

SAFE WELL PROSPEROUS CONNECTED

# **North Lincolnshire Council Local Code of Corporate Governance 2024**

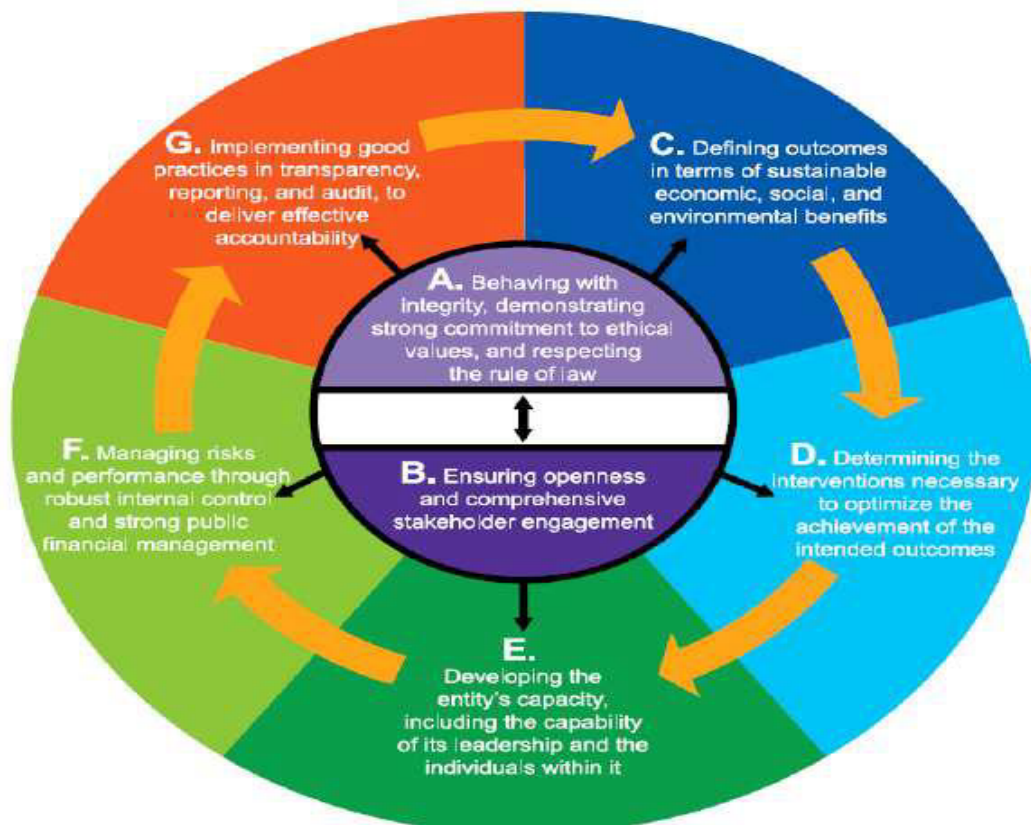
## INTRODUCTION

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.

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.

Governance is about our organisational frameworks, responsibilities, systems, processes, culture and values. Good governance happens when these things come together to make us an effective organisation – doing the right things in the right way for the right people. Good governance is also about ensuring what we do is done in a timely, inclusive, honest and accountable manner.

The Code is written around the 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 shown in the diagram below:



## **MONITORING AND REVIEW**

The Council undertakes an annual review of its governance arrangements to ensure continuing compliance with best practice and to provide assurance that corporate governance arrangements are adequate and operating effectively. The review will be reported to both the Council and to the Audit Committee.

The effectiveness of the governance arrangements are assessed annually and reported in the Annual Governance Statement (AGS). The AGS will be submitted for consideration to the Audit Committee and will form part of the Council's Annual Statement of Accounts.

The following details how the Council meets the core principles and the systems, policies and procedures it has in place to support this.

