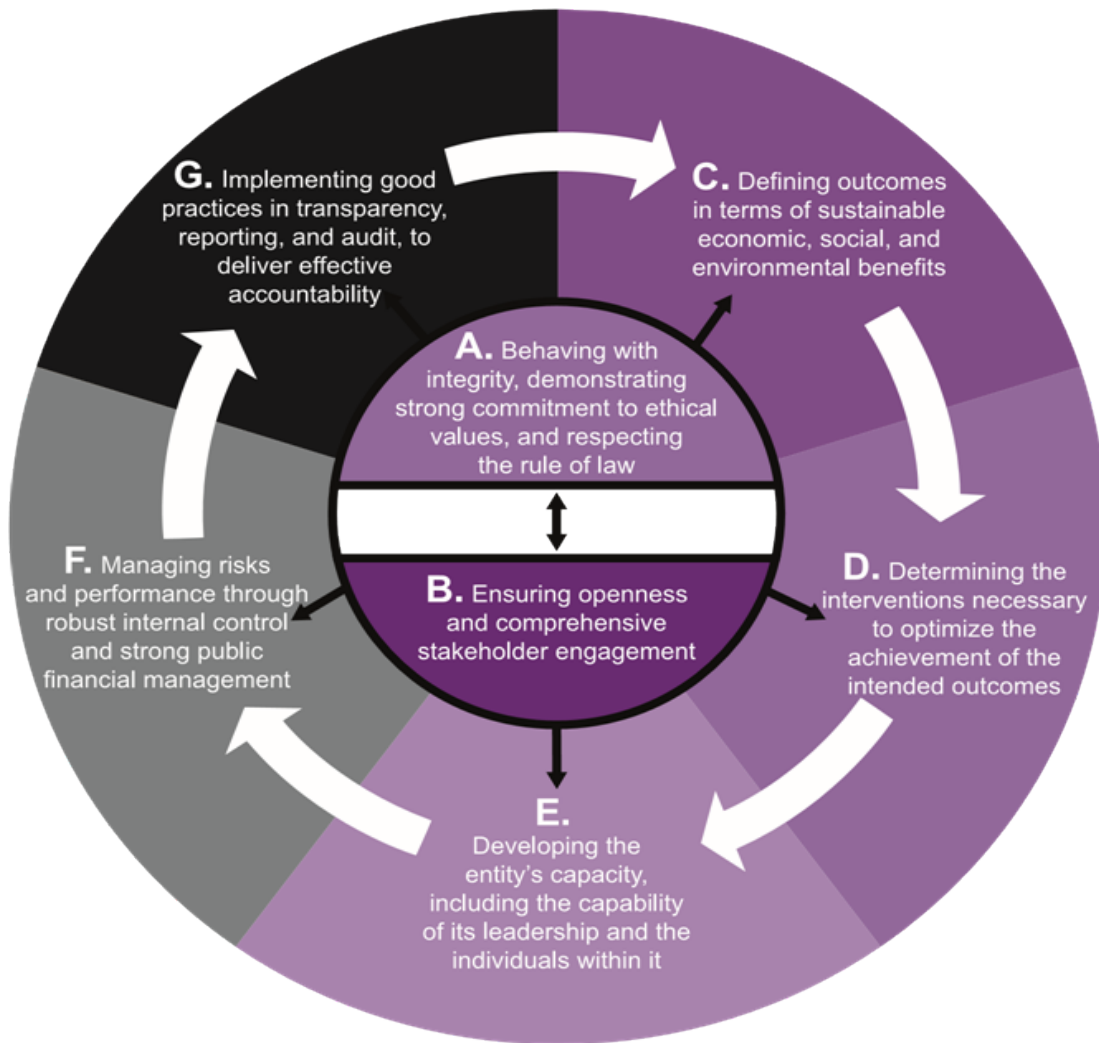
Also important for corporate governance, the corporate plan provides measures against which delivery can be assessed.

