
Worcester City Council

LOCAL CODE OF

CORPORATE

GOVERNANCE

2019/20

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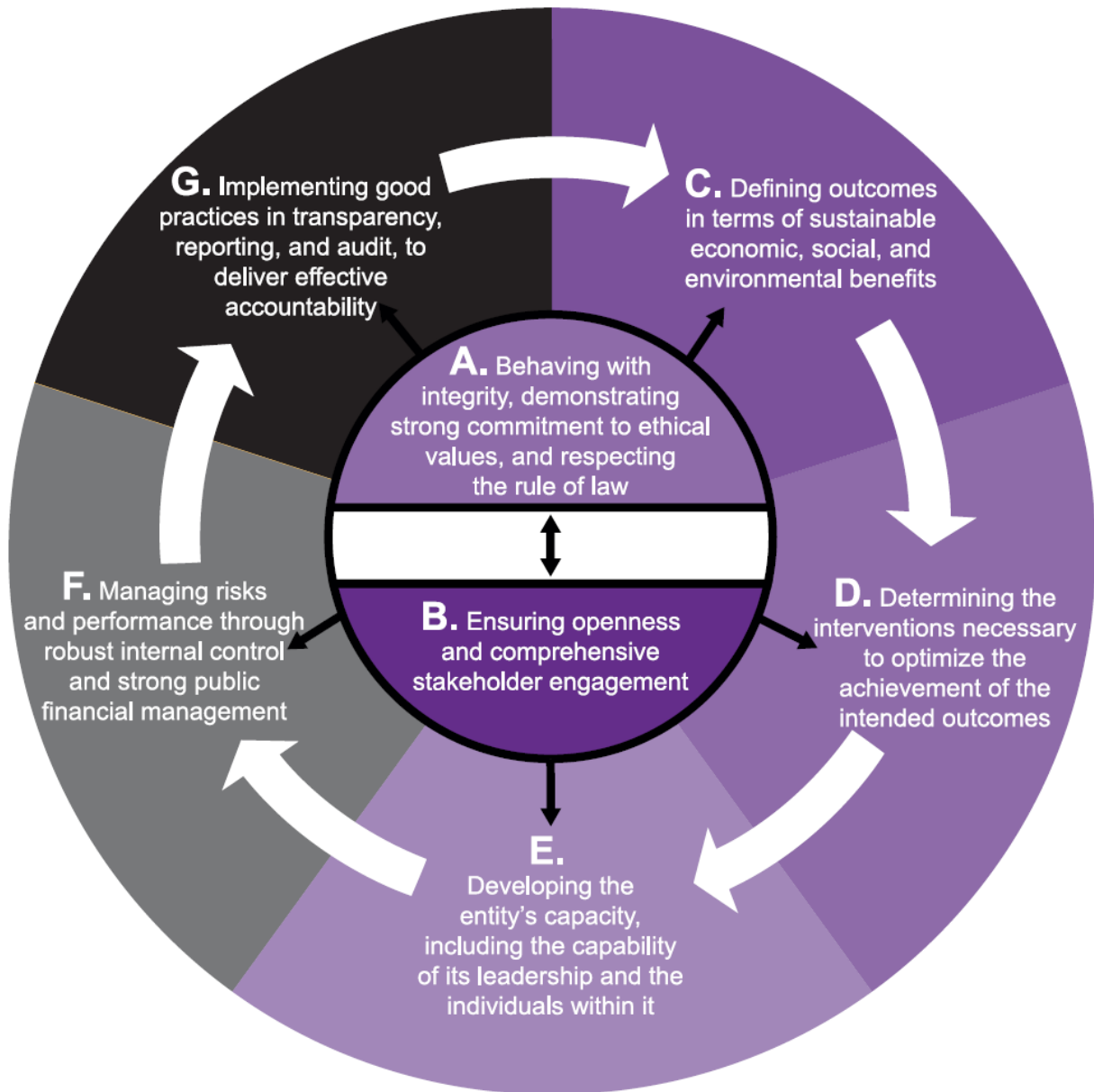
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1 Introduction

- 1.1** Corporate Governance is a term used to describe how organisations direct and control what they do. As well as systems and processes this includes culture and values. For councils this also includes how a council relates to the communities that it serves. Good corporate governance requires local authorities to carry out their functions in a way that demonstrates accountability, transparency, effectiveness, integrity, impartiality and inclusivity. Corporate governance provides structure through which strategic objectives are set and performance monitored. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 1.2** Worcester City Council operates through a governance framework that brings together an underlying set of legislative requirements, governance principles and management processes. The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively. The Council has developed and adopted a local Code of Corporate Governance which brings together in one document all the governance and accountability arrangements the Council currently has in place. The Code is based on best practice guidance set out in CIPFA/SOLACE Framework Delivering Good Governance in Local Government.
- 1.3** The Code is written around the following seven core principles set out in the CIPFA/SOLACE best practice guidance. The aim of the principles is that the local authority achieves its intended outcomes while acting in the public interest at all times. The principles are as follows:
- 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; and
 - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The diagram below shows how the principles relate to each other. CIPFA states that:

“Principles A and B permeate implementation of Principles C to G. The diagram illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.”



