Suffolk Coastal District Council and Waveney District Council

Code of Corporate Governance

July 2018

1. Introduction

This document sets out how Suffolk Coastal District Council (SCDC) and Waveney District Council (WDC) ("the Partnership") intend to apply the principles of corporate governance in the way they operate and conduct their business. It has been developed in accordance with the principles outlined in the framework and guidance notes 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).

The Partnership is required to review existing governance arrangements, develop and maintain an up to date local Code of Corporate Governance ("the Code") (including arrangements for ensuring ongoing effectiveness), and to prepare an Annual Governance Statement (in order to report publicly on its compliance with the Code and the monitoring of effectiveness of its governance arrangements).

2. What is Governance?

Governance is about how the Partnership ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which such bodies are directed and controlled and through which they account to, engage with, where appropriate, and lead their communities.
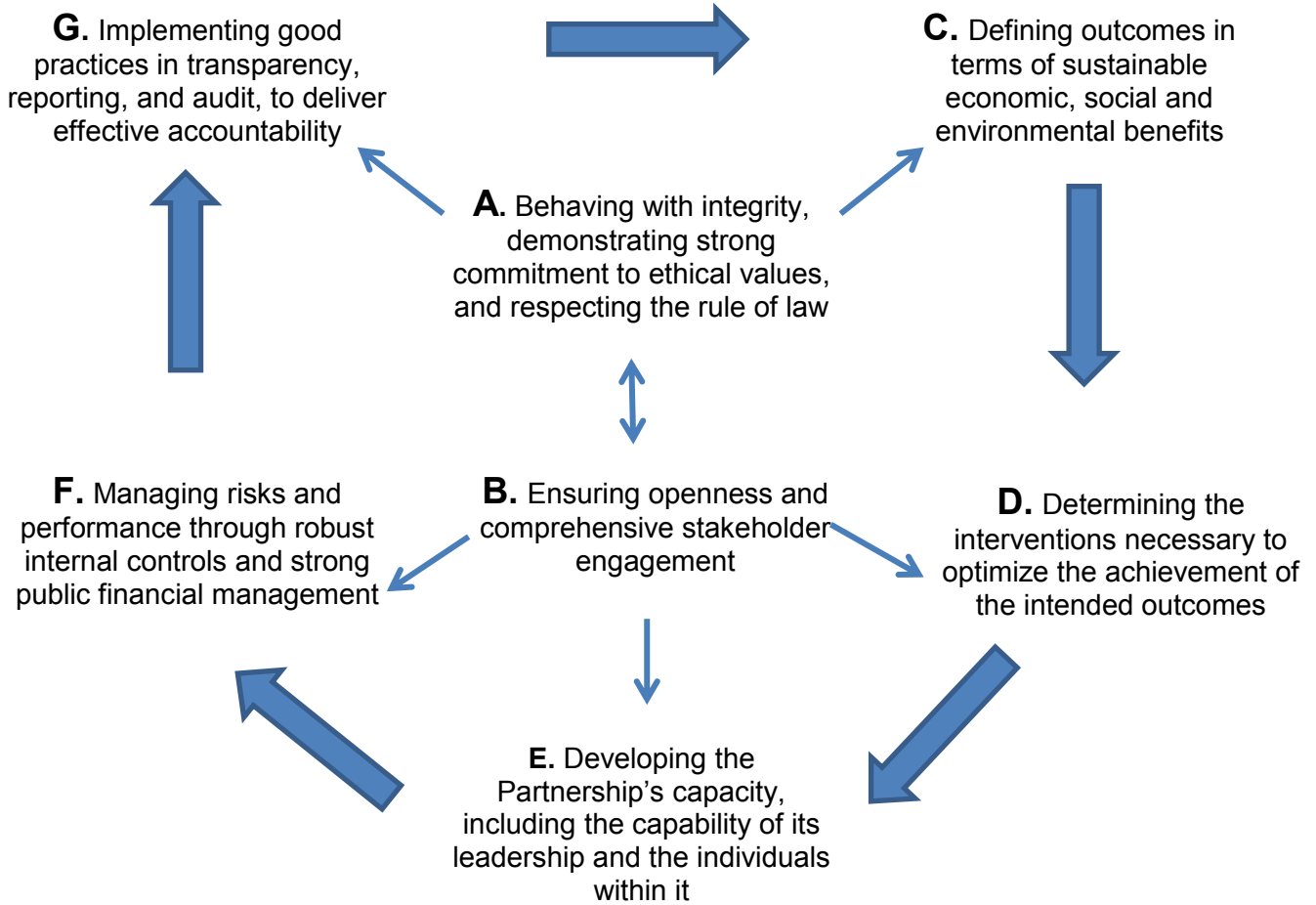
Good governance enables the Partnership to define and pursue its vision more effectively. It leads to improvements in management, performance, stewardship of public money and public engagement and outcomes for individuals and the community. It ensures that appropriate mechanisms for control are in place and that risks and opportunities are managed effectively.