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

**SUMMARY:** Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

<b>North Lincolnshire Council Demonstrates this by:</b>
<b>SUB PRINCIPLE: Behaving with Integrity</b>
<ul style="list-style-type: none"> <li>• Code of Conduct (members and employees) to ensure that high standards of conduct are maintained.</li> <li>• Established procedures for dealing with breaches of the Member Code of Conduct.</li> <li>• Standards Committee responsible for overseeing the conduct of members.</li> <li>• Annual report presented to the Standards Committee on councillors’ compliance with the ethical standards framework.</li> <li>• Declaration of interests at meetings.</li> <li>• Standard decision-making report format to ensure that all those responsible for taking decisions have the necessary information on which to do so.</li> <li>• Key decisions are supported by an Integrated Impact Assessment.</li> <li>• Induction programmes in place for members and employees.</li> <li>• Customer Complaints and Comments Policy that is published on the website.</li> <li>• A Whistleblowing Policy in place to enable individuals to raise concerns about malpractice or wrongdoing, with an annual report on such matters to the Audit Committee.</li> <li>• A Standards and Expectations Framework in place.</li> </ul>
<b>SUB PRINCIPLE: Demonstrating Strong Commitment to Ethical Values</b>
<ul style="list-style-type: none"> <li>• A regularly reviewed Constitution which sets out how the council operates and how it makes decisions.</li> <li>• Terms of Reference for all committees and decision-making meetings.</li> <li>• Declaration of Interests policies for members and employees.</li> <li>• Gift and Hospitality policies for members and employees.</li> <li>• Policies and procedures that are updated, to ensure adherence to ethical standards including the HR Manual and Contract Procedure Rules.</li> <li>• An annual review to ensure compliance with CIPFA’s Code of Financial Management (CIPFA, 2019).</li> </ul>
<b>SUB PRINCIPLE: Respecting the Rule of Law</b>
<ul style="list-style-type: none"> <li>• Statutory roles clearly defined in the Constitution, including the roles of, Head of Paid Service, Chief Financial Officer and Monitoring Officer; the latter responsible for ensuring the council operates within the law and decisions are administered correctly.</li> </ul>

- Anti-Fraud and Corruption Strategy which is supported by the Whistleblowing Policy and a hotline for employees and customers to report irregularity and fraud.
- Internal Audit.
- External Audit.
- Overview and Scrutiny arrangements.
- Contract Procedure Rules designed to deliver robust and fair procurement processes.
- Data Protection Officer (DPO) and Senior Information Risk Owner (SIRO) roles allocated within the Council.

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

**SUMMARY:** 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.

<b>North Lincolnshire Council Demonstrates this by:</b>
<b>SUB PRINCIPLE: Openness</b>
<ul style="list-style-type: none"> <li>• The annual statement of accounts which are published annually.</li> <li>• A Publication Scheme that describes the kinds of information available and provides guidance about how to access information and submit a Freedom of Information request.</li> <li>• A Council Plan that sets out the vision and priorities for North Lincolnshire and strategic direction for the council.</li> <li>• Systems in place to ensure that relevant decisions taken by officers are published in accordance with legislative requirements – Officer Decision Notice and Record.</li> <li>• Mechanisms for seeking views from service users, stakeholders and residents ‘Engaging With You’ statement.</li> <li>• A standard decision-making report template is used to help ensure that readers are provided with information that is accurate, complete and unbiased.</li> <li>• Council meetings are open to the public unless there are good reasons for not doing so on the grounds of confidentiality.</li> </ul>
<b>SUB PRINCIPLE: Engaging Comprehensively with Institutional Stakeholders</b>
<ul style="list-style-type: none"> <li>• Established strong partnerships with the public sector, business and community and voluntary sector across North Lincolnshire, including statutory arrangements for Community Safety, Health and Wellbeing and Safeguarding.</li> <li>• Mechanisms in place to consult where necessary with public sector bodies such as Police and Fire.</li> <li>• The Adults Partnership and Children’s &amp; Young People Partnership provide a framework for consulting and engaging with key stakeholders including voluntary and community groups.</li> <li>• Established Partnership Protocol and Joint Working Framework.</li> </ul>
<b>SUB PRINCIPLE: Engaging Stakeholders Effectively, Including Individual Citizens and Service Users</b>
<ul style="list-style-type: none"> <li>• News Direct is distributed to residents on a quarterly basis.</li> <li>• A Public Engagement Framework and ‘Engaging With You’ statement, which summarises how the council engages.</li> <li>• The Residents Panel is used as a primary method for gathering views that are representative of the North Lincolnshire population.</li> </ul>

- The Community Safety Partnership regularly engages and consults with the community about their priorities and progress towards achieving them.
- A petitioning process embedded within the Constitution for the public to bring concerns to the council's attention.
- Greater use of social media to communicate with the communities.
- A Consultation and Engagement Strategy to provide guidance on why and how best to engage with stakeholders.

**ACTION REQUIRED:**

- Review Residents Panel and look to increase numbers

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

**SUMMARY:** 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, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

**North Lincolnshire Council Demonstrates this by:**

**SUB PRINCIPLE: Defining Outcomes**

- A Council Plan that sets out the council’s ambitions and defines the outcomes, goals and values for people and place.
- Delivery of the Plan is monitored through a Performance Framework that sets out how we monitor performance of the Plan as well as performance over our day-to-day operations.
- A strategic planning framework that links all strategies and plans to the Council Plan and needs assessment.
- Setting the budget around the outcomes and priorities.