5. **Framework for the Local Code**

The following seven **core principles** are taken from the International Framework: Good Governance in Public Sector (CIPFA/IFAC 2014). Good governance means:

- A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social and environmental benefits
- D. Determining the interventions necessary to optimize the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

The diagram below, illustrates how the principles relate to each other.

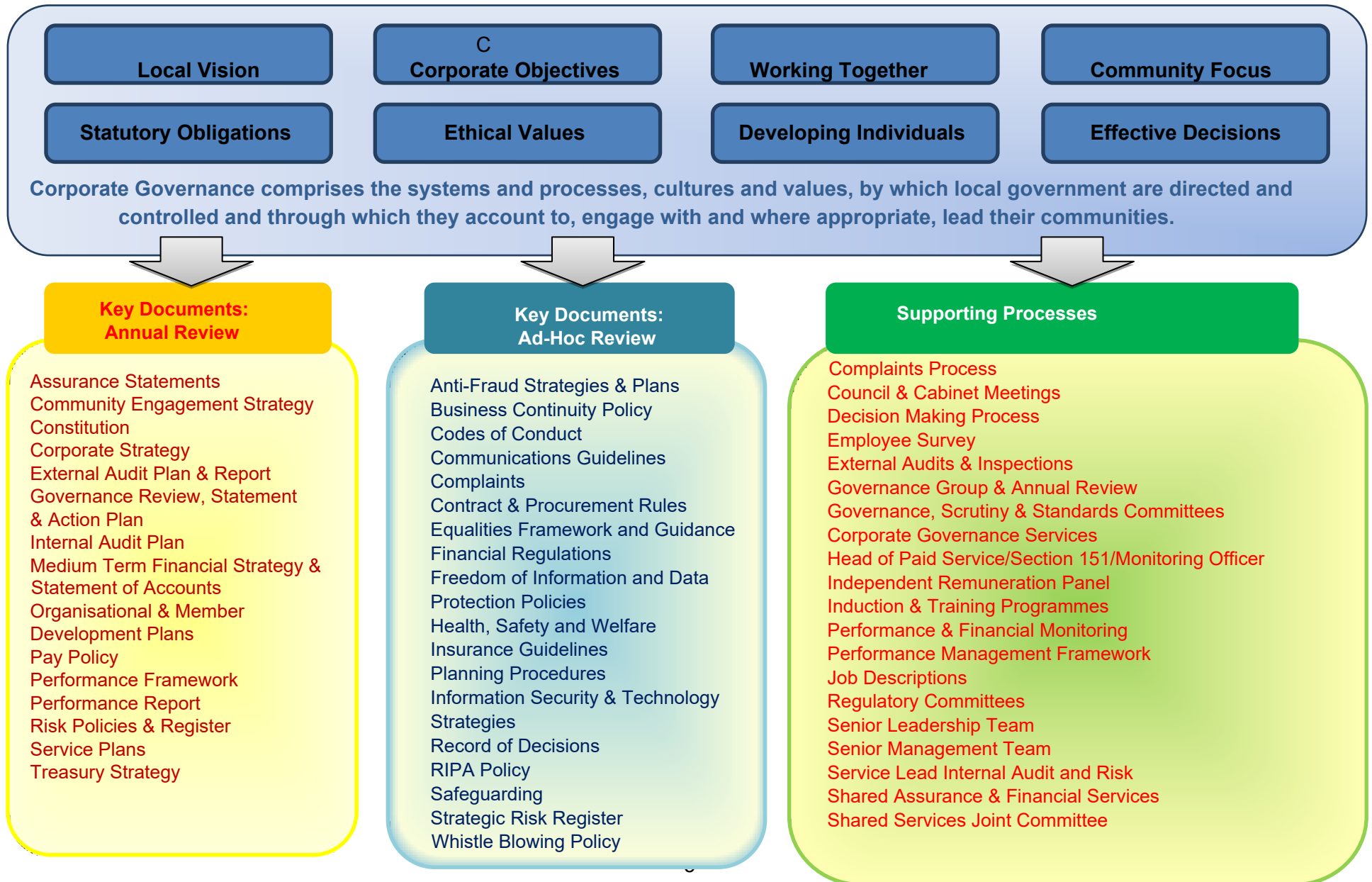


To demonstrate a strong governance environment, we have to demonstrate how we comply with these principles.