2 Applying the Principles of Good Governance at Worcester City Council

2.1 In the following tables the Code details how the Council meets each of the seven core principles, and the supporting principles which underpin them.

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

Local government organisations are accountable for how much they spend, and how they use the resources under their stewardship. This includes outputs, positive and negative, and for the outcomes they have achieved. They have an overarching responsibility to serve the public interest in adhering to legislation and government policies. It is essential that they can demonstrate the appropriateness of their actions and have the mechanisms in place to encourage and enforce ethical values and respect for the law.

What we do to achieve this
<p>The Council fosters a culture of behaviour based on shared values, high ethical principles and good conduct. The Council does this by establishing and keeping under review:</p> <ul style="list-style-type: none">• The Council’s own values as enshrined in the Competency Framework, which underpin performance and development reviews and are evidenced in Codes of Conduct that set a standard for behaviour;• The Code of Conduct for Elected Members;• The Code of Conduct for Employees;• The Good Practice Protocol for Councillors and Employees dealing with planning matters;• The Statutory Declaration of Acceptance of Office, which all Members are required to sign;• A Protocol governing the relations between Political Groups• A Protocol governing Member/Officer relations;• Key protocols, such as the Procurement Code and the Financial Procedure Rules;• The roles of Members and Officers in decision-making;• Appropriate and timely advice and guidance to both Members and Officers;• Systems for reporting and dealing with any incidents of fraud and corruption, which includes whistleblowing;• A register of Interests and declaration of Gifts and Hospitality accepted;• The Council’s Equality and Inclusion Strategy and associated guidance and toolkits; <p>The Standards Committee’s role is to promote and maintain high standards of conduct by Members and to monitor the operation of the Members Code of Conduct.</p>

All investigations under the Member Code of Conduct are carried out locally under the guidance of the Monitoring Officer.

Any breach of the Employee Code of Conduct is investigated in accordance with the Council's disciplinary procedure.

Under the Member Code of Conduct, Members:

- are required to register details of disclosable pecuniary interests in the Authority's Register of interests;
- who become aware of any changes to his/her interests to provide details of that change to the Monitoring Officer within 28 days;
- are required to review their declarations of disclosable pecuniary interests on an annual basis.

Gifts and hospitality and conflicts of interest are registered as and when required throughout the year, and details are available on-line. Member declarations and registrations are maintained and monitored by the Monitoring Officer.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

What we do to achieve this
<p>The Council seeks and responds to the views of stakeholders and the community by:</p> <ul style="list-style-type: none">• Forming and maintaining relationships with the leaders of other organisations;• Ensuring partnership arrangements demonstrate clear, appropriate governance accountabilities;• Producing plans for service delivery;• Identifying our key stakeholders and ensuring that levels of communication are appropriately tailored to them;• Promoting public consultation opportunities, so that people feel able to influence decision making;• Using an approach that recognises that people are different and gives everyone the same or an equal opportunity to information, advice and

support in ways that are suited to the needs of circumstances of the individual;

- Providing for the public the opportunity to ask questions or make representations at full Council, Policy and Regulatory Committees;
- Continually developing clear channels of communication;
- Providing a modernised ICT Service that meets the needs and aspirations of the organisation and the communities we serve;
- Issuing the Council's quarterly magazine, City Life, to every household in the City and making it available on the Council's website;
- Consulting on our budget and spending priorities;
- Adhering to the Statement of Community Involvement for consultation on planning matters;
- Staff surveys and consultations with staff and Trade Unions;
- A partnership evaluation framework to enable partnerships to be identified, recorded and reported upon to assess their effectiveness.

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

The long term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

What we do to achieve this

The Council's City Plan sets out the vision and priorities for the Council, informed by the results of consultation with stakeholders. The City Plan has identified the following key themes:

- Stronger and Connected Communities
- A Prosperous City
- A Healthy and Active City
- A Heritage City for the 21st Century
- Sustaining and Improving our Assets.
-

The Council also has a series of policies that operate at a service level and allow the Council to plan and prioritise its resources whether for public facing or support services.

