

# West Suffolk

## Local Code of Corporate Governance

### 1. Introduction

- 1.1 This document sets out how both Forest Heath District Council and St Edmundsbury Borough 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.

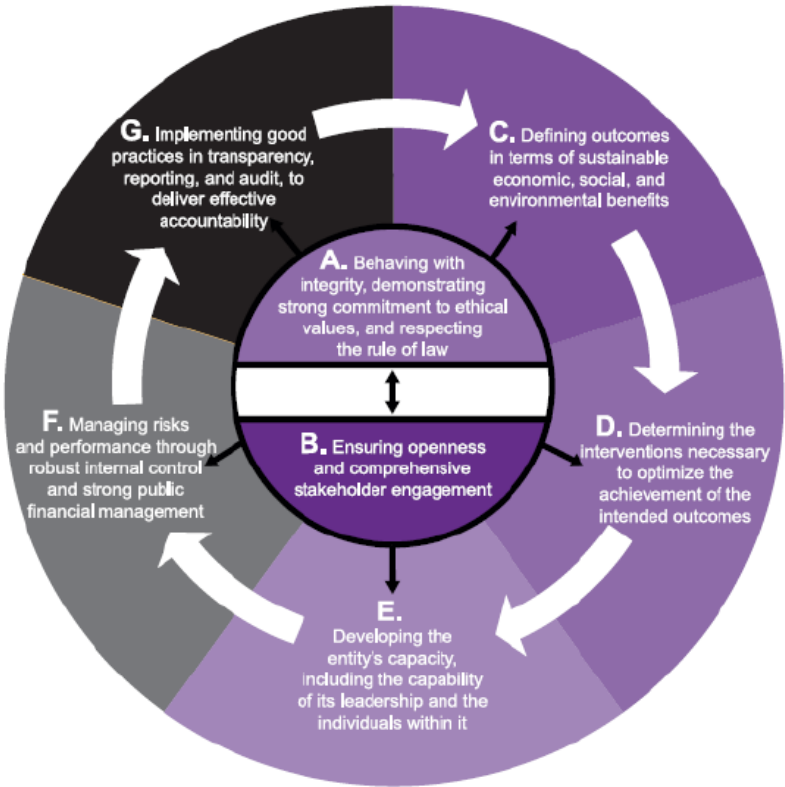
### 3. Core Principles of Good Governance

- 3.1 We recognise the seven core principles of good governance which are:
- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting 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 optimise the achievement of the intended outcomes.
  - E. Development of the Councils' 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 shows how the principles relate to each other.



#### 4. Applying the principles of good governance

4.1 The CIPFA/SOLACE framework has identified that the seven core principles have a number of sub principles, which in turn translate into a range of specific behaviours and actions that apply across the 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).

| <b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b> |  |
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| <b>Sub principles</b>  | <b>Behaviours and actions that demonstrate good governance</b>   |
| <b>We behave with integrity</b>  | We have clear Codes of Conduct in place for members and officers to support our culture of acting consistently in the public interest. These Codes expect officers and members to declare interests they have. We make challenging decisions, leading by example and using our codes and protocols as a framework for decision making.                         |
| <b>We demonstrate strong commitment to ethical values</b>  | We have robust policies and procedures in place to support officers and members. Officers are encouraged to demonstrate our organisational values – bold, energy, responsible, together - in their working. We have clear contract procedure rules that establish the relationship with external service providers and require them to demonstrate our values. |
| <b>We respect the rule of law</b>  | The Councils Constitution demonstrates how our decision making adheres to relevant laws and defines the role and level of authority of statutory and other senior officers. We have adopted anti-fraud and anti-corruption policies, (which is supplemented by a fraud response plan), anti-money laundering policies and whistleblowing policies              |

| <b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b> |  |
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| <b>Sub principles</b>  | <b>Behaviours and actions that demonstrate good governance</b>   |
| <b>We are open about our activities</b>  | Council decisions are subject to reports setting out the rationale and evidence on which decisions are made. All reports and minutes are available via the Councils website. Councils ensure that future decisions are publicised openly on the website, |

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|  | <p>including reports that may be exempt.</p> <p>An Annual Report is published each year to identify the key achievements that the Councils have delivered to meet their objectives.</p>  |
| <p><b>We engage comprehensively with institutional stakeholders</b></p>        | <p>The Councils have adopted a Consultation Statement which encourages appropriate consultation and engagement to support effective decision making. All appropriate avenues are used for communication, including social media.</p> <p>The Councils are committed to partnership working across all relevant sectors and proactively plans to engage with them.</p>   |
| <p><b>We engage with individual citizens and service users effectively</b></p> | <p>Feedback from service users and residents is routinely used to inform Council decision making. The Councils proactively consults with residents, seeking their views on issues that affects them.</p> <p>The Councils ensures that wherever suitable, equality assessments are undertaken to determine potential impacts on disadvantaged user groups, whilst decision making templates require relevant impacts on service users to be assessed.</p> <p>The Councils positively use complaints and other feedback to understand how it can learn for future service development.</p> |

