EASTBOURNE
Borough Council

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SECTION G

EASTBOURNE BOROUGH COUNCIL'S LOCAL CODE OF CORPORATE GOVERNANCE

Introduction

Corporate governance is a term used to describe the way that organisations direct and control what they do. For local authorities, it includes the systems, policies and processes as well as the cultures and values that underpin a Council's arrangements for effective:

- Leadership
- Management
- Performance
- Delivery of positive customer outcomes
- Community engagement
- Stewardship of public money

Good Corporate Governance

Eastbourne Borough Council is committed to the principles of good corporate governance identified in the CIPFA/SOLACE guidance "Delivering Good Governance in Local Government" and confirms its on-going intentions through the adoption, monitoring and development of its own Local Code of Corporate Governance. The Council recognises that achieving high standards of corporate governance will encourage the public in the Borough and other stakeholders to have confidence in us and will allow the Council to undertake its role with its community.

This document sets out the Eastbourne Borough Council's Local Code of Corporate Governance and the processes for monitoring its effectiveness. The Code provides the framework for the Council to achieve its aims and objectives. It applies to all staff, elected Councillors and any person, agent, contractor or other body carrying out functions on behalf of the Council.

The processes for monitoring its effectiveness are:

- Reviewing the operation of the Code on an annual basis through the preparation of the Annual Governance Statement;
- Ongoing monitoring a review;

- Reporting to the Audit and Governance Committee annually on compliance with the Code and any significant changes that may be required to ensure its continued effectiveness; and
- Reporting to the Audit and Governance Committee any updates or changes to the CIPFA/ SOLACE guidance and how they impact the Code.

The code has seven core principles:

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

Core Principle B: Ensuring openness and comprehensive stakeholder engagement.

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

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

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

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

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

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

Source: CIPFA 2016
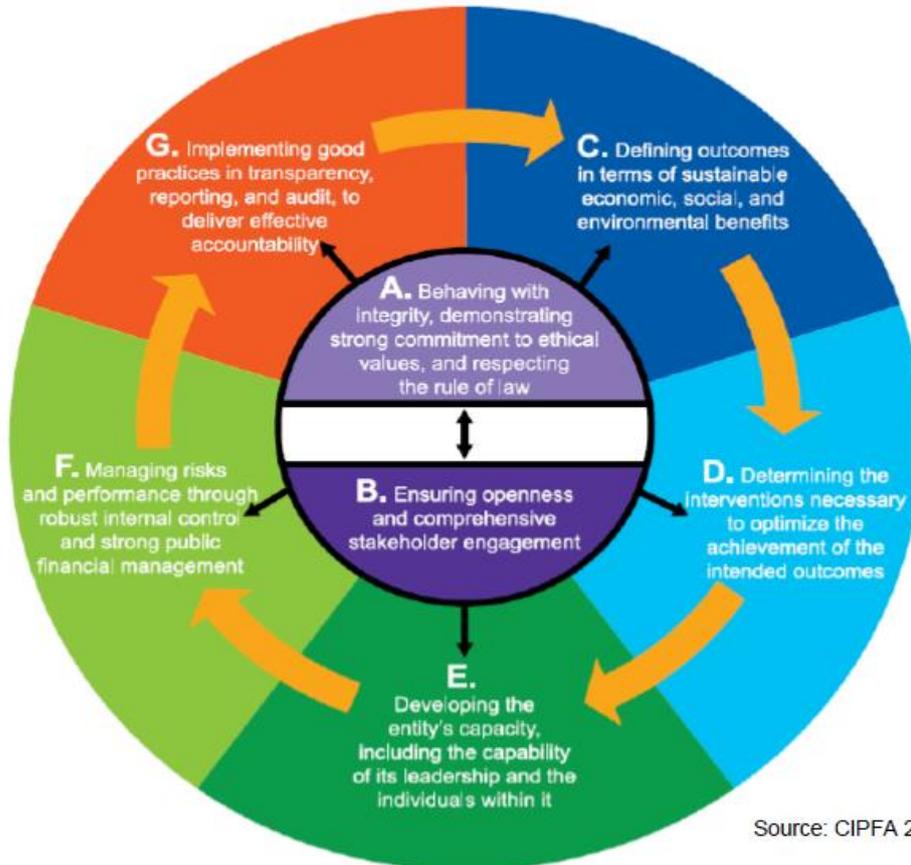
The diagram above is taken from the International Framework: Good Governance in the Public Sector 2014. It illustrates the principles of good governance in the public sector and how they relate to each other. Principles A and B influence principles C to G. It also shows the good governance is an ongoing process and that Council's (and other public sector bodies) should be committed to improving governance on a continuous basis through a process of evaluation and review.