The Council has a suite of policies relating to capital investment strategies, capital asset management and acquisition and development of property to guide investment decisions and maximise best use of resources to achieve

sustainable outcomes.

The Council consults on major changes to service delivery to ensure that stakeholders can influence the decisions on what benefits the Council should be seeking to obtain from those changes.

The Council contributes to consultations and development of plans of other partners affecting the city and its customers.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

What we do to achieve this
<ul style="list-style-type: none">• Through the annual budget setting process the Council's officers and Members plan to resource the Council's aspirations and to assess and plan for any financial risks. There are arrangements in place for regular budget monitoring and the reporting of significant variances to senior management.• The annual business planning process is used to agree the priorities for the Council. This information enables members and the services contributing to the delivery of the plan to be clear about the priorities for the Council and assists in decisions about where resources should be focussed.• The Council works to maximise its resources by delivering services as efficiently as possible, working in partnership with others and using other providers where these are the best options.• The Council seeks expertise from outside the authority when it does not have the necessary skills in-house, making use of peer reviews and other mechanisms for ensuring challenge of Council services. The Council accesses support from the LGA and other sector partners and bodies.• The Council has a Performance Management Framework which sets out the range of measures against which progress in delivering the

Corporate Plan priorities will be measured. Service plans are produced annually which detail the planned actions to deliver the Council's vision.

- Quarterly performance reports are produced and reported to the relevant Committee. The reports include performance against key performance indicators, progress in delivery of corporate projects and Value for Money measures.
- The Council ensures procurement practices are effective and seeks external funding where appropriate.

Principle E: Developing the organisation's capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity or the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government is strengthened by the participation of people of many different types of backgrounds, reflecting the structure and diversity of communities.

What we do to achieve this

The Council ensures that the necessary roles and responsibilities of the Council are identified and allocated so that it is clear who is accountable for the decisions that are made. The Council does this by:

- Electing a Leader of the Council, a Deputy Leader of the Council and the Chairs and Vice-chairs of individual committees with clearly defined roles and responsibilities.
- Clearly describing in the constitution the role of the Leader, the Deputy Leader, the Chairs and Vice-chairs of committees, The Mayor, the Managing Director and other statutory senior management appointments, and the roles and functions of all Councillors, full Council and individual committees.
- Agreeing a scheme of delegations to officers
- Annually appointing Committees to discharge the Council's regulatory functions
- The Managing Director being responsible for all aspects of operational

management (Head of Paid Service)

The Council ensures that those charged with the governance of the Council have the skills, knowledge and experience they need to perform well. The Council does this by:

- Operating robust recruitment and selection processes;
- Cascading regular information to Members and Staff;
- Providing resources that support Member and Officer Development;
- Promoting schemes and supporting ongoing professional development;
- Personal Development Plans are developed as part of the Council's Performance Development;
- Providing training to help Members understand their role on committees;
- Assessing personal development needs as part of the induction process for both Members and Officers;
- The Council supports a programme of Leadership Development for managers.

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

Local government needs to ensure that organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

What we do to achieve this

The Council is transparent about how decisions are taken and recorded. The Council does this by:

- Ensuring that all decisions are made in public and recording those decisions and relevant information and making them available publicly (except where that information is exempt under the Access to

What we do to achieve this

Information Procedure Rules or determined as being confidential by Government or otherwise exempt by the Council);

- Having in place rules and procedures which govern how decisions are made;
- Publishing details of statutory and delegated responsibilities on the Council website as part of the Constitution;

The Council ensures that effective, transparent and accessible arrangements are in place for recording and dealing with complaints.

The Council ensures that appropriate legal, financial and other professional advice is always considered as part of the decision-making process and the Council will always observe both specific requirements of legislation and general responsibility by law.

Key CIPFA codes, such as the Code on a Prudential Framework for Local Authority Capital Finance and the Treasury Management Code, are complied with.

The Council operates a risk management approach that aids the achievement of its strategic objectives, supports its decision making processes, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations. The Council annually reviews its risk management strategy and policy, which outlines the formal approach to identifying and managing risk.

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are effective, transparent and accountable to local people and is reviewed and amended on an annual basis as required. The Officer Scheme of Delegation is reviewed in line with the review of the Council's Constitution.