**SUB PRINCIPLE: Sustainable Economic, Social and Environmental Benefits**

- Integrated Impact Assessment used in the decision-making process considers risks and impacts for individuals and communities.
- Social Value Charter which helps suppliers and contractors to contribute to the long-term social, economic and environmental wellbeing of residents.
- Medium Term Financial Plan.
- Green Futures Plan that sets out the council’s strategy and action plan for reducing carbon omissions.
- Economic Growth Plan 2023-2028 approved.



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

**SUMMARY:** Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). 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 frequently to ensure that achievement of outcomes is optimised.

**North Lincolnshire Council Demonstrates this by:**

**SUB PRINCIPLE: Determining Intervention**

- A financial planning process that determines level of resources to achieve council priorities and outcomes and meet statutory duties.
- A standard decision report format to ensure relevant information to be considered as part of the decision-making process of members and officers.

**SUB PRINCIPLE: Planning Interventions**

- A Strategic Planning Framework that explains how strategic planning is undertaken at NLC and to set out the key principles and associated guidance to help ensure that a consistent and structured approach is undertaken across the council.
- A regularly reviewed and published Integrated Strategic Assessment (ISA) provides an opportunity to identify service developments that will enhance achievement of outcomes and priorities.
- Work programmes developed by Overview and Scrutiny committees (Panels) to consider, policy, delivery and impact of decisions.
- Performance Management Framework which provides reporting at operational, strategic and executive.
- Financial management and reporting processes that enable regular and timely reporting to budget holders, leadership team and Cabinet.

**SUB PRINCIPLE: Optimising Achievement of Intended Outcomes**

- Integrated Strategic Assessment that is structured around four high level outcomes and brings together evidence across the outcomes, giving the council an overview of the state of North Lincolnshire with a focus on the people who live there.
- Annually updated Procurement and Commissioning Plans supported by sector specific Market Position Statements that identify service developments and specification.

- A Medium-Term Financial Strategy agreed and reviewed and is based upon Council Plan ambitions and priorities.
- Quarterly overview to update the council's Assurance Group on the position against set criteria which helps identify the council is fulfilling its duties as an organisation and employer.

**PRINCIPLE E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it**

**SUMMARY:** 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 intended outcomes within the 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 for 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 individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

**North Lincolnshire Council Demonstrates this by:**

**SUB PRINCIPLE: Developing the Entity’s Capacity**

- Regularly reviewed and published employee policies.
- #TeamNL Engagement Partnership provides a forum for strategic workforce engagement.
- Access to a range of benchmarking information to support resource planning and value for money analysis.
- Governance structures for strategic planning of workforce development - Organisational Development People Executive.

**SUB PRINCIPLE: Developing the Capability of the Entity’s Leadership and Other Individuals**

- A Constitution that is subject to regular review.
- Protocols are in place for governing members’ and statutory officers’ responsibilities. Member role descriptions are set out in the Constitution.
- Protocols in place to ensure the Leader and Chief Executive have a shared understanding of roles and objectives.
- A Scheme of Delegation to Officers and Appointment of Proper Officers that are reviewed regularly.
- Organisational Development (OD) Plan provides an overarching framework for the council to implement and realise the vision of a progressive and agile organisation.
- A HR & OD roadmap is in place for the workforce aspects of the council’s ODP setting out key priorities on how the council will engage and support the workforce.
- Induction programmes for members and staff.
- My Conversation Framework in place for staff.

- Training for officers is made available through the annual Corporate Training Programme including a wide range of development and support via eLearning packages.
- HR policy framework in place to enable sound people management decisions and support agile organisation.
- Apprenticeship Programme offering training, skills and experience in Local Government.
- Ongoing participation in the LGA National Graduate Scheme.

**ACTION REQUIRED:**

- Review OD Plan to ensure it remains fit for purpose to support the delivery of the council's outcomes – Sept 2024
- Refresh Team NL induction to reflect new OD Plan – Dec 2024
- Develop Recruitment and Retention Strategy – March 2025
- Review and refresh of effectiveness of My Conversations framework – March 2025

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

**SUMMARY:** Local government needs to ensure that the 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 are 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 are 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 service delivery. Importantly, this culture does not

### **North Lincolnshire Council Demonstrates this by:**

#### **SUB PRINCIPLE: Managing Risk**

- A Council Assurance group which provides strategic oversight of the processes in place to manage risk and to identify and manage council and strategic risk.
- Risk management arrangements in place including robust systems of identification, evaluation and control of risks which threaten the council's ability to meet its objectives to deliver services.
- Producing a Risk and Opportunities Protocol within which responsibilities for managing individual risks are contained.
- Maintaining a corporate risk register detailing the council's strategic and operational risks.
- Risk appetite and risk management training provided for members and officers.

