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# Local Code of Corporate Governance

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May 2023

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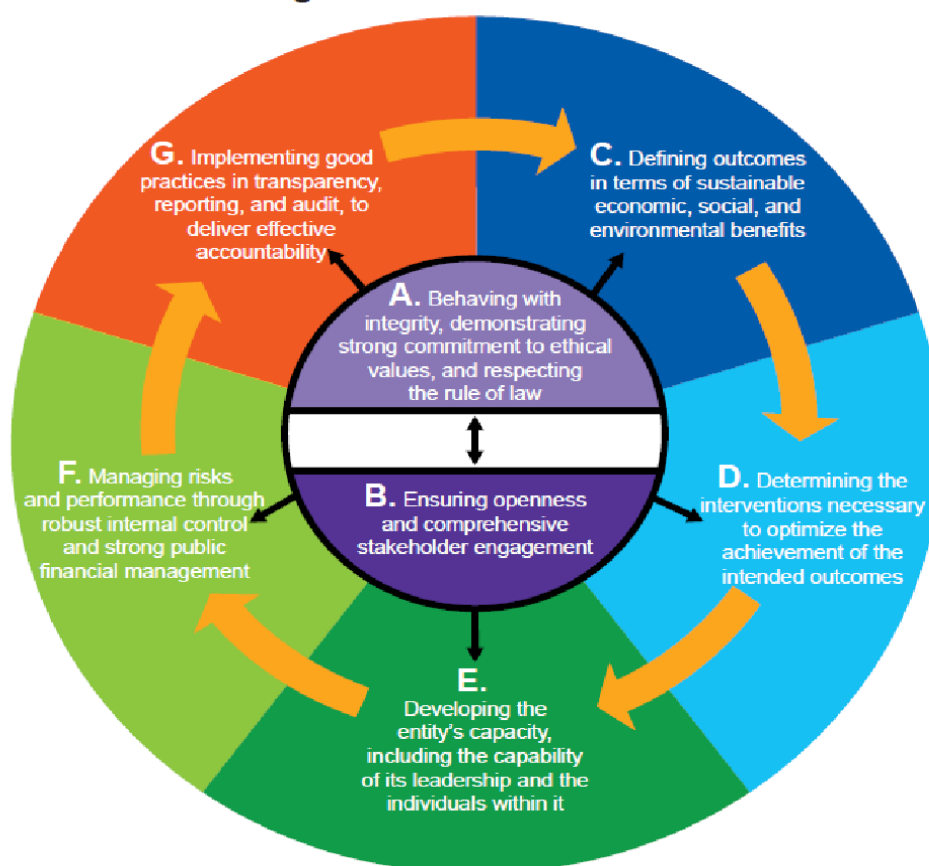
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# 1. Delivering Good Governance

- 1.1** The Delivering Good Governance in Local Government; Framework, published by CIPFA in association with SOLACE, sets the standard for local authority governance in the UK. The concept underpinning the framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:
- Resources are directed in accordance with agreed policy and according to priorities
  - There is sound and inclusive decision making
  - There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities
- 1.2** Governance is a term used to describe the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved.
- 1.3** Good governance enables the Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times.
- 1.4** The Delivering Good Governance in Local Government Framework, sets out seven core principles of governance as detailed in the diagram below. Stroud District Council is committed to these principles of good governance and confirms this through the adoption, monitoring and development of the document – The Council’s Local Code of Corporate Governance.
- 1.5** Our Local Code is underpinned by the Delivering Good Governance in Local Government; Framework and is comprised of policies, procedures, behaviours and values by which the Council is controlled and governed. These key governance areas and how the Council provides assurance that is complying with these are set out in more detail within its Governance Assurance Framework.
- 1.6** The Council recognises that establishing and maintaining a culture of good governance is as important as putting in place a framework of policies and procedures. The Council expects members and officers to uphold the highest standards of conduct and behaviour and to act with openness, integrity and accountability in carrying out their duties.
- 1.7** This diagram illustrates how the various principles for good governance in the public sector relate to each other. Principle A and B permeate the implementation of Principles C to G.
- 1.8** Further information regarding each of the principles and the behaviours and actions that demonstrate good governance in practice are detailed below.

## Achieving the Intended Outcomes While Acting in the Public Interest at all Times



## 2. Status

- 2.1** Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 require an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published Statement of Accounts. This is known as an Annual Governance Statement.
- 2.2** The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be prepared in accordance with proper practices in relation to accounts. Therefore, a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government; Framework (2016) and this section of the Code.