The Council has appointed the Corporate Director of Resources as Chief Financial Officer (CFO) and Section 151 Officer. The CFO is involved in all Corporate Management Team discussions, and reviews all reports to Committee which have financial implications. The CFO also provides an opinion under section 25 of the Local Government Act 2003 on the reserves for the City Council, which Members consider when setting the budget.

The Council ensures the services it delivers are effective and meet the community's needs by:

- Using results of consultation to inform the City Plan;
- Delivering services to meet local needs through the City Plan, and putting in place policies and processes to ensure that they operate effectively in practice;
- Recording and reviewing the number and type of complaints, average time to respond and the number of satisfied customers who have used this process. These reports can be found on the Council's intranet and website;
- Producing quarterly financial monitoring and performance management

What we do to achieve this
reports. <ul style="list-style-type: none">• The Council has an Audit and Governance Committee with responsibility for monitoring and reviewing the risk, control and governance processes and associated assurance processes to ensure internal control systems are effective and that policies and practices are in compliance with statutory and other regulations and guidance

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

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both internal and external audit contribute to effective accountability.

What we do to achieve this
<ul style="list-style-type: none">• The Council makes sure members of the public have access to information about the workings of the Council. It makes clear what information is routinely published through its Freedom of Information Publication scheme and responds promptly to requests for information.• Each year the Council publishes an Annual Governance Statement and Statement of Accounts giving information on the authority's vision, strategy, performance, future plans and financial statements.• Shared services arrangements with other local authorities or partners document their governance arrangements, which are clear, open and accountable.• The Council maintains an independent Internal Audit function, with a risk-based annual audit plan, designed to test regularly that the Council's policies and processes operate in practice and that the Council complies with legislation and good practice.• The Head of Internal Audit produces an annual opinion on the Council's internal control environment and the risk management framework to meet the requirements of the Public Sector Internal Audit Standards.• The Head of Internal Audit Opinion is used to inform an Annual Governance Statement and this is signed off by the Managing Director and Leader of the Council.• The Council also agrees an annual work plan with its External Auditors

to test the Council's response to major legislation and the soundness of its financial and governance processes.

- Recommendations arising from internal and external audit and inspection processes are used to inform future decision-making.
- The Council uses an Independent Remuneration Panel to give advice on payments for Members and considers their advice when setting the Members' Allowance Scheme. The Panel operates in an open and transparent manner, making their agendas, reports and minutes available to the public.
- The Members' Allowance Scheme is also made available to the public and on the Council's website and the scheme is reviewed annually.

3 MONITORING AND REVIEW

The Council has two Committees that are responsible for monitoring and reviewing the various aspects of the Council's Corporate Governance arrangements.

The Audit and Governance Committee is a committee of the Council and is responsible for the Council's arrangements relating to;

- Monitoring and reviewing the risk, control and governance processes and associated assurance processes to ensure internal control systems are effective and that policies and practices are in compliance with statutory and other regulations and guidance;
- External Audit
- Internal Audit
- Risk Management
- Making recommendations concerning relevant governance aspects of the Constitution;
- Reviewing the effectiveness of Internal Audit.

The Standards Committee has responsibility for promoting high ethical standards across the Council, overview of the Member and Officer Codes and other relevant protocols together with the Council's complaints handling regime.

The two Committees will ensure that the Council's governance arrangements are kept under continual review through:

- Reports prepared by officers with responsibility for aspects of this Code;
- The work on Internal Audit;
- External Audit opinion;
- Other review agencies and Inspectorates.

3.1 The Annual Governance Statement

Each Year the Council will publish a Governance Statement. This process is managed by the Corporate Governance Board and will provide an overall assessment of the Council's corporate governance arrangements and an appraisal of the key controls in place to manage the Council's principal governance risks, together with proposed improvements that will be made. The statement will also provide details of where improvements need to be made in accordance with the Accounts and Audit (England) Regulations 2015.

The Annual Governance Statement will be published as part of the Council's Annual Statement of Accounts and will be audited by our External Auditors.

3.2 Annual Corporate Governance Action Plan

Each Year the Audit and Governance Committee will approve an action plan of specific corporate governance improvements to be delivered by the Council's various Committees and officer governance boards. The Audit and Governance Committee will seek assurance from the Council's Monitoring Officer and Corporate Governance Board throughout the year that the action plan is on target to be delivered. Corporate governance improvements delivered by the Council will be reported through the Annual Governance Statement process.

4 Related Documents

- CIPFA/SOLACE Delivering Good Governance in Local Government Framework
- Annual Governance Statement
- Corporate Governance Annual Action Plan