

Reigate and Banstead Borough Council Code of Corporate Governance

Document History

Version	Date	Author	Change Description	Reviewed and approved by
1	17/03/20	Alex Berry	First draft	Corporate Governance Group
2	07/09/20	Alex Berry	Confirming updates	
3	11/09/20	Alex Berry	Updates following GTG on 10/09/20	Governance Task Group

Next review date: September 2021

Introduction

Corporate Governance is about how the Council ensures that it is doing things right, in the right way, for the right people. It enables the Council to define and pursue its visions effectively in a timely, inclusive, open, honest and accountable manner.

Each local authority is required to develop and maintain an up to date Code of Corporate Governance and to prepare an Annual Governance Statement in order to report publicly on its compliance with the Code.

The council's Code of Corporate Governance has been developed in accordance with the seven core principles that should underpin the governance framework of a local authority, as outlined in the CIPFA/SOLACE guidance "Delivering Good Governance in Local Government: Framework 2016 Edition."

The seven principles of good governance are:

1. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rules of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the Council's capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management
7. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Code of Corporation Governance

The information set out in the framework within this code demonstrates that the Council continually seeks to ensure it remains well governed and that to deliver good governance the Council must always seek to achieve its objectives whilst acting in the public interest.

Monitoring

The Code of Corporate Governance is reviewed annually by:

- Corporate Governance Group (Officer group)
- Governance Task Group (Member group)
- Audit Committee (if changes are required)

as part of the preparation of the Annual Governance Statement.

Principle 1 - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rules of law.

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.

Supporting Principles	To achieve this, the Council will:
Behaving with integrity	<ul style="list-style-type: none"> • Ensure 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 • Ensure 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. Meetings of Standard Committee to promote and maintain high standards of conduct within the Council and monitor effectiveness of the Code of Conduct. The operating principles and values should build on the Seven Principles of Public Life (the Nolan Principles): Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership. • Lead by example and use the above standard operating principles or values as a framework for decision making and other actions • Demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which are to be reviewed on a regular basis to ensure that they are operating effectively
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> • Seek to establish, monitor and maintain the organisation's ethical standards and performance • Underpin personal behaviour with ethical values and ensure they permeate all aspects of the organisation's culture and operation • Develop and maintain robust policies and procedures which place emphasis on agreed ethical values • Ensure 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	<ul style="list-style-type: none"> • Ensure members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations

- Create the conditions to ensure that the statutory officers, other key postholders, and Members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements
- Strive to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders
- Deal with breaches of legal and regulatory provisions effectively
- Ensure corruption and misuse of power are dealt with effectively

Principle 1 is evidenced by:

- [Constitution](#)
- [Corporate Plan](#)
- [Member Code of Conduct](#)
- Member Learning and Development Plan (Internal)
- Employee Code of Conduct (Internal)
- [Annual Governance Statement](#)
- Governance Task Group
- [Register of Interests](#)
- [Schemes of delegation / decision making protocols](#)
- Statutory officers' roles:- Chief Executive, Chief Financial Officer, Monitoring Officer
- [Internal Audit Plan](#)
- [Complaints Procedure](#)
- [Working in Partnership](#)
- [Commercial Governance Framework \(Internal\)](#)
- Whistle Blowing Policy (Internal)
- Anti-bribery Policy (Internal)
- Anti-Money Laundering Policy (internal)
- Equality Policy (Internal)
- Grievance Policy (Internal)
- Hospitality Protocol (Internal)
- ICT Policies (Internal)
- Financial Procedure Rules – Procedure Rule 7 of the [Constitution](#)
- Contract Procedure Rules – Procedure Rule 8 of the [Constitution](#)

Principle 2 - Ensuring openness and comprehensive stakeholder engagement.	
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.	
Supporting Principles	To achieve this, the Council will:
Openness	<ul style="list-style-type: none"> • Ensure an open culture through demonstrating, documenting and communicating the organisation's commitment to openness • Make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided • Provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear • Use formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action
Engaging comprehensively with institutional stakeholders (for example, commercial partners and suppliers, other public or third sector organisations)	<ul style="list-style-type: none"> • Effective engagement 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 • Develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively • Ensure 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 stakeholders effectively, including citizens and service users	<ul style="list-style-type: none"> • Establish a clear policy on the type of issues that the Council 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 • Ensure that communication methods are effective and that members and officers are clear about their roles with regard to community engagement

- Encourage, collect and evaluate the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs
- Implement effective feedback mechanisms in order to demonstrate how views have been taken into account
- Balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity
- Take account of the impact of decisions on future generations of taxpayers and service users

Principle 2 is evidenced by:

