

West Suffolk

Local Code of Corporate Governance

1. Introduction

- 1.1 This document sets out how both St Edmundsbury Borough Council and Forest Heath District Council aim to apply the principles of corporate governance. We are both committed to the principles of good governance and maintain our commitment through the development, adoption and continued maintenance of this Code of Corporate Governance.
- 1.2 We are required to develop and maintain an up-to-date Code of Corporate Governance and to prepare an Annual Governance Statement (AGS) in order to report publicly on the extent to which we comply with this Code.

2. Defining governance

- 2.1 CIPFA and SOLACE define governance as being about how councils ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 2.2 It comprises the systems and processes and cultures and values, by which councils are directed and controlled and through which they are accountable to, engage with and lead communities.
- 2.3 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 councils to pursue their visions effectively as well as underpinning that vision with mechanisms for control and management of risk and opportunity.

3. Principles of good governance

- 3.1 We recognise the six core principles of good governance which are:
1. focusing on the purpose of the council and on outcomes for the community and creating and implementing a vision for the local area;
 2. members and officers working together to achieve a common purpose with clearly defined functions and roles;
 3. promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 4. taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 5. developing the capacity and capability of members and officers to be effective; and
 6. engaging with local people and other stakeholders to ensure robust our public accountability.

4. Applying the principles of good governance

4.1 CIPFA/SOLACE have identified that the six principles of good governance have a number of supporting principles, which in turn have a range of specific requirements that apply across business. The following tables show how each of the principles should be applied. Compliance with these principles will be subject to annual review (see section 5 of the Code).

Principle 1: Focusing on the purpose of the council and on outcomes for the local community and creating and implementing a vision for the local area	
Supporting principle	The councils are required to:
Exercising strategic leadership by developing and clearly communicating the council's purpose and vision and its intended outcome for citizens and service users	<p>Develop and promote both councils' purpose and vision.</p> <p>Review on a regular basis the West Suffolk vision and its implications for the governance arrangements.</p> <p>Ensure that partnerships are underpinned by a common vision of both councils' work that is understood and agreed by all partners.</p> <p>Regularly communicate both councils' activities and achievements, their financial position and performance.</p>
Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.	<p>Decide how the quality of service for users across West Suffolk is to be measured and make sure that the information needed to review service quality effectively and regularly is available.</p> <p>Put in place effective arrangements to identify and deal with failure in service delivery.</p>
Ensuring that the council makes best use of resources and that tax payers and service users receive excellent value for money.	<p>Decide how value for money for both councils is to be measured and make sure that they have the information needed to review value for money and performance effectively.</p> <p>Measure the environmental impact of policies, plans and decisions across West Suffolk.</p> <p>Ensure that timely, accurate and impartial financial advice and information is provided to both councils to assist in decision making and to ensure that they meet policy and service objectives and provides effective stewardship of public money and value for money in its use across both councils.</p>

	<p>Ensure that both councils maintain a prudential financial framework; keep commitments in balance with available resources; monitor income and expenditure levels to ensure that balance is maintained and corrective action taken when necessary.</p> <p>Ensure both councils comply with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code.</p>
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Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles	
Supporting principle	The councils are required to:
<p>Ensuring effective leadership throughout the council and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.</p>	<p>Within their Constitutions: (i) set out a clear statement of the respective roles and responsibilities of the Cabinet and Portfolio Holders individually, and our approach towards putting this into practice; and (ii) set out a clear statement of the respective roles and responsibilities of other councillors, committees and senior officers.</p> <p>Ensure that the Chief Financial Officer across both councils reports directly to the Chief Executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact.</p>
<p>Ensuring that a constructive working relationship exists between members and officers and that the responsibilities of members and officers are carried out to a high standard.</p>	<p>Determine their scheme of delegation and reserve powers within the Constitution, including a formal schedule of those matters specifically reserved for collective decision, taking account of relevant legislation, and ensure that it is monitored and updated when required.</p> <p>Make the Chief Executive responsible and accountable for all aspects of operational management across both councils.</p> <p>Ensure that governance arrangements allow the Chief Finance Officer direct access to the Chief Executive and to other leadership team members.</p> <p>Develop protocols to ensure that the Leader and Chief Executive have a shared understanding of their roles and objectives.</p> <p>Make a senior officer (the s151 officer) responsible for ensuring that appropriate advice is given on all financial matters to both councils, for keeping</p>

