Local Code of Corporate Governance

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Title	Local Code of Corporate Governance		
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INTRODUCTION

1. Corporate governance is about the systems, processes and values by which local authorities operate and by which they engage with, and are held accountable to, their communities and stakeholders.

2. The Council is committed to achieving effective corporate governance, and has adopted this Local Code of Corporate Governance, which establishes how good governance will be achieved within the organisation.

GOOD GOVERNANCE

3. The Council's code follows principles of good governance set out in guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) (*Delivering Good Governance in Local Government* (2016)). These are:

   - behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
   - ensuring openness and comprehensive stakeholder engagement;
   - defining outcomes in terms of sustainable economic, social and environmental benefits;
   - determining the interventions necessary to optimise the achievement of the intended outcomes;
   - developing the entity's capacity, including the capability of its leadership and the individuals within it;
   - managing risks and performance through robust internal control and strong public financial management; and
   - implementing good practices in transparency, reporting, and audit to deliver effective accountability.

BENEFITS OF GOOD GOVERNANCE

4. Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for those who live, work in or visit Middlesbrough.

5. It enables the Council to effectively pursue delivery of the strategic priorities of the Mayor of Middlesbrough, as well as underpinning plans for delivery with mechanisms for the control and management of risk.

IMPLEMENTING GOOD GOVERNANCE

6. The Council has a robust governance framework in place. The table below sets out in high level terms the steps the Council takes to ensure its processes, policies, systems and practices align with the principles of good governance.

7. The framework comprises of a wide range of policies and procedures, which embed the core principles of the CIPFA/SOLACE framework into all aspects of the Council's conduct and operation.

CIPFA / SOLACE principle / *supporting principles*	To meet these requirements, the Council will:
Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rules of law • *Behaving with integrity* • *Demonstrating strong commitment to ethical values* • *Respecting the rule of law*	• Work diligently and with integrity to achieve the strategic priorities of the Mayor of Middlesbrough. • Clearly document expected behaviours, and decision-making processes, for members and officers, and regularly review these. • Effectively communicate expected behaviours to members and officers, and provide appropriate training on ethical behaviour. • Ensure members, statutory officers, other key postholders are able and supported to fulfil their duties and meet their responsibilities. • Ensure compliance by maintaining effective audit committee, internal audit and scrutiny functions, and standards and disciplinary processes.
Ensuring openness and comprehensive stakeholder engagement ▪ *Openness* ▪ *Engaging comprehensively with institutional stakeholders* ▪ *Engaging with individual citizens and service users effectively*	• Document and operate a culture of openness and transparency within the organisation. • Maintain a culture of accountability, so that members and officers understand for what they are accountable and to who. • Consult appropriately with stakeholders on the development of its budget, key plans and service development. • Maintain effective decision making processes, ensuring that reports to decision makers clearly set out stakeholder views where relevant. • Publish all Executive and Committee reports and decision papers, unless there is a legitimate need to preserve confidentialities on the basis of the statutory tests. • Publish on its website information on the Council's strategies, plans and finances as well as on outcomes, achievements and challenges.
Defining outcomes in terms of sustainable economic, social and environmental benefits • *Defining outcomes* • *Sustainable economic, social and environmental benefits*	• Clearly set out its contribution to delivery of the Strategic Priorities of the Mayor of Middlesbrough, and use this as the basis for its overall strategy, planning and other decisions. • Define outcomes through robust consideration of appropriate evidence bases, such as the Joint Strategic Needs Assessment. • Ensure that it delivers defined outcomes on a sustainable basis within available resources. • Effectively identify and manage risks to the achievement of targeted outcomes. • Manage customer expectations effectively when determining priorities to make best use of resources, and ensure fair access to services.