- [Constitution](#)
- [Corporate Plan](#)
- [Public attendance at Council meetings/Webcasting of Council meetings](#)
- [Publication of Committee Reports and Papers](#)
- [Freedom of Information](#)
- LGA Workshop for Members: Chairing Skills (internal)
- [Reigate and Banstead Borough Council Website](#)
- [Medium Term Financial Plan, Annual Budget and Capital Investment Strategy](#)
- Treasury Management Strategy
- [Annual Statement of Accounts](#)
- [Working in Partnership](#)
- Social media channels (Facebook, Twitter, LinkedIn, Instagram)
- [Borough News residents' magazine](#)
- [Monthly newsletter to local businesses](#)
- Media engagement
- Events (Community Development, Harlequin Theatre, Leisure, Mayoral, Economic Prosperity)
- Consultation and Engagement activities
- Targeted Communications (where appropriate)

Principle 3 - Defining outcomes in terms of sustainable economic, social and environmental benefits.	
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.	
Supporting Principles	To achieve this, the Council will:
Defining outcomes	<ul style="list-style-type: none"> • Have 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 • Specify 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 • Deliver defined outcomes on a sustainable basis within the resources that will be available • Identify and manage risks to the achievement of outcomes • Manage service users' expectations effectively with regard to determining priorities and making the best use of the resources available
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • Consider and balance the combined economic, social and environmental impact of policies and plans when taking decisions about service provision • Take a longer-term view with regard to decision making, take account of risk and act transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints • Determine 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 • Ensure fair access to services
Principle 3 is evidenced by:	
<ul style="list-style-type: none"> • Corporate Plan • Medium Term Financial Plan, Annual Budget and Capital Investment Strategy • Annual Statement of Accounts • Treasury Management Strategy 	

- [Monitoring of Performance Indicators](#)
- [Risk Management Strategy](#)

Principle 4 - Determining the interventions necessary to optimise the achievement of the intended outcomes.

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.

Supporting Principles	To achieve this, the Council will:
Determining interventions	<ul style="list-style-type: none"> • Ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended long-term outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved however services are provided • Consider 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	<ul style="list-style-type: none"> • Establishing and implementing robust planning and control cycles that cover long-term strategic and operational plans, priorities and targets • Engage with internal and external stakeholders in determining how services, service improvements and other courses of action should be planned and delivered • Consider and monitor risks facing each partner when working collaboratively, including shared risks • Ensure arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances • Establish 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 • Ensure capacity exists to generate the information required to review service quality regularly • Prepare budgets in accordance with objectives, strategies and the medium-term financial plan

	<ul style="list-style-type: none"> • Inform medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy
<p>Optimising achievement of intended outcomes</p>	<ul style="list-style-type: none"> • Ensure the medium-term financial plan integrates and balances service priorities, affordability and other resource constraints • Ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term • Ensure the medium-term financial plan sets the context for ongoing decisions 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 • Ensure the achievement of 'social value' through service planning and commissioning
<p>Principle 4 is evidenced by:</p>	
<ul style="list-style-type: none"> • Corporate Plan • Overview and Scrutiny Committee • Executive Forward Plan • Medium Term Financial Plan, Annual Budget and Capital Investment Strategy • Annual Statement of Accounts • Treasury Management Strategy • Working in Partnership • Risk Management Strategy • Commercial Governance Framework (Internal) • Process for Developing Policy Framework – Procedure Rule 6 of the Constitution. 	

Principle 5 - Developing the Council's capacity, including the capability of its leadership and the individuals within it.

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.

Supporting Principles	To achieve this, the Council will:
Developing the Council's capacity	<ul style="list-style-type: none">• Review operations, performance and use of assets on a regular basis to ensure their continuing effectiveness• Improve 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• Recognise the benefits of partnerships and collaborative working where added value can be achieved• Agree an approach to employee engagement with the Employment Committee and Council's Management Team• Review and agree exact priorities for this approach.• Scope individual projects to meet the will flow from the priority work, include priorities around Leadership and Management Development, the Wellbeing of our staff, employee voice and improving our two way internal communication, concluding our review on how we attract talent to the organisation and also our organisation revisioning.• Undertake the annual Service and Financial Planning process to agree resources. Including work between Finance and HR colleagues with Heads of Services and team managers to review Business Plans and the HR plans required to deliver team/organisational objectives. Produce Business Plans for each service area and the corresponding Council's establishment (agreed positions) managed by HR, with the help of Finance colleagues.

