



Local Code of Corporate Governance

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| Title | Local Code of Corporate Governance | | |
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| | Approved by | Audit Committee | |
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| 4.0 | February 2020 | Annual review – no changes | A Johnstone |
| 5.0 | February 2021 | Annual review – no changes | A Johnstone |
| 6.0 | February 2022 | Annual review – no changes | A Johnstone |
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| 9.0 | February 2025 | Annual review – no changes | A Johnstone |

Distribution List

| Version | Date | Name/Service area | Action |
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| 4.0 | February 2020 | Corporate Affairs and Audit Committee | Endorse |
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| 8.0 | February 2024 | Audit Committee | Endorse |
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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: | Arrangements and processes in place |
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| <p>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rules of law</p> <ul style="list-style-type: none"> • <i>Behaving with integrity</i> • <i>Demonstrating strong commitment to ethical values</i> • <i>Respecting the rule of law</i> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • People Strategy and Council Values. • Member Development Strategy. • Member induction process. • Standards Committee and regular reporting from the Monitoring Officer on complaints. • Registers in place for interests, gifts and hospitality for officers and Members. • Standards Committee, regular reporting on complaints, themes from complaints and direction on training to prevent similar future standards complaints. • Annual review of the effectiveness of the Audit Committee commenced in 2025. • Audit Committee work programme, aligned to its terms of reference. • Counter Fraud Strategy. • Constitution, including codes of conduct for Members and Officers. • Corporate Governance training programme. • Scheme of Delegation. • Scheme of Sub-Delegations. • Whistleblowing Policy. • Council Plan. • Annual Report of the Audit Committee. • Regular meetings of the three statutory officers (Head of Paid Service, Section 151 Officer and Monitoring Officer). • Committee report templates. • Schemes of delegations and Scheme of Sub-delegations. |
| <p>Ensuring openness and comprehensive stakeholder engagement</p> <ul style="list-style-type: none"> ▪ <i>Openness</i> ▪ <i>Engaging comprehensively with institutional stakeholders</i> ▪ <i>Engaging with individual citizens and service users effectively</i> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • People Strategy and Council Values and supporting appraisal process. • Council Plan. • Constitution and supporting documentation that sets out roles and responsibilities. • Consultation Policy and regular consultation. • Budget consultation and engagement process. • Publication of Executive and Committee dates, minutes, reports and decisions on the Council's website, except where there is a legitimate need to exempt an item from publication |

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| | <ul style="list-style-type: none"> • Publish all Executive and Committee reports and decision papers, unless there is a legitimate need to preserve confidentiality 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. | <p>following application of statutory tests.</p> <ul style="list-style-type: none"> • Publication of the Executive Forward Work Programme. • Publication of Council's key plans, strategies and policies • Compliance with Open Data requirements, publishing statutorily required datasets. • Proactive publication of additional data to respond to themes within data requests from the public. • Annual SIRO report to Audit Committee, setting out compliance with good practice and legislation in relation to Information Governance. • Regular compliance and performance reporting to senior managers and Members. • Neighbourhoods model. • Customer Strategy. • Annual complaints report to Audit Committee. |
| <p>Defining outcomes in terms of sustainable economic, social and environmental benefits</p> <ul style="list-style-type: none"> • <i>Defining outcomes</i> • <i>Sustainable economic, social and environmental benefits</i> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • Council Plan. • Joint Strategic Needs Assessment and other supporting assessments to provide support for evidence-based decision-making. • Departmental plans (to be in place for 2026/27). • Regular performance and budget outturn reports. • Risk and Opportunity Management Policy. • Corporate planning cycle. • Customer Strategy. • Middlesbrough Council's Data Hub providing a coordinated source of Council and nationally published data sources. • Programme and Project Management Framework. • Portfolio Management Office in place. |
| <p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <ul style="list-style-type: none"> • <i>Determining interventions</i> • <i>Planning interventions</i> • <i>Optimising achievement of intended outcomes</i> | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • Reports to decision makers developed using a standard format to ensure effective, fair, and evidence-based decision making. • Corporate consultation and impact assessment policies in place, ensuring that stakeholders engaged appropriately, and views considered in decision making though it requires review. |

| CIPFA / SOLACE principle / supporting principles | To meet these requirements, the Council will: | Arrangements and processes in place |
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| | <p>of consultations is considered when decisions are made.</p> <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • Guide to social value in procurement and commissioning in place. • Social Value Charter. • Strategic Procurement Strategy • Contract management framework. • Contract Procedure rules set out within the Constitution. • Corporate planning cycle considers targeted outcomes and annual budgeting. • Capital Programme. • Performance, Risk and Programme and Project Management frameworks. • Partly and Wholly Owned Council Companies policy in place. |
| <p>Developing the Council’s capacity, including the capability of its leadership and the individuals within it</p> <ul style="list-style-type: none"> • <i>Developing the Council’s capacity</i> • <i>Developing the capability of the Council’s leadership and other individuals</i> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • People Strategy, values and supporting appraisals process in place. • Organisational development, delivered as part of the People Strategy. • Performance management arrangements and reporting. • Range of benchmarking and other tools are used within Directorates to contextualise performance and drive improvement. • Wider Leadership Management Team in place to enable broader consideration of key policy issues. • Key strategic partnerships in place, such as the South Tees Health and Wellbeing Board. • Constitution and supporting documentation set out member and officer role profiles, relationship protocol and schemes of delegation. This is supplemented by e-learning to support understanding and training and development of officers and Members. • Corporate Consultation policy and online consultation portal in place. • Processes in place for public involvement in determining scrutiny priorities, for the public to petition Council and to register questions to be considered by full Council. • The Member Development Strategy in place. |

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| <p>Managing risks and performance through robust internal control and strong public financial management</p> <ul style="list-style-type: none"> • <i>Managing risk</i> • <i>Managing performance</i> • <i>Robust internal control</i> • <i>Managing data</i> • <i>Strong public financial management</i> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • Risk and Opportunity Management Policy; and Programme and Project Management Framework in place. • Reports to decision makers developed using a standard format to ensure effective, fair, and evidence-based decision making. • Regular reporting of performance and finance to senior officers and Members. • Annual scrutiny programme in place, examining policy and performance. • Urgent decision process and records in place and reported to Council. • Internal audit arrangement in place, utilising the Council's plans and risk registers to identify priorities. Internal Audit regularly meet with senior council officers to manage the contract and relationship, report quarterly into Audit Committee and attend key officer groups such as the Risk Management Group. • Internal audit recommendations and progress in implementing them is reported regularly to the Senior Management Team. • Policy in place for counter-fraud, bribery and corruption; complaints; procurement; and whistleblowing, and regularly reviewed. Money Laundering Policy. Internal Audit investigate non-compliance and suspected fraud. • Annual review of effectiveness of the Audit Committee commenced in 2025. • Information Strategy in place to provide systematic approach to information governance, including data protection and data quality. |
| <p>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p> <ul style="list-style-type: none"> • <i>Implementing good practice in transparency</i> • <i>Implementing good practices in reporting</i> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • Standard template for reports to decision makers designed to advance proposition logically, simply, and reduce duplication of information that are regularly reviewed. • Performance management policy • Information Governance Framework and supporting policies to ensure compliance |

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| <ul style="list-style-type: none"> Assurance and effective accountability | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> with information rights and transparency good practice. Governance arrangements in place for key strategic partnerships, and annual assurance report on the governance of partnerships considered by Audit Committee. Partnership Governance policy in place Recommendations made by External Audit are addressed as a matter of priority through the most appropriate route. Internal audit annual plan reported to Audit Committee. |

MONITORING AND REVIEW

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