3. Core Principles of Good Governance

The following core principles have been taken from the International Framework; Good Governance in the Public Sector (CIPFA/IFAC 2014) and the CIPFA/SOLACE "Delivering Good Governance in Local Government (2016); which notes that principles A and B "permeate" implementation of principles C-G below.

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 the Partnership'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.

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

The diagram below shows how the principles relate to each other.

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

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

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

F. Managing risks and performance through robust internal controls and strong public financial management

B. Ensuring openness and comprehensive stakeholder engagement

D. Determining the interventions necessary to optimize the achievement of the intended outcomes

E. Developing the Partnership's capacity, including the capability of its leadership and the individuals within it

4. Applying the Principles of Good Governance

Each of the seven core principles above has a number of sub principles, which in turn, translate into a range of specific behaviours and actions that apply across the various aspects of the Partnership's business that demonstrate good governance. The tables below (extracted from the CIPFA/SOLCACE framework) show how each of these principles should be applied.

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

Sub Principles	Behaviours and actions that demonstrate good governance
Behaving with integrity	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.
	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).
	Leading by example and using the above standard operating principles or values as a framework for decision making and other actions.
	Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that effectively.
Demonstrating strong commitment to ethical values.	Seeking to establish, monitor and maintain the organisation's ethical standards and performance.
	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.
	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.
	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.
Respecting the rule of law.	Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.
	Creating the conditions to ensure that the statutory officers, other key post holders, and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.
	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.
	Dealing with breaches of legal and regulatory provisions effectively.
	Ensuring corruption and misuse of power are dealt with effectively.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Sub Principles	Behaviours and actions that demonstrate good governance
Openness	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.
	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If this is not the case, a justification for the reasoning for keeping a decision confidential should be provided.
	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.
	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/course of action.
Engaging comprehensively with institutional stakeholders	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.
	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.
	Ensuring that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.
Engaging with individual citizens and service users effectively.	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.
	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.
	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.
	Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account.
	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.
	Taking account of the impact of decisions on future generations of tax payers and service users.

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

Sub Principles	Behaviours and actions that demonstrate good governance
Defining outcomes	Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions.
	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.
	Delivering defined outcomes on a sustainable basis within the resources that will be available.
	Identifying and managing risks to the achievement of outcomes.
	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.
Sustainable economic, social and environmental benefits	Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decision about service provision.
	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.
	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.
	Ensuring fair access to services.

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

Sub Principles	Behaviours and actions that demonstrate good governance
Determining interventions	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided.
	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.
Planning interventions	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.
	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.
	Considering and monitoring risks facing each partner when working collaboratively, including shared risks.

Sub Principles	Behaviours and actions that demonstrate good governance
	Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances.
	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.
	Ensuring capacity exists to generate the information required to review service quality regularly.
	Preparing budgets in accordance with objectives, strategies and the medium term financial plan.
	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.
Optimising achievement of intended outcomes	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.
	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
	Ensuring the medium term financial strategy sets the context for ongoing decision on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
	Ensuring the achievement of "social value" through service planning and commissioning.

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

Sub Principles	Behaviours and actions that demonstrate good governance
Developing the entity's capacity	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.
	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently.
	Recognising the benefits of partnerships and collaborative working where added value can be achieved.
	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.
Developing the capability of the entity's leadership and other individuals.	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.
	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.

	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.
	Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risk by:- - Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged. - Ensuring members and offices have the appropriate skills, knowledge resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis. - Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.
	Ensuring that there are structures in place to encourage public participation.
	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
	Holding staff to account through regular performance reviews which take account of training or development needs.
	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

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

Sub Principles	Behaviours and actions that demonstrate good governance
Managing Risk	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.
	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
	Ensuring that responsibilities for managing individual risks are clearly allocated.
Managing performance	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.
	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks in inherent in the organisation's financial, social and environmental position and outlook.
	Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.
	Providing members and senior management with regular reports on service delivery plans on progress towards outcome achievement.

	Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).

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

Sub Principles	Behaviours and actions that demonstrate good governance
Implementing good practice in transparency	Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
	Striking a balance between providing the right amounts of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.
Implementing good practices in reporting	Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.
	Ensuring members and senior management own the results reported.
	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement).
	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.
	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.
Assurance and effective accountability	Ensuring that recommendations for corrective action made by external audit are acted upon.
	Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.
	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.
	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.
	Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.
Robust internal control	Aligning the risk management strategy and policies on internal control with achieving objectives.
	Evaluating and monitoring risk management and internal control on a regular basis.
	Ensuring effective counter fraud and anti-corruption arrangements are in place.
	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
	Ensuring an audit committee or equivalent group/function, which is independent of the executive and accountable to the governing body: - Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment - That its recommendations are listened to and acted upon.
Managing data	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.
	Ensuring effective arrangements are in place and operating effectively, when sharing data with other bodies.
	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.
Strong public financial management	Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.
	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls

5.   Annual Review and Reporting

5.1   Each year both Councils will carry out a review of their Governance arrangements to ensure compliance with this Code in accordance with CIPFA/SOLACE "Delivering Good Governance in Local Government" (2016) Framework. The purpose of the review will be to provide assurance that governance arrangements are adequate, operating effectively and to identify action for improvement which will develop and shape governance within the Partnership. Appendix A, The Corporate Policy Framework, provides an overview of the policies in place to ensure that both Authorities have in place sufficient governance arrangements.

