SOUTH RIBBLE BOROUGH COUNCIL

LOCAL CODE OF CORPORATE GOVERNANCE

MARCH 2021

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 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 definition of Corporate Governance as stated within the CIPFA/SOLACE document entitled "Delivering Good Governance in Local Government", as
follows:-

"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, green spaces and healthy places**

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

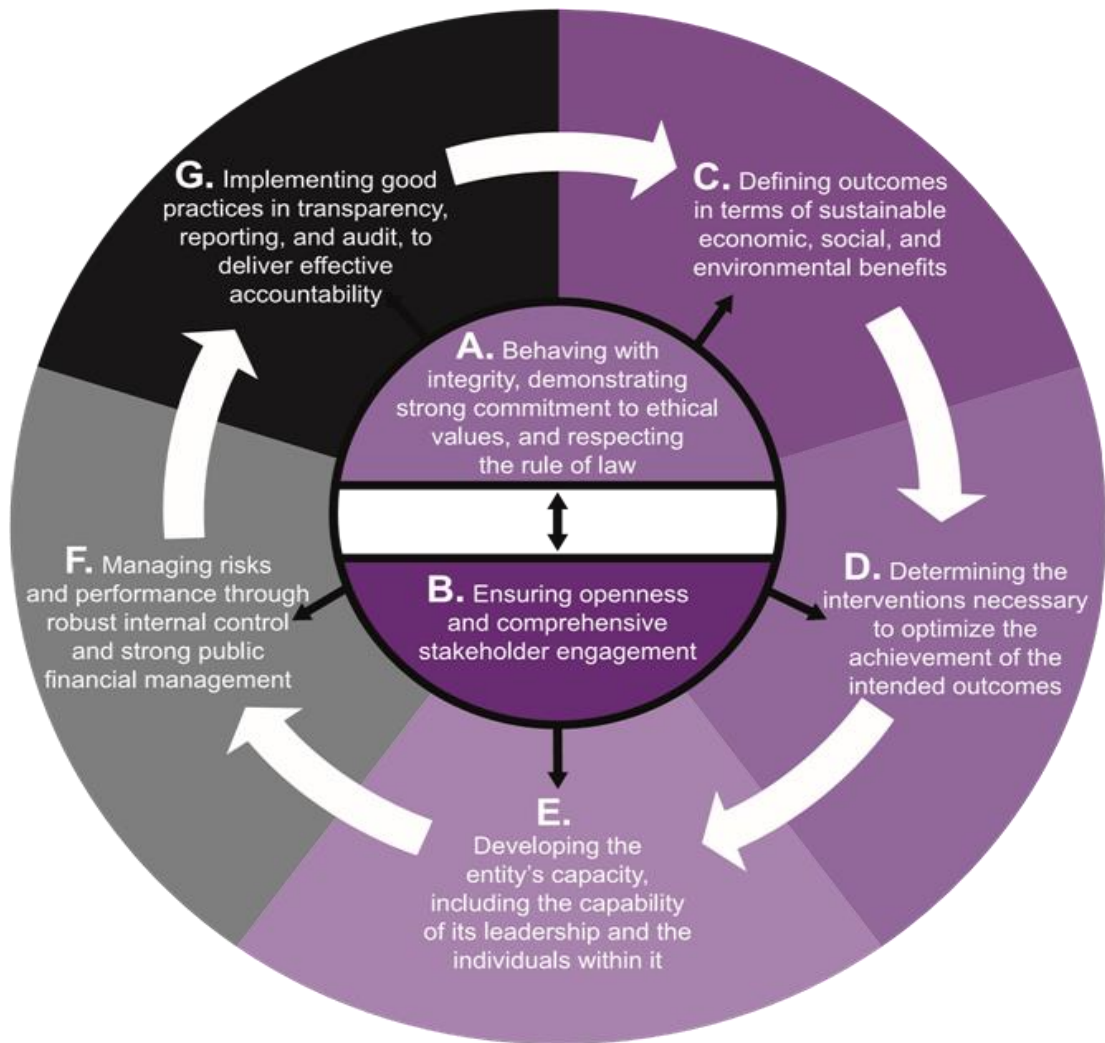The priorities set the what and the corporate projects the how.

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.

G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

B. Ensuring openness and comprehensive stakeholder engagement

F. Managing risks and performance through robust internal control and strong public financial management

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

In order to demonstrate a strong governance environment we have to demonstrate how we comply with these principles. The following tables set out the councils approach and processes which evidence compliance.