The following table sets out how the Council will meet these core principles. In particular:

- The core principles and supporting principle from the Framework,
- How the Council will achieve these principles, and
- The evidence of achievement.

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

Supporting Principles	To achieve this Eastbourne Borough Council will:	This is evidenced by:

• Behaving with Integrity
• Demonstrating Strong Commitment to Ethical Values
• Respecting the Rule of Law
	• Publish an Annual Governance Statement which reviews the effectiveness of the Council's governance framework.
	• Maintain an Assurance Group with responsibility for monitoring this framework and governance matters.
	• Maintain shared values which underpin an ethos of good governance communicated in Organisational Values & Behavioural Standards.
	• Comply with legislation and all relevant professional standards.
	• Maintain formal codes of conduct defining standards of behaviour expected of both Councillors and Officers.
	• Publicise Gifts and Hospitality Guidelines.
	• Maintain a policy framework to address the risks of fraud and corruption including an Anti-Fraud & Corruption Strategy, Whistleblowing Policy and Anti Bribery Policy.
	• Maintain effective systems to protect the rights of staff, including a whistleblowing policy which is accessible and communicated.
	• Maintain a register of interests and seek declarations to be made at the start of Council meetings.
	• Maintain arrangements to investigate complaints against Members and Officers including alleged misconduct.
	• Maintain an effective Standards Committee.
		• Annual Governance Statement
		• Codes of Conduct
		• Organisational Values & Behavioural Standards (inc core competencies)
		• Full public access to Council meetings and associated minutes
		• Anti Fraud & Corruption Policy
		• Whistleblowing Policy
		• Anti-Bribery Policy
		• Audit Charter
		• Internal Audit Reports to the Audit & Governance Committee
		• Register of Interests
		• Register of Gifts & Hospitality
		• Complaints & Customer Feedback Policy
		• Contract Procedure Rules
		• Financial Regulations
		• Statement of Accounts
		• External inspection of the Statement of Accounts
		• Standards Committee
		• Council reports including implications from Finance and Legal Officers
		• The Constitution which includes:
		   ○ Financial Procedure Rules
		   ○ Contract Procedure Rules
		   ○ Codes of Conduct for Councillors and officers
		   ○ Scheme of Delegation to officers

Principle B - Ensuring openness and comprehensive stakeholder engagement:

Supporting Principles	To achieve this Eastbourne Borough Council will:	This is evidenced by:
• Openness • Engaging comprehensively with Institutional stakeholders • Engaging stakeholders effectively, including citizens and service users	• Seek the views of its stakeholders and respond appropriately. • Provide a variety of opportunities for the public to engage effectively with the Council including rights to information, participation and how to complain or comment. • Ensure Council meetings are accessible. • Publish Agendas, minutes, report packs and a calendar for a full year for Council meetings. • Ensure compliance with requirements under the transparency code – published on the Council's website under data transparency information. • Set a balanced budget. • Publish an Annual Statement of Accounts and Annual Auditors report to inform stakeholders and service users of the previous year's achievements and outcomes. • Encourage and assist citizens to inspect the Statement of Accounts in accordance with regulations.	• Periodic Residents Survey • Statement of Community Involvement • Full public access to Council meetings • Constitution • Medium Term Financial Strategy (MTFS) • Statement of Accounts • External Auditors report on Statement of Accounts • Public inspection of Accounts by citizens • Data transparency and publication scheme pages on the web site • Transformation Programme (ongoing)

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

Supporting Principles	To achieve this Eastbourne Borough Council will:	This is evidenced by:
• Defining Outcomes • Sustainable economic, social and environmental benefits	• Make a clear statement of the Council's purpose and vision and use it as a basis for all corporate & service planning. • Publish on the Council's website all annual reports to communicate the Council's activities and achievements including its financial position and performance. • Prioritise resources to deal with competing demands and consider the impact of decisions in the medium term financial strategy. • Identify and manage risks to the achievement of outcomes.	• Corporate Plan (Priority themes: prosperous economy; quality environment; thriving communities; sustainable performance) • Service plans • Statement of Accounts • External Auditors Letter & report • Medium Term Financial Strategy (MTFS) • Strategic Risk Reports