	<p>proper financial records and accounts, and for maintaining an effective system of internal financial control.</p> <p>Appoint a professionally qualified Chief Financial Officer for both councils whose responsibilities include those set out in the Statement on the Role of the Chief Financial Officer in Local Government and ensure that they are properly understood.</p> <p>Ensure that the Chief Financial Officer:</p> <ul style="list-style-type: none"> • leads the promotion and delivery across both councils of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; • has a line of professional accountability for finance staff throughout both councils; and • ensures that budget calculations for both councils are robust and reserves adequate, in line with CIPFA's guidance <p>Ensure that appropriate management accounting systems, functions and controls are in place across both councils so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where we are acting in an enabling role.</p> <p>Make a senior officer (the Monitoring Officer) responsible for ensuring that agreed procedures are followed across both councils and that all applicable statutes and regulations are complied with.</p>
<p>Ensuring relationships between the council, its partners and public are clear so that each knows what to expect of the other.</p>	<p>Develop protocols for both councils to ensure effective communication between members and officers in their respective roles.</p> <p>Set out the terms and conditions for remuneration of members and officers for both councils and an effective structure for managing the process, including an effective remuneration panel (if applicable).</p> <p>Ensure that effective mechanisms exist to monitor service delivery across both councils.</p> <p>Ensure that the West Suffolk vision, strategic plan, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and</p>

	<p>that they are clearly articulated and disseminated.</p> <p>Establish a medium term business and financial planning process across West Suffolk to deliver strategic objectives including:</p> <ul style="list-style-type: none"> • a medium term financial strategy to ensure sustainable finances; • a robust annual budget process that ensures financial balance; and • a monitoring process that enables this to be delivered <p>Ensure that these are subject to regular review to confirm the continuing relevance of assumptions used.</p> <p>When working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and both councils.</p> <p>When working in partnership across West Suffolk:</p> <ul style="list-style-type: none"> • 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.
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Principle 3: Promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour	
Supporting principle	The councils are required to:
Ensuring members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.	<p>Ensure that the leadership across West Suffolk sets a tone by creating a climate of openness, support and respect.</p> <p>Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff, partners and the community are defined and communicated through codes of conduct and protocols.</p> <p>Put in place arrangements to ensure that members and staff of both councils 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>Ensuring that organisational values are put into practice and are effective</p>	<p>Develop and maintain shared West Suffolk values including leadership values for both organisations and staff reflecting public expectations, and communicate these with members, officers, the community and partners.</p> <p>Put in place arrangements to ensure that procedures and operations for both councils are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.</p> <p>Ensure that systems and processes for both councils' financial administration, financial control and protection of both resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.</p> <p>Develop and maintain an effective standards committee.</p> <p>Use shared West Suffolk values to act as a guide for decision-making and as a basis for developing positive and trusting relationships.</p> <p>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.</p>
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Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk	
Supporting principle	The councils are required to:
<p>Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.</p>	<p>Develop and maintain an effective scrutiny function across both councils which encourages constructive challenge and enhances performance overall and that of any organisation for which it is responsible.</p> <p>Ensure an effective internal audit function is resourced and maintained across both councils.</p> <p>Develop and maintain across both councils open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.</p> <p>Put in place arrangements across West Suffolk to safeguard members and officers against conflicts</p>

	<p>of interest and put in place appropriate processes to ensure that they continue to operate in practice.</p> <p>Develop and maintain an effective audit committee which is independent of the executive and scrutiny functions or make other arrangements for the discharge of the functions of such a committee.</p> <p>Ensure that governance arrangements of both councils allow the Chief Finance Officer direct access to the Audit Committee and the external auditors.</p> <p>Ensure that effective, transparent and accessible arrangements are in place across West Suffolk for dealing with complaints.</p>
<p>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 councils or the partnership are provided with information that is fit for the purpose – relevant, timely and giving clear explanations of technical issues and their implications.</p> <p>Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers across both councils on the budgetary and financial performance.</p> <p>Ensure that proper professional advice on matters that have legal or financial implications is available to both councils and recorded well in advance of decision-making and used appropriately.</p> <p>Ensure governance arrangements for both councils allow the Chief Finance Officer to bring influence to bear on all material decisions.</p> <p>Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance.</p>
<p>Ensuring that an effective risk management system is in place</p>	<p>Ensure that risk management is embedded into the culture across West Suffolk, with members and managers at all levels recognising that risk management is part of their role.</p> <p>Ensure arrangements for financial and internal control and for managing risk are addressed in annual governance reports for both councils.</p> <p>Ensure both councils put in place effective internal financial controls covering codified guidance,</p>