5.2   The outcome of the review is factored into the Governance Statement prepared on behalf of the Leader of the Council and Chief Executive. It will be submitted to the Cabinet for consideration and review.

5.3   The preparation and publication of the Governance Statement will meet the statutory requirement of the Accounts and Audit Regulations 2015 which requires authorities to "conduct a review at least once in a year of the effectiveness of its system of internal control" and to "prepare an annual governance statement". As such the Governance Statement will be prepared in accordance with the timetable in participation of financial statements in accordance with the Audit and Accounts Regulations 2015.

GOVERNANCE ASSURANCE CORPORATE FRAMEWORK
SUPPORTING THE SEVEN CORE PRINCIPLES

- Access and Customer Care Strategy (2015 to 2019)
- Air Quality Consultation
- Air Quality Reports
- Annual audit letters
- Annual Governance Statement
- Anti-Bribery Policy and Procedure
- Anti Money Laundering Policy
- Anti Fraud and Corruption Strategy
- Assurance Statements
- Audit & Governance Committee

- Budget process
- Business case appraisal process
- Business Continuity Plan

- Capital Programme 2018/19 to 2021/22 (SCDC)
- Capital Strategy
- Code of Corporate Governance
- Corporate Governance Group
- Committee reports, agendas and minutes
- Compliance and Enforcement Policy
- Contaminated Land Strategy
- Contracts Register
- Corporate Risk Register
- Competency frameworks (part of Managing Performance – people – framework)
- Complaints process

  Constitution
    - Part 2: Functions and responsibilities of senior officers and councillors
    - Part 2: Terms of reference for committees
    - Part 3: Scheme of Delegation
    - Part 4: Procedure rules (contracts, budget & policy framework employment, meetings)
    - Part 4: Scrutiny framework
    - Part 5: Members' Code of Conduct
    - Part 5: Officers' code of conduct
    - Part 5: Protocol on member / officer relations
    - Part 6: Members' Allowances Scheme

- Council newsletter
- Council website

- Customer feedback process
- Data Protection Policy
- Data Quality Strategy
- Digital Strategy

- East Suffolk Business Plan
- East Suffolk Economic Growth Plan 2018-2023
- East Suffolk Housing Strategy 2017-2023
- East Suffolk Partnership priorities
- East Suffolk People Strategy
- East Suffolk Quarterly Performance Reports
- Efficiency Plan
- Efficiency Strategy
- Enabling Community Strategy
- Enabling Communities Delivery Plan
- Equality & diversity policies
- External audit (other reviews)

- Felixstowe Town Forward Improvement Plan
- Financial procedure rules and standing orders
- Financial services
- FOI and EIR request performance statistics
- Green Infrastructure Strategy

- Head of Internal Audit
- Head of Paid Service
- Health and Safety Officer
- Human Resources
- Health and Safety Policy
- Health and Safety policies
- Homelessness Strategy

- ICT strategy and action plan
- ICT Acceptable Use Policy
- ICT Security Policy

- Independent remuneration panel
- Internal audit

- JNC terms & conditions
- Job evaluation process
- Job descriptions
- Joint Emergency Response Plan
- East Suffolk Environmental Policy
- Key decisions

- Law & governance

- Local Government Ombudsman (report)
- Managing performance (people) framework (including appraisal process)
- Medium Term Financial Strategy
- Member training
- Member Communication Guidelines
- Member Development Strategy
- Monitoring Officer
- Neighbourhood Plans
- Our Values
- Partnership framework
- Pay Policy Statement
- People Strategy
- Performance Management (business) framework (including service plans)
- Procurement Forward Plan
- Procurement regulations
- Procurement Strategy
- Prudential code
- Freedom of Information
- Record of decisions
- Record Retention Policy
- Recruitment Policy
- Register of Councillors' interest
- Risk management process
- Risk Management Strategy
- S151 officer
- Salary scales
- Senior management remuneration report
- Service plans
- Staff surveys
- Social Media Enterprise Project
- Social Value Policy
- Statement of Accounts
- Suffolk Code of Conduct
- Suffolk Growth Strategy
- Timetable of council meetings
- Tourism Strategy 2017-2022
- Transparency publications
- Training programs
- Treasury Management Investment Strategy
- Treasury Management Policy Statement

- Whistleblowing Policy
- Workforce development and plans

	• Leisure Strategy • Licensing Policy • Local Plan	

Key Hyperlink to information on internet   Processes   Internal use
Note: Living document