| <b>Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits</b> |  |
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| <b>Sub principles</b>  | <b>Behaviours and actions that demonstrate good governance</b>   |
| <p><b>We define the outcomes we want to achieve</b></p>  | <p>The Councils joint strategic plan outlines the key priorities for the Councils. This has been endorsed by full Council meetings.</p> <p>Each service area forms a business plan, to identify how it will deliver key priorities for the individual service areas that link directly to the strategic plan objectives.</p> <p>The Councils have an agreed risk management approach. Officers are provided with toolkits to help them identify, and manage risks which are collated onto relevant risk registers.</p> |

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| <p><b>We ensure there are sustainable economic, social and environmental benefits in our activities</b></p> | <p>The Councils decision making demonstrates how it considers relevant factors over the longer term. The Councils strategic plan is supported by the Medium Term Financial Strategy, which establishes the resources required to deliver each Councils priorities over the longer term.</p> <p>Over the longer term, each Council has developed Local Plans to shape how development will occur within the Council’s areas, which ultimately help support strategic growth priorities. These plans are subject to robust consultation and inspection processes.</p> |
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| <p><b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p> |   |
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| <p><b>Sub principles</b></p>  | <p><b>Behaviours and actions that demonstrate good governance</b></p>   |
| <p><b>We determine the interventions needed to achieve our outcomes</b></p>   | <p>The Councils report templates determine the factors that must be taken into account when reaching important decisions that affect service users. Our Consultation Strategy, and our Families and Communities Strategy, help us to ensure that we engage with key stakeholders and take their needs into account when making decisions.</p>   |
| <p><b>We plan to deliver the interventions required</b></p>   | <p>The Councils annual planning cycle aligns to ensure that key budgetary decisions can be made on a timely basis, and from this performance indicators and business plans can be established and monitored to inform how each Council is performing.</p> <p>Balanced Scorecards are used to monitor how each Council, and service areas, are performing against established performance measures and financial metrics, determining where intervention may be necessary to address underperformance. These are monitored monthly by the Councils Leadership Team and quarterly by the Performance and Audit Scrutiny Committees.</p> <p>Business Partners operate alongside services to ensure relevant policy, HR, legal, IT and finance requirements are considered when developing policies, strategies, or modifying service delivery.</p> |

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| <p><b>We optimise the achievement of intended outcomes</b></p> | <p>The Councils Medium Term Financial Strategy also serves as its efficiency plan in order to support our financial settlement. The Strategy has underlying themes which emphasise the need to ensure that service priorities and resource constraints remain balanced.</p> <p>The Councils recognise the need to ensure that service delivery mechanisms are optimised to ensure maximum benefit is obtained. This includes the use of alternative delivery models, such as company structures, where it is appropriate to do so.</p> <p>The Councils have an agreed procurement strategy which emphasises the need to ensure a whole life basis approach is taken to procurement, that value for money is achieved whilst also ensuring benefit is achieved for our residents, communities and businesses and to protect our natural environment.</p> |
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| <p><b>Principle E: Develop our organisational capacity, including the capability of its leadership and the individuals within it</b></p> |  |
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| <p><b>Sub principles</b></p>   | <p><b>Behaviours and actions that demonstrate good governance</b></p>  |
| <p><b>We develop the Councils' capacity</b></p>  | <p>The Councils have an established shared working relationship based on shared protocols which define how officers will work to support both Councils.</p> <p>The Councils have a workforce plan to ensure we have the resources they need at officer level to support delivery. Where it is more efficient and effective to do so, Councils will enter into further service partnership / collaboration models to enable it to deliver cost-effective and resilient services.</p> <p>Where appropriate, the Councils will undertake benchmarking of services and review of operational delivery models to ensure that services continue to present good value for money.</p> |
| <p><b>We develop the capability of the Councils' leadership and other individuals.</b></p>   | <p>We have adopted a joint Learning and Development Policy which recognises the important role that staff and members have in delivering high performing services to the public, and the need to ensure they receive the necessary</p>   |