#### **SUB PRINCIPLE: Managing Performance**

- A well-established performance management framework, with various levels and frequencies for reporting.
- On a quarterly basis an update is provided on how the council is performing against the priorities and day to day operational performance.
- The format of decision-making reports ensure that all relevant information is considered.
- Executive action plans, targets and progress of implementation are produced by services which are reviewed by scrutiny panels.

- Quarterly overview to update the council's Assurance Group on the position against set criteria which helps identify the council is fulfilling its duties as an organisation and employer.

**ACTION REQUIRED:**

- Review performance measures for 2024/25 to ensure ongoing relevance

**SUB PRINCIPLE: Robust Internal Controls**

- Head of Internal Audit which provides an opinion on the council's control environment.
- Risk and Opportunities Protocol that is subject to regular review.
- An Anti-Fraud and Corruption Strategy which is subject to regular review. An annual fraud report summarises anti-fraud activity in the year.
- Annual Governance Statement that provides a high-level summary of how the council is meeting the principles of good governance.
- Internal Audit prepares and delivers a risk-based audit plan which is kept under review to reflect changing priorities and emerging risks.
- The council is subject to External Audit and inspection regimes which require action plans which are assigned to officers.
- The Audit Committee which oversees the management of governance issues, internal controls, risk management and financial reporting. Its performance is subject to annual self-assessment.
- Audit Committee Terms of Reference are reviewed annually and revised to reflect professional bodies' expectations and best practice.
- Scrutiny panels are empowered to challenge and debate policy and objectives before, during and after decisions are made.

**ACTION REQUIRED:**

- Work to commence producing the AGS in April 2024

**SUB PRINCIPLE: Managing Data**

- The Information Governance Framework sets out the roles, responsibilities, policies and procedures for managing the council's information assets. This is subject to an annual review.
- The council's Information and Cyber Security standards and guidance on the arrangements that must be in place to ensure personal data is kept protected and secure.
- Information governance and information security awareness with officers and members through mandatory information governance training, an annual information governance campaign and council wide messages.
- Information Sharing Agreements are in place to document the sharing of information using national agreements and are reviewed on a regular basis.
- UK GDPR compliant contracts are in place with Data Processors.
- Data verification and validation processes are integrated within systems and processes.
- A Record of Processing Activity has been produced to document the processing of personal data.
- An Information Asset Register has been produced to document systems in place, including where these contain personal data.
- Privacy Notices are published to explain the processing of personal data.
- Details of how to exercise data protection rights are published.

- The council completes external self-assessments when required e.g. NHS Data Security and Protection Toolkit.
- PSN Code of Connection.
- Cyber Essentials accreditation.

**SUB PRINCIPLE: Strong Public Financial Management**

- The Medium-Term Financial Plan makes a realistic assessment of the resource that growth allows and allocates that resource to create a sustainable council capable of delivering council priorities and outcomes, underpinned by a set of principles which guide the council in its budget setting decisions.
- With effective financial management secured through budget planning and control using a system of devolved budget management.
- Contract Procedure Rules and Financial Regulations set out the council's arrangements.
- Financial accountability applied through a hierarchy of reporting arrangements up to council level.

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

**SUMMARY:** 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 external and internal audit contribute to effective accountability.

**North Lincolnshire Council Demonstrates this by:**

**SUB PRINCIPLE: Implementing Good Practice In Transparency**

- Comply with the Local Government Transparency Code.
- Agendas, reports and minutes are published on the council’s website.
- Freedom of Information protocols are in place.
- Customer Complaints and Comments Policy is published on the website.

**SUB PRINCIPLE: Implementing Good Practices In Reporting**

- Production of Annual Reports summarising achievements in the year are published on the council’s website.
- Annual Financial Statements are produced to meet legal requirements on timeliness and accuracy; are subject to independent external audit; and published on the council’s website.

**ACTION REQUIRED:**

- Produce annual review against the Council Plan

**SUB PRINCIPLE: Assurance and Effective Accountability**

- Annual Governance Statement (AGS) that sets out the council’s governance framework and the results of the annual review of the effectiveness of the council’s arrangements. The AGS includes areas for improvement.
- An effective internal audit service is resourced and maintained.
- Head of Internal Audit report which includes a self-assessment of its arrangements against the public sector internal audit standards.
- External Audit provides an annual opinion on the council’s financial statement and arrangements for securing Value for Money.
- The Council responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies.
- Outcomes to learning through external review e.g. LGA corporate peer challenge - such reviews are reported to Cabinet.

**ACTION REQUIRED:**

- Work to commence producing the AGS in April 2024