The table below shows how the principles, statutory obligations and corporate priorities are supported by corporate documents and processes.

The tables at Appendix A set out the council's specific approach and processes which evidence compliance.

SOUTH RIBBLE BOROUGH COUNCIL CORPORATE GOVERNANCE FRAMEWORK
Principles, Statutory Obligations and Corporate Objectives



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A. Good governance means behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

We will:

**Behave with integrity Demonstrate strong commitment to ethical values;
Respect the rule of law;**

In order to achieve this we will:

Evidence

ensure that the Council's leadership sets a tone for the Council by creating a climate of openness, support and respect;

ensure that standards of conduct and personal behaviour expected of members and officers, of work between them and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols;

maintain arrangements to ensure that members and employees of the Council 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;

maintain shared values including leadership values for both the organisation and employees reflecting public expectations, and communicate these with members, officers, the community and partners;

ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness;

maintain an effective standards committee;

Corporate Strategy
Constitution
Standing Orders
Ethical Procurement / Contract Procedure Rules
Code of Conduct for Members
Standards Complaints Procedure
Declarations of Interests and register of interests for officers and members
Provision of ethical governance training
Staff Induction
Organisational Development Strategy
Staff Recruitment Policy
Job/Descriptions and Specifications
Continuing Professional Development
Performance Management Framework
Anti-Fraud and Corruption and Whistleblowing Policies
Minutes of meetings showing declarations of interest
Open Cabinet system

use the Council's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Council;	Report Templates requiring s151 and MO comments Scrutiny of ethical decision making Key Partnership Framework
in partnering arrangements 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.	Compliance with Statutory Guidance Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government Self-Reporting to regulatory bodies

B. Good governance means ensuring openness and comprehensive stakeholder engagement

We will:

**Be Open;
Engage comprehensively with institutional stakeholders;
Engage stakeholders effectively, including individual citizens and service users;**

In order to achieve this we will:

Evidence

ensure that the Council's vision is delivered through the corporate plan and that it is clearly consulted, articulated and disseminated to all key stakeholders

Annual Report
Annual Governance Statement
Freedom of Information/Environmental Information Act publication scheme

ensure that clear channels of communication are in place to enable the Council to engage with all sections of the community effectively and put in place monitoring arrangements to ensure effective operation;

Online Council Tax Information
Authorities Values

consider all stakeholders to whom the Council is accountable and assess the effectiveness of the relationships and any changes required; These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands;

Website
Council Meeting Minutes
Publication of Executive Member Decisions
Publication process for Key Decisions

hold meetings in public unless there are good reasons for confidentiality;

Pro-Forma Report templates
Comments of SFO and MO

maintain a clear policy that supports consultation and engagement with the public and service users including an appropriate feedback mechanism for those consultees to demonstrate what has changed as a result;	Council meeting calendar Use of Consultation Feedback / as highlighted by CIPFA Resident Survey Communications Strategy Record of stakeholders with whom the council should engage and for what purpose Record of public consultations Evidence based decision making Use of social media
publish an annual performance plan giving information on the Council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users;	
Scrutiny Committee to have clear responsibilities including accountability for external and community aspects;	
produce regular reports on the activity of the scrutiny function;	
ensure that the Council as a whole is open and accessible to the community, service users and its employees. That it is committed to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality where it is proper and appropriate to do so;	
maintain a clear policy on how employees and their representatives are consulted and involved in decision making.	