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|  | <p>skills and capability training in order to deliver their role.</p> <p>A Member Development Group provides oversight to ensuring Councillors have the skills and knowledge to deliver their roles effectively. For officers, a performance management framework is in place that sets clear objectives and development targets, and monitors staff performance against these. The Councils have an agreed wellbeing strategy which aims to work to support staff in delivering our priorities</p> <p>Protocols define the relationships between Councillors and Officers of the Council, with clear decision making protocols in place to determine the relative levels of authority of each party. Our Constitutions set out the operational hierarchies, and the roles of the leaders and the Chief Executive.</p> |
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| <b>Principle F: Managing risks and performance through robust internal control and strong public financial management.</b> |   |
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| <b>Sub principles</b>  | <b>Behaviours and actions that demonstrate good governance</b>  |
| <b>We manage the risks we face</b>   | <p>The Councils have an agreed approach towards risk management. Guidance is available to staff and Councillors on the approach within the Councils intranet, which includes a toolkit for evaluating and managing risks.</p> <p>The Councils decision making requires officers to assess risks so that informed decisions can be made which are cognisant of the potential impact and likelihood of the inherent risks faced.</p> <p>Risk reporting is integrated into the Balanced Scorecards, which are reported to the Performance and Audit Scrutiny Committees quarterly.</p> |
| <b>We manage our performance</b>   | <p>The Councils balanced scorecards evaluate how the organisation is performing. These are reviewed monthly by the Leadership Team and quarterly by Performance and Audit Scrutiny Committees.</p> <p>The Councils have a clear approach to the management of corporate programmes. Updates on programmes are provided to Leadership monthly, to ensure they are progressing appropriately. Clear guidance is provided to officers on the Councils' approach. Major projects</p>  |

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|  | will be subject to frequent project team reviews, with identified programme owners and managers to encourage accountability. Periodically, senior officers and councillors will actively discuss key programmes and areas of corporate activity to ensure progression is being achieved. |
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| <b>Principle G: Implementing good practices in transparency reporting, and audit to deliver effective accountability</b> |   |
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| <b>Sub principles</b>  | <b>Behaviours and actions that demonstrate good governance</b>  |
| <b>We implement good practice in transparency</b>  | <p>The Councils proactively publish key information about its performance on a separate website, datashare. This enables users to readily interrogate key council data to understand how we have performed.</p> <p>The Councils use relevant platforms to communicate key messages to stakeholders, including the internet, social media, and holding events such as Parish and Town Forums.</p> <p>Council decisions and reports are readily accessible for stakeholders, and are written to take account of all relevant and material factors in an accessible way.</p>   |
| <b>We implement good reporting practices</b>   | <p>Annually, the Councils publish their Statement of Accounts (including the Annual Governance Statement), and an annual report.</p> <p>Both documents are subject to review by the Councils' Leadership Team, before presentation to relevant member groups as defined by the Constitution.</p> <p>Prior to production, the Annual Governance Statement is subject to discussion and review by key senior officers, including Internal Audit, Finance, Legal and the Monitoring Officer. Identified actions are recorded and subsequently monitored to ensure they are delivered.</p> <p>We evaluate the performance of partner and shared service organisations, including oversight to business plans for subsidiary companies and periodic reports on the activities of partnerships.</p> |
| <b>We have appropriate assurance and accountability mechanisms</b>   | <p>The Performance and Audit Scrutiny Committees provides member-led oversight to the work of auditors, holding the organisation to account in ensuring that identified improvements are made.</p>  |



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|  | <p>The internal audit service works to achieve the Public Sector Internal Audit Standards. Its mission is determined by the agreed Internal Audit Charter, which sets out how it will operate to provide assurance to the Councils. Significant recommendations made by internal audit are reported to members and subsequent implementation monitored.</p> <p>Subsidiary undertakings and partner bodies are subject to appropriate scrutiny mechanisms, including receipt of annual reports and oversight from the shareholder advisory group.</p> <p>Peer inspections and other comparative reviews are supported where appropriate, with any remedial action reported through to Leadership Team and Committees as appropriate.</p> |
| <p><b>We have robust internal control</b></p>  | <p>Robust reporting arrangements are in place to Leadership Team, the Performance and Audit Scrutiny Committees, and Cabinet as appropriate. This includes the balanced scorecard approach, risk and performance reporting, and programme monitoring.</p> <p>The Council has agreed Counter-Fraud and Whistleblowing Policies, to encourage an open culture to the reporting of incidents.</p> <p>Assurance on the internal control framework is provided through the work of internal audit, who undertake a risk-based approach to the programming of reviews.</p>  |
| <p><b>We manage our data appropriately</b></p> | <p>The Councils have an Officer Information Governance Group, who meet periodically to evaluate potential data risks and issues to ensure these are appropriately addressed. Members and officers must adhere to the Councils Information Security Policy and Data Protection Policy.</p> <p>Where appropriate, data sharing protocols are entered into and robust security procedures are in place. Testing is undertaken to ensure ongoing compatibility, including incorporation of assurance regarding data risks within the internal audit plan.</p> <p>The council maintains its PSN compliance, demonstrating its ongoing commitment to supporting best practice in the maintenance and handling of data.</p>                    |

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| <p><b>We demonstrate strong public financial management</b></p> | <p>The Councils have a clear Medium Term Financial Strategy which takes a long term view to the financial resilience of the authorities. Financial performance is then benchmarked, through the balanced scorecards, against the operational performance.</p> |
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## **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 Forest Heath District Council and St Edmundsbury Borough Council. 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**

- 1.1 Forest Heath District Council and St Edmundsbury Borough 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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