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

Supporting Principles	To achieve this Eastbourne Borough Council will:	This is evidenced by:
• Determining Interventions • Planning Interventions • Optimising achievement of intended outcomes	• Make a clear statement of the Council's purpose and aims and use this as a basis for corporate and service planning. • Regularly report on key performance indicators which have been established across the various services. • Ensure budgets are prepared in accordance with organisational objectives and regularly reported upon. • Provide senior managers and Councillors with timely financial and performance information.	• Corporate Plan • Corporate Performance Framework • Medium Term Financial Strategy • Regular finance and performance reporting to Cabinet • Transformation Programme (Ongoing)

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

Supporting Principles	To achieve this Eastbourne Borough Council will:	This is evidenced by:
• Developing the entity's capacity • Developing the capability of the entity's leadership and other individuals • Implementing good practice in transparency • Implementing good practices in reporting • Assurance and effective accountability	• Set out a clear statement of the respective roles and responsibilities of the Council's Cabinet, Full Council and individual members through the Constitution. • Set out a protocol to address the working relationship between the Chief Executive and Leader enabling each to fulfil their respective roles. • Maintain an effective workforce plan to enhance the strategic allocation of resources. • Maintain officer and Councillor induction programmes. • Assess the skills required by officers through the appraisal process and address any training gaps to enable roles to be carried out effectively. • Develop the capabilities of Councillors through training • Regularly review the scheme of delegation and Constitution and update when required. • Ensure structures are in place to encourage public participation. • Ensure arrangements are in place to maintain the health and wellbeing of the workforce.	• Constitution • Staff appraisals and training needs assessments • Effective induction programme • Protocol on Councillor/Office Relations • Councillor/ officer training • Periodic Residents Survey • Public participation arrangements • Occupational Health Policy • Staff Health and Wellbeing Strategy • Schemes of delegation for Councillors and officers • Workforce Strategy

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

Supporting Principles	To achieve this Eastbourne Borough Council will:	This is evidenced by:
• Managing Risk • Managing Performance • Robust Internal Control • Managing data • Strong public financial management	• Maintain an effective Audit & Governance Committee independent of Cabinet & Scrutiny functions • Maintain an effective Scrutiny function • Ensure robust and integrated risk management arrangements are in place and responsibilities for managing individual risks are clearly allocated • Manage performance by ensuring the Corporate Performance Framework is adhered to • Ensure publication of agendas and minutes are published • Maintain regular programme of training for the Audit & Governance Committee to enable effective performance • Maintain financial regulations to ensure consistency and clear financial protocols • Maintain a transparent complaints and feedback procedure • Internal Audit annual risk based programme of internal audits informed by the Council's strategic risk register. • Ensure effective counter fraud and anti-corruption arrangements are in place • Ensure effective information governance arrangements are in place to support compliance with existing and emerging legislation for data protection and e-privacy • Ensuring financial management supports decision making and provides sufficient information to support the delivery of the Council's objectives.	• Audit & Governance Committee • Regular reporting on risk matters to the Audit & Governance Committee • Risk Management Strategy • Standards Committee • Strategic Risk Register • Corporate Performance Framework • Regular Councillor training • Financial Regulations • Complaints & customer feedback procedure • Audit Charter • Regular Internal Audit reports to Audit & Governance Committee • Regular reports on results of Internal Audit work • Anti-Fraud & Corruption Policy • Fraud & Corruption Policy Framework • Annual Governance Statement • Information Governance Policies and Procedures covering data protection, information management and security, records management • Regular finance and performance reporting to Cabinet • Medium Term Financial Strategy • Monthly budget monitoring reports

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

Supporting Principles	To achieve this Eastbourne Borough Council will:	This is evidenced by:
• Implementing good practice in transparency • Implementing good practices in reporting • Assurance and effective accountability	• Maintain compliance with the local government transparency code and publish required information in a timely manner • Maintain effective and accessible arrangements for dealing with complaints • Maintain an effective scrutiny function which encourages constructive challenge • Maintain an effective Audit and Governance Committee independent of the Cabinet & Scrutiny Committee • Publish all Committee reports unless there is a legitimate need to preserve confidentiality on the basis of the statutory test • Maintain and communicate the Whistleblowing Policy • Ensuring performance information is prepared on a consistent and timely basis • Assurance Group meet monitor compliance with the Governance Framework including areas for improvement as part of the Annual Governance Statement process • Maintain an effective Internal Audit function which conforms to the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Statement on the Role of the Head of Internal Audit	• Data transparency and publication scheme pages on website • Publication of FOI procedures and dealing