## 3. Monitoring and Review

- 3.1** The Council will monitor its governance arrangements for their effectiveness in practice and will report them on a continuing basis to ensure that they are up to date. The Council's Governance Assurance Framework sets out in more detail how the Council will seek assurance on its adherence to the adopted principles of governance.
- 3.2** On an annual basis, the Chief Executive and Leader of the Council will publish an Annual Governance Statement which will:

- Assess how the Council has complied with this Local Code of Corporate Governance
- Provide an opinion on the effectiveness of the Council's arrangements
- Provide details of how continual improvement in the systems of governance will be achieved.

**3.3** The Audit and Standards Committee considers the Annual Governance Statement before it is published as part of the Council's financial statements.

**3.4** The Audit and Standards Committee considers a mid-year report setting out the progress against any areas of improvement identified in the Annual Governance Statement.

## **4. Stroud District Council's Corporate Governance Principles**

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

The Council fosters a culture of behaviour based on shared values, ethical principles and good conduct. It puts in place arrangements to ensure that Members and employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.

The Council does this by:

- Establishing and keeping under review:
  - Constitution
  - a Member Code of Conduct;
  - a protocol governing Member/Officer relations;
  - protocols for members and officers dealing with licensing and/or planning matters;
  - a protocol for the attendance of officers and members at meetings of another public authority;
  - Employee Code of Conduct
  - systems for reporting and dealing with any incidents of fraud and corruption.
  - Whistleblowing policy
- Appointing an Audit and Standards Committee that has responsibility for promoting and monitoring the application of many of the above protocols;
- The Monitoring Officer, supported by three independent persons, receiving and determining any complaints about an elected member (of the District or a Town/Parish Council);
- The development and implementation of a governance framework for significant partnerships.

### **B: Ensuring openness and comprehensive stakeholder engagement**

The Council engages with local people and other stakeholders by:

- Forming and maintaining relationships with the leaders of other organisations;

- Holding all Member decision-making meetings in public (except where information to be discussed is exempt)
- Live broadcasting its committee and council meetings
- Providing and supporting ways for citizens to present community concerns to the Full Council, and Committee meetings, including procedures for raising public questions and presenting petitions;
- Carrying out public consultation and engagement on budget priorities, major service changes and projects as required;
- Conducting an annual resident and business survey
- Having an active Youth Council
- Promoting the use of community forums/panels on specific issues

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

The Council's corporate priorities, expressed as community outcomes and objectives, set out what the Council hopes to achieve; on its own or in partnership with others. These priorities are supported by this Code as good governance should underpin all the work of the Council.

The Council's three key priorities are set out in the Council Plan 2021-2026:

- Environment and Climate Change – protecting our environment and leading the district to carbon neutrality in 2030
- Community Resilience and Wellbeing – strengthening and supporting our communities so people feel included and connected
- Economy, Recovery and Regeneration – supporting a thriving and resilient local economy

These priorities are underpinned by a number of objectives and associated actions and associated strategies and policies, including the 2030 Strategy, Social Value Policy and our Ethical Investment Policy.

Service Plans identify the objectives and priorities that link to the agreed priorities within the Council Plan

### **D: Determining the intervention necessary to optimise the achievement of the intended outcomes**

The Council has a Corporate Governance Group who provide strategic oversight of governance whilst seeking to continually enhance our three lines of defence. Their regular oversight facilitates key intervention as required.

The Strategic Leadership Team provides strategic leadership for the council, overseeing a working environment which supports the effective achievement of council plans and priorities, maintains all necessary standards of compliance and good practice, and ensures the council is a great place to work.

The Council engages with the Local Government Association to share good practice and from time to time engages in a peer challenge process of functions. The most recent being a Corporate Peer Challenge of the Council carried out in March 2022 and followed with a revisit in January 2023.

Risk is managed by way of service risk registers and a strategic risk register. The strategic risk register is reviewed at least quarterly by the corporate governance group and the Audit and Standards Committee.

The Corporate Policy and Governance Team oversees a developing process of performance management and service planning, linked to the Council Plan. This includes appropriate KPIs on business performance. Key indicators are reported to Policy Committees via member performance monitoring champions.

A robust system of budgetary control is in operation. Monthly budget monitoring is carried out between individual budget holders and the finance team. Reporting of key variances to SLT takes place quarterly. Also in place is a quarterly monitoring report to every Policy Committee and the Development Control Committee. An annual outturn report on overall financial performance, including movement on usable reserves, is considered by the Strategy and Resources Committee.

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

Our People Strategy is the roadmap for how our people deliver the vision of 'making Stroud District a better place to live, work and visit for everyone'. It articulates how we plan to create a high performing, inclusive, modern council with a culture of openness, customer focus and collaboration, led by inspirational leaders. All our people, irrespective of their role, are key to achieving our vision.

The Strategic Leadership Team (SLT) have clearly defined and distinctive leadership roles within a structure whereby the SLT lead in implementing strategy and managing the delivery of services.