C. Good governance means defining outcomes in terms of sustainable economic, social, and environmental benefits

We Will:

Define outcomes;

Provide sustainable economic, social and environmental benefits;

In order to achieve this we will:

Evidence

promote and review the Council's purpose and vision;

review on a regular basis the Council's governance arrangements;

Community engagement and involvement

foster effective relationships and partnerships with the public, private, community and voluntary sectors;	Corporate Strategy Monitoring Reports to Cabinet Project Management Performance Management Framework Risk Management and Grace System Capital Investment is structured to achieve appropriate life spans and adaptability for future use or that resources are spent on optimizing social economic and environmental wellbeing Medium Term Financial Strategy Record of decision making and supporting materials Reporting / register of environmental data Statement of Accounts and EA value for money opinion Corporate Priority – Community Wealth Building Social Value in Procurement Equality Frameworks and Impact Assessments Environmental Impact Assessments Key Partnership Framework
ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties;	
decide how the quality of service for users is to be measured and make sure that the information needed to regularly review service quality is available;	
put in place effective arrangements to enable continuous improvement;	
decide how value for money is to be measured and make sure that the Council or partnership has the information needed to review value for money and performance effectively;	
measure the impact of policies, plans and decisions on the community and its environment.	

D. Good governance means determining the interventions necessary to optimise the achievement of the intended outcomes	
We Will: Determine interventions; Plan interventions; Optimise the achievement of intended outcomes;	
In order to achieve this we will:	Evidence

<p>Ensure that there are on-going discussions between members and officers on the information needs of members to ensure considered and robust decision making</p>	<p>Members Briefings Standing Orders Options Appraisals Medium Term Financial Strategy Council calendar of meetings Communication Strategy Key Partnership Framework in development Risk Management Framework Project Management Toolkit Performance Management Framework Senior Management Team Corporate Strategy Social Value Policy Ethical procurement / contract procedure rules</p>
<p>Ensure members understand what information they may ask for and associated timescales;</p>	
<p>Ensure that our Scheme of Delegation is fit for purposes and is complied with</p>	
<p>Ensure that accurate and detailed records of all decisions are maintained together with supporting material</p>	
<p>Ensure (wherever practicable) that decision makers are advised appropriately on all available options</p>	
<p>Have a robust Financial strategy</p>	
<p></p>	
<p>Have a robust Corporate Risk Register</p>	
<p>Ensuring that the social value dimension is covered by any major procurement exercise that is carried out; ensuring that up to date and accurate advice is contained within our procurement guidance documents</p>	
<p>Wherever appropriate develop and report on Key Performance Indicators for service areas and report against them</p>	
<p></p>	

E. Good governance means developing the council’s capacity, including the capability of its leadership and the individuals within it

We Will:

- Develop the council’s capacity;**
- Develop the capability of the council’s leadership and other individuals;**

In order to achieve this we will:	Evidence
provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis;	Organisational Development Plan Job Descriptions
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;	Officer PDP’s Access to update courses and information briefings on new legislation Induction – both officers and members
assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively;	HR policies Staff forums Clear statement of roles and responsibilities and how they will be put into practice
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;	CE Performance Appraisal (member led) Arrangements for succession planning Member Briefings
ensure that effective arrangements are in place for reviewing the performance of Cabinet and other committees and their membership and agreeing action to address any training or development needs;	Member PDPs Scheme of delegation reviewed regularly in the light of legal and organizational changes
ensure that effective arrangements are in place to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council;	Standing Orders reviewed on a regular basis Efficient systems and technology used for effective support
ensure that career structures are in place for members and officers to encourage participation and development.	Peer reviews
In order to achieve our aims we will detail within the Constitution:	

a clear statement of the respective roles and responsibilities of the Cabinet and of each cabinet member individually and the authority's approach towards putting this into practice;	
a clear statement of the respective roles and responsibilities of each committee, elected members generally and of senior officers;	
a clear statement of the role of Scrutiny including overview of Council activity and responsibility for holding Cabinet to account.	
a scheme of delegation and reserve powers including a formal schedule of those matters specifically reserved for collective decision by full Council taking account of relevant legislation, and ensuring that it is monitored and updated when required;	
a chief executive responsible and accountable to the authority for all aspects of operational management;	
a protocol to ensure that the leader and chief executive share a clear understanding of their roles and objectives;	
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;	
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;	
protocols to ensure effective communication between members and officers in their respective roles;	
we will also:	
set out terms and conditions for remuneration of members and officers and an effective structure for managing the process including an effective member remuneration panel;	
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 we will:	
ensure that members are clear about their roles and responsibilities (both individually and collectively) to the partnership and to the authority;	
ensure that there is clarity about the legal status of the partnership;	
ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.	