<p>Developing the capability of the Council's leadership and other individuals</p>	<ul style="list-style-type: none"> • Develop 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 • Publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the Council. • Ensure 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 • Develop 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 risks by: <ul style="list-style-type: none"> ○ 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 officers 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 • Ensure that there are structures in place to encourage public participation • Take steps to consider the leadership's own effectiveness and ensure leaders are open to constructive feedback from peer review and inspections • Hold staff to account through regular performance reviews which take account of training or development needs • Ensure our people are healthy and supporting their wellbeing remains a priority for us. To do this we: <ul style="list-style-type: none"> ○ have access to an employee assistance programme (EAP) that offers employees and their families counselling support if required ○ Provide numerous tools online to support wellbeing (physical and mental health) ○ Have occupational health support when required ○ Run specific wellbeing events throughout the year to focus on physical and/or mental health.
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	<ul style="list-style-type: none"> ○ Encourage managers and staff to have regular 121s when managers can check in about a person's wellbeing on an individual level and any necessary interventions made to help support a person (potentially helped by the HR team). 121s also form part of our performance appraisal process when regular check ins take place with managers throughout the year and pay is reviewed annually <p>The recognised Trade Unions also support a number of wellbeing events through the year and open these up to members and non-members.</p> <ul style="list-style-type: none"> ● We will continue to work on understanding individual wellbeing needs and how the organisation can support individuals
Principle 5 is evidenced by:	
<ul style="list-style-type: none"> ● Constitution including Scheme of Delegation for Members and Officers ● Personal Development Appraisals (Internal) ● Induction Programme (Internal) ● Member and Officer training (Internal) ● Asset Management Plan ● Pay policy statement ● Employee Engagement Plan 	

Principle 6 - Managing risks and performance through robust internal control and strong public financial management.

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 happen automatically, it requires repeated public commitment from those in authority.

Supporting Principles	To achieve this, the Council will:
Managing risk	<ul style="list-style-type: none">• Recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making• Implement robust and integrated risk management arrangements and ensure that they are working effectively• Ensure that responsibilities for managing individual risks are clearly allocated
Managing performance	<ul style="list-style-type: none">• Monitor service delivery effectively including planning, specification, execution and independent post implementation review• Make decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook• Ensure an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible• Provide members and senior management with regular reports on service delivery plans and on progress towards outcome achievement• Ensure there is consistency between specification stages (such as budgets) and post implementation reporting (for example financial statements)
Robust internal control	<ul style="list-style-type: none">• Align the risk management strategy and policies on internal control with achieving objectives• Evaluate and monitor risk management and internal control on a regular basis

	<ul style="list-style-type: none"> • Ensure effective counter fraud and anti-corruption arrangements are in place • Ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor • Ensure an audit committee or equivalent group/ function, which is independent of the executive and accountable to the Council: <ul style="list-style-type: none"> ○ 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	<ul style="list-style-type: none"> • Ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data • Ensure effective arrangements are in place and operating effectively when sharing data with other bodies • Review and audit regularly the quality and accuracy of data used in decision making and performance monitoring
Strong public financial management	<ul style="list-style-type: none"> • Ensure financial management supports both long term achievement of outcomes and short term financial and operational performance • Ensure well developed financial management is integrated at all levels of planning and control including management of financial risks and controls

Principle 6 is evidenced by:

- [Corporate Plan](#)
- [Overview and Scrutiny Committee](#)
- [Standards Committee](#)
- [Committee Terms of Reference](#)
- [Register of Interests](#)
- [Commercial Governance Framework \(Internal\)](#)
- Register of Gifts and Hospitality (Internal)
- [Annual Governance Statement](#)
- [Risk Management Strategy](#)
- [Medium Term Financial Plan, Annual Budget and Capital Investment Strategy](#)
- [Annual Statement of Accounts](#)
- Treasury Management Strategy

- [Complaints Procedure](#)
- [Internal Audit Plan](#)
- Anti-bribery Policy (Internal)
- Anti-Money Laundering Policy (Internal)
- ICT Policies (Internal)
- Health and Safety Policy (Internal)
- Business Continuity Plans (Internal)

Principle 7 - Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

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.

Supporting Principles	To achieve this, the Council will:
Implementing good practice in transparency	<ul style="list-style-type: none"> • Write and communicate reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensure that they are easy to access and interrogate • Strike a balance between providing the right amount 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	<ul style="list-style-type: none"> • Report at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way • Ensure members and senior management own the results reported • Ensure robust arrangements for assessing the extent to which the principles contained in this 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) • Ensure that this framework is applied to jointly managed or shared service organisations as appropriate • Ensure 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	<ul style="list-style-type: none"> • Ensure that recommendations for corrective action made by external audit are acted upon • Ensure 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 • Welcome peer challenge, reviews and inspections from regulatory bodies and implementing recommendations • Gain assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement • Ensure that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met
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Principle 7 is evidenced by:

- [Corporate Plan](#)
- [Constitution](#)
- [Publication of Committee Reports and Papers](#)
- [Forthcoming Decisions List](#)
- [Overview and Scrutiny Committee](#)
- [Annual Governance Statement](#)
- [Complaints Procedure](#)
- [Medium Term Financial Plan, Annual Budget and Capital Investment Strategy](#)
- [Annual Statement of Accounts](#)
- [Treasury Management Strategy](#)
- [Internal Audit Plan](#)
- [Commercial Governance Framework \(Internal\)](#)