We ensure that staff have access to a suitable induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged. Officers are supported in their development through the use of corporate training offered via a range of channels, including face to face and web-based delivery. Where required as part of their job, officers are actively encouraged to fulfil their Continuing Professional Development requirements and budget is made available for this purpose.

All members of SLT are members of Solace (The Society of Local Authority Chief Executives and Senior Managers)

Operations, performance and the use of assets are reviewed on a regular basis to ensure their continuing effectiveness

To ensure that members have the skills to operate effectively the Council provides a detailed induction programme for all new members. This is supplemented with additional training throughout their term of office and supported by:

- Implementing a Member Development Strategy;
- Appointing a member development group
- Running a range of training sessions on a variety of topics;
- A specific requirement for members of the planning and licensing committees to have attended training before determining any applications, together with a continuing requirement for planning committee members to attend at least 1 further training session per year;
- The use of bespoke external training as and when required.

This process is overseen by a cross party member development group, supported by Senior Officers.

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

The Council explains and reports regularly on activities, performance and the Council's financial position through reports to its Committees. Timely, objective and understandable information about the Council's activities, achievements, performance and financial position is provided. This includes publication of:

- Quarterly Performance Reports
- Quarterly budget monitoring reports
- Annual Outturn Report
- Externally audited accounts including an Annual Governance Statement.

The Council aims to ensure that it makes best use of resources and that tax payers and service users receive good value for money. The Council does this by:

- Delivering and enabling services to meet the needs of the local community, and putting in place processes to ensure that they operate effectively in practice;
- Developing effective relationships and partnerships with other public sector agencies and the private and voluntary sectors; and
- Responding positively to the findings and recommendations of internal and external auditors and putting in place arrangements for the implementation of agreed actions.

The Council ensures that:

- Its decision-making processes enable those making decisions to be provided with information that is relevant, timely and gives clear explanations of technical issues and their implications; and
- Appropriate legal, financial and other professional advice is considered as part of the decision-making process.

The Council operates a risk management framework that aids the achievement of its strategic and business outcomes and priorities, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations.

The Council ensures that the risk management framework:

- Enables officers to formally identify, evaluate and manage risks;

- Involves elected Members in the risk management process;
- Is applied to the Council's key business processes, including strategic planning, financial planning, policy-making and review, performance management and project management; and
- Is applied to the Council's significant partnerships and projects.

Allied to the risk management framework, the Council also develops and maintains plans for business continuity and emergency management.

The Strategic Risk Register is reviewed by the Strategic Leadership Team, Alliance Leadership Team, the Corporate Governance Group and the Audit and Standards Committee. Individual projects are required to retain their own risk register with any high/red risks being reported to the Strategic Leadership Team. Elevated project or service risks are reviewed by the Strategic Leadership Team quarterly or more often if required.

The Council reviews and, if necessary, updates its risk management framework regularly. It also provides appropriate training and awareness-raising activity to ensure that risk management is embedded into the culture of the authority, with elected members and managers at all levels recognising that risk management is part of their jobs.

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

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

- Agreeing the functions to be delegated to Committees;
- Agreeing a scheme of delegated Council responsibilities to senior officers;
- Appointing Statutory Officers that have the skills, resources and support necessary to perform effectively in their roles and ensuring that these roles are properly understood throughout the authority;
- Annually appointing Committees to discharge the Council's regulatory and audit responsibilities;
- Ensuring that our partnerships have in place appropriate arrangements for:
  - all aspects of operational management;
  - ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control; and
  - ensuring that agreed procedures are followed and that all applicable statutes, regulations, procedure rules and other relevant statements of good practice are complied with.
- Publishing and reviewing, as necessary, a Constitution which includes:
  - schemes of delegation of both Council and Executive functions;
  - a Members' Allowances Scheme, developed taking into account the recommendations of the Independent Remuneration Panel; and
  - protocols governing Member/Officer Relations and the roles of members and officers in decision making



Developing a governing document for all key partnerships which sets out the roles and responsibilities of partnership members and details decision making procedures. The Council aims to be transparent about how decisions are taken and recorded. The Council does this by:

- The live broadcasting of Council and Committee meetings;
- Ensuring that committee and council decisions are made in public and that information relating to those decisions is made available to the public (except where that information is exempt);
- Recording all decisions that are made by the committees and making the details publicly available (except where that information is exempt);
- Recording key officer decisions and making the details publicly available (except where that information is exempt); and
- Having rules and procedures which govern how decisions are made.

The Council has put in place a range of arrangements to ensure that decisionmakers can be held to account, including:

- Establishing an effective Audit and Standards Committee, to oversee the Council's corporate governance arrangements and ensure that they are operating effectively;
- Establishing an accessible system for dealing with customer complaints, and a separate system for dealing with complaints of misconduct against Councillors; and
- Establishing, reviewing and publicising a whistleblowing policy.

## Overview of Corporate Governance Assurance Framework