	<p>budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes.</p> <p>Ensure that effective arrangements for whistle-blowing are in place across West Suffolk to which officers, the public and all those contracting with or appointed by us have access.</p>
Using their legal powers to the full benefit of the citizens and communities in their area.	<p>Actively recognise the limits of lawful activity placed on the councils, for example, the ultra vires doctrine, but also strive to utilise their powers to the full benefit of their communities.</p> <p>Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed upon both councils by public law.</p> <p>Observe all specific legislative requirements placed upon both councils, 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 procedures and decision-making processes.</p>

Principle 5: Developing the capacity and capability of members and officers to be effective

Supporting principle	The councils are required to:
Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.	<p>Provide induction programmes across West Suffolk tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.</p> <p>Ensure that the statutory officers across both councils have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood.</p> <p>Ensure the Chief Finance Officer for both councils has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role.</p> <p>Review the scope of the Chief Finance Officer's other management responsibilities to ensure financial matters are not compromised.</p> <p>Provide the finance function across both councils with the resources, expertise and systems</p>

	necessary to perform its role effectively.
Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.	<p>Assess the skills required by members and officers across both councils and make a commitment to develop those skills to enable roles to be carried out effectively.</p> <p>Embed financial competencies across West Suffolk in person specifications and appraisals.</p> <p>Ensure that councillors' roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities.</p> <p>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.</p> <p>Ensure that effective arrangements are in place for reviewing performance as a whole for both councils' and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs.</p>
Encouraging new talent for membership of the council so that best use can be made of individuals' skills and resources in balancing continuity and renewal.	<p>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 both councils.</p> <p>Ensure that career structures are in place across West Suffolk for members and officers to encourage participation and development.</p>

Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.

Supporting principle	The councils are required to:
Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive	<p>Ensure that members and officers for both councils understand their accountabilities to the community and this is clearly communicated.</p> <p>Consider those institutional stakeholders to whom both councils are accountable and assess the effectiveness of the relationships and any changes required.</p> <p>Produce an annual report on both councils on the activity of the scrutiny function.</p>

<p>accountability relationships.</p>	
<p>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 council, in partnership or by commissioning.</p>	<p>Ensure that clear channels of communication across both councils are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively.</p> <p>Hold meetings across West Suffolk in public unless there are good reasons for confidentiality.</p> <p>Ensure that arrangements are in place to engage with all sections of the West Suffolk 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.</p> <p>Establish a clear policy on the types of issues both councils will meaningfully consult on or engage with the public and services users about including a feedback mechanism for those consultees to demonstrate what has changed as a result.</p> <p>On an annual basis, publish information on the West Suffolk vision, strategy, plans and financial statements as well as information about outcomes, achievements and the satisfaction of service users in the previous period.</p> <p>Ensure that both councils are open and accessible to the community, service users and staff and ensure that they have made a commitment to openness and transparency in all their 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>Making best use of human resources by taking an active and planned approach to meet responsibility of staff.</p>	<p>Develop and maintain a clear policy across West Suffolk on how staff and their representatives are consulted and involved in decision-making.</p>

5. Annual review and reporting

- 5.1 We will carry out a review of our governance arrangements using the above principles as a guide. The review will ensure compliance with this Code and any emerging good practice. The purpose of the review will be to provide assurance that governance arrangements are adequate and

operating effectively, and where any gaps are observed, to identify action which is planned to ensure effective governance in the future.

- 5.2 The outcome of the review will take the form of a West Suffolk Annual Governance Statement prepared on behalf of the Leader of St Edmundsbury Borough Council, the Leader of Forest Heath District Council, and the Chief Executive of both councils. It will be submitted to the Performance and Audit Scrutiny Committee for consideration and review. Where necessary, the Annual Governance Statement will contain an action plan to address any areas identified for improvement from the review. An annex of the Annual Governance Statement will detail the principles and supporting principles, together with links to the key documents established to support the application of this Code.
- 5.3 The preparation and publication of the West Suffolk Annual Governance Statement meets the statutory requirement of the Accounts and Audit Regulations which require authorities to 'conduct a review at least once a year of the effectiveness of its system of internal control' and to prepare the statement 'in accordance with proper practices'.

6. Conclusion

- 6.1 St Edmundsbury Borough Council and Forest Heath District Council are fully committed to the principles of corporate governance, and through the measures outlined within this Code, will ensure that adequate arrangements are made with regard to its continued implementation, monitoring and review.

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