CIPFA / SOLACE principle / *supporting principles*	To meet these requirements, the Council will:
Determining the interventions necessary to optimise the achievement of the intended outcomes • *Determining interventions* • *Planning interventions* • *Optimising achievement of intended outcomes*	• Ensure reports to decision makers on services are fair, balanced, and analyse options and the risks associated with those options, to ensure Best Value is achieved. • Ensure that external and internal stakeholders are engaged with when the Council is determining how services should be planned and delivered, and the outcome of consultations is considered when decisions are made. • Ensure achievement of social value through service planning and commissioning. • Ensure that it has clear and robust planning and control cycles for its strategic and operational plans, priorities and targets. • Determine appropriate KPIs to demonstrate service and project performance, and provide members and senior managers with timely updates on these. • Ensure medium and long term resource planning is realistic, sustainable and inclusive. • Prepare budgets that are aligned to the strategic objectives of the organisation and its MTFP.
Developing the Council's capacity, including the capability of its leadership and the individuals within it • *Developing the Council's capacity* • *Developing the capability of the Council's leadership and other individuals*	• Regularly review operations to ensure that it is continuing to deliver services that are effective, including the use of benchmarking and sectoral research. • Work collaboratively and in partnerships where added value can be achieved. • Maintain an effective approach to organisational development to ensure continued capacity and capability to deliver. • Clearly define roles, responsibilities and terms of engagement for members and employees. • Maintain and regularly review its schemes of delegations that outline the types of decisions that are delegated and those that are reserved for collective decision-making. • Develop the capabilities of members and senior management to achieve effective shared leadership. • Ensure there are appropriate structures in place to encourage public participation. • Ensure that systems are in place to ensure that members and staff can be both held to account for performance, and supported as appropriate.

CIPFA / SOLACE principle / *supporting principles*	To meet these requirements, the Council will:
Managing risks and performance through robust internal control and strong public financial management • *Managing risk* • *Managing performance* • *Robust internal control* • *Managing data* • *Strong public financial management*	• Embed effective risk management within all activities, ensure that progress is reviewed regularly and that risk is considered as part of decision making. • Ensure effective performance management of service delivery, and provide members and senior managers with timely updates on service performance and progress towards outcomes. • Ensure reports to decision makers on services are fair, balanced, and analyse options and the risks associated with those options, to ensure Best Value is achieved. • Ensure effective, member-led scrutiny is in place that provides constructive challenge and debate on objectives and policies before, during and after decisions are taken. • Ensure an effective, risk-led Internal Audit service is in place to provide assurance on the overall adequacy and effectiveness of the Council's governance arrangements. • Ensure effective counter fraud and anti-corruption policies and arrangements are in place. • Ensure effective internal control arrangements exist for sound financial management. • Maintain an effective audit committee function. • Ensure effective arrangements are in place to collect, store, use and share data, including processes to safeguard personal data, • Put in place arrangements to ensure that data used to support decision-making is accurate and clear. • Ensure financial management arrangements support both long term outcome delivery and day-to-day operations.
Implementing good practices in transparency, reporting, and audit to deliver effective accountability • *Implementing good practice in transparency* • *Implementing good practices in reporting* • *Assurance and effective accountability*	• Provide reports in plain English wherever possible, ensuring that they are easy to access and interrogate and balancing transparency requirements with clarity. • Report regularly on performance, delivery of value for money and stewardship of resources. • Report on compliance with good governance principles within its Annual Governance Statement, including an action plan for continued improvement. • Ensure compliance with good governance principles extends to its partnership arrangements. • Ensure that recommendations made by external audit are addressed • Ensure that the internal audit service has direct access to members to enable it to provide assurance with regard to governance arrangements. • Welcome and positively engage with peer challenges, reviews and inspections of its services.

MONITORING AND REVIEW

8. The policies and procedures that underpin the Council's governance framework are reviewed regularly, with revisions presented to Audit Committee for agreement.

9. The Council's alignment with the CIPFA / SOLACE principles will be reviewed each year within the Annual Governance Statement (AGS) document, which is part of the Council's Statement of Accounts. The AGS will assess the Council's compliance, and outline any improvement actions to be taken as a result of this assessment.