F. Good governance means managing risks and performance through robust internal control and strong public financial management	
We will:	
Manage risk; Manage performance; Have robust systems of internal control; Manage data; Provide strong public financial management;	
In order to achieve this we will:	Evidence
maintain an effective scrutiny function which encourages constructive challenge and enhances the Council’s performance overall and that of any organisation for which it is responsible;	Performance Management Framework Publication of agendas and minutes of meetings Evidence of improvements as a result of scrutiny Council Meeting Calendar Budget Monitoring Reports
maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based;	

maintain arrangements to safeguard members and employees against conflicts of interest and processes to ensure that they continue to operate in practice;	<p>Member Development</p> <p>Financial standards and guidance</p> <p>Financial Regulations and standing orders</p> <p>Effective internal audit service is resourced and maintained</p> <p>Internal & External Audit Plan</p> <p>Internal audit charter</p> <p>Internal & External Audit Reports</p> <p>Annual Governance Statement</p> <p>Risk Management Strategy and use of GRACE</p> <p>Anti Fraud and Corruption Strategy and Fraud Response plan</p> <p>Whistleblowing policy</p> <p>Audit Committee complies with best practice / Governance Committee effectiveness review</p> <p>Information Security Framework</p> <p>Designated Data Protection Officer and Senior Information Risk Officer</p> <p>Data Protection Policies and Procedures</p> <p>Data sharing agreements</p> <p>Data Sharing Register</p> <p>Data Processing Agreements</p> <p>Data quality procedures and reports</p>
develop and maintain an effective audit / governance committee which is independent of the executive and scrutiny functions, and responsible for the Council's governance and control matters;	
ensure that a senior officer with responsibility for internal audit champions best practice and provides an objective opinion on all aspects of governance, risk management and internal control;	
ensure that the Council maintains an effective, transparent and accessible complaints process;	
ensure that those making decisions whether for the Council or a partnership are provided with information that is fit for the purpose; i.e. 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 Council, with members and managers at all levels recognising that risk management is part of their jobs;	
ensure that effective arrangements for whistleblowing are in place to which officers and all those contracting with or appointed by the authority have access;	
observe all relevant legislative requirements and restrictions placed upon the Council, but strive to utilise the legislative powers to the full benefit of the community;	
comply with both the specific requirements of legislation and the general responsibilities placed on the Council by public law;	
observe all the requirements of general law, and in particular integrate the key principles of good administrative law – rationality, legality and natural justice – into procedures and decision-making processes;	

G. Good governance means implementing good practices in transparency, reporting, and audit to deliver effective accountability

We will:

- Implement good practice in transparency;**
- Implement good practices in reporting;**
- Provide assurance and effective accountability;**

In order to achieve this we will:	Evidence
maintain a user friendly and up to date Website	Website
ensure that the Council’s vision is delivered through the corporate plan and that it is clearly consulted, articulated and disseminated to all key stakeholders	Annual Report annual financial statements Annual Governance Statement
maintain a clear policy that supports consultation and engagement with the public and service users including an appropriate feedback mechanism for those consultees to demonstrate what has changed as a result;	Compliance with CIPFA’s Statement of the Role of the Head of Internal Audit Compliance with Public Sector Internal Audit Standards Recommendations have informed positive improvement
ensure that the Council as a whole is open and accessible to the community, service users and its employees. That it is committed to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality where it is proper and appropriate to do so;	Community strategy Compliance with the Transparency Code
wherever possible use plain English when writing reports	Corporate Governance Group
An annual report to council on performance, value for money and the use of resources – such report to be approved and owned by Senior Management Team and members	
Provide Annual financial statements	

Provide Annual Governance Statement	
Demonstrate how positive improvements have followed on from any external audit recommendations	
Compliance with CIPFA's Statement on the Role of the Head of Internal Audit	
Compliance with Public Sector Internal Audit Standards	
Have an effective and robust Community Strategy	

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