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;	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 Organistional Development Strategy Staff Recruitment Policy Job/Descriptions and Specifications Continuing Professional Development Performance Management Anti-Fraud and Corruption and Whistleblowing Policies Minutes of meetings showing declarations of interest Open Cabinet system Report Templates requiring s151 and MO comments Scrutiny of ethical decision making Key Partnership Framework (being developed)
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;	
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;	

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 Online Council Tax Information Authorities Values Website Council Meeting Minutes Publication of Executive Member Decisions Publication process for Key Decisions Pro-Forma Report templates Comments of SFO and MO Council meeting calendar Use of Consultation Feedback / as highlighted by CIPFA – has the approach to consultation changed during covid for both residents and employees (see last line above)
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;	
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;	
hold meetings in public unless there are good reasons for confidentiality;	
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;	

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;	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
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 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
foster effective relationships and partnerships with the public, private, community and voluntary sectors;	
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;	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 Equality Impact Assessments Key Partnership Framework in development
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
Ensure that there are on-going discussions between members and officers on the information needs of members to ensure considered and robust decision making	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 Community Wealth building and social value - corporate priority Ethical procurement / contract procedure rules
Ensure members understand what information they may ask for and associated timescales;	
Ensure that our Scheme of Delegation is fit for purposes and is complied with	
Ensure that accurate and detailed records of all decisions are maintained together with supporting material	
Ensure (wherever practicable) that decision makers are advised appropriately on all available options	
Have a robust Financial strategy	

Have a robust Corporate Risk Register	
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	
Wherever appropriate develop and report on Key Performance Indicators for service areas and report against them	

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 HR policies
assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively;	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 or 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
	Peer reviews
ensure that career structures are in place for members and officers to encourage participation and development.	Community Hubs
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

maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based;	Evidence of improvements as a result of scrutiny Council Meeting Calendar Budget Monitoring Reports Member Development Financial standards and guidance Financial Regulations and standing orders Effective internal audit service is resourced and maintained Internal & External Audit Plan Internal audit charter Internal & External Audit Reports Annual Governance Statement Risk Management Strategy and use of GRACE Anti Fraud and Corruption Strategy and Fraud Response plan Whistleblowing policy Audit Committee complies with best practice / Governance Committee effectiveness review Information Security framework Designated Data Protection Officer and Senior Information Risk Officer Data Protection Policies and Procedures Data sharing agreements Data Sharing Register Data Processing Agreements Data quality procedures and reports Data validation procedures
maintain arrangements to safeguard members and employees against conflicts of interest and processes to ensure that they continue to operate in practice;	
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 Corporate Governance Group
wherever possible use plain English when writing reports	
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

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

SOUTH RIBBLE BOROUGH COUNCIL
forward with South Ribble

Local Vision	Corporate Objectives	Working Together	Community Focus
Statutory Obligations	Ethical Values	Developing Individuals	Effective Decisions

Corporate Governance comprises the systems and processes, cultures and values, by which local government are directed and controlled and through which they account to, engage with and where appropriate, lead their communities.

Key Documents: Annual Review

Assurance Statements
Community Strategy
Constitution
Corporate Plan
External Audit Plan & Report
Financial Strategy & Statement of Accounts
Governance Review, Statement & Action Plan
Internal Audit Plan
Our People & Member Development Plans
Pay Policy
Performance Framework
Performance Report
Risk Policies & Register
Service Plans
Shared Services Report
Treasury Strategy

Key Documents: Ad-Hoc Review

Anti-Fraud Strategies & Plans
Business Continuity Policy
Codes of Conduct
Communications Guidelines
Complaints
Contract & Procurement Rules
Equalities Guidance
Financial Regulations
Information Policies
Investigation
Health, Safety and Welfare
Planning Procedures
Information Security & Technology Strategies
Insurance Guidelines
Record of Decisions
RIPA Policy
Safeguarding
Whistle Blowing Policy
Strategic Risk Register

Supporting Processes

Complaints Process
Council & Cabinet Meetings
Decision Making Process
Employee Survey
External Audits & Inspections
Governance Group & Annual Review
Governance, Scrutiny & Standards Committees
Corporate Governance Services
Head of Paid Service/Section 151 Officer
Independent Remuneration Panel
Induction & Training
Monitoring Officer
Performance & Financial Monitoring
Performance Management Framework
Protocols & Job Descriptions
Regulatory Committees
Roles of Head of Finance and Internal Audit (CIPFA)
Senior Management Team
Shared Assurance & Financial Services
Shared Services Joint Committee
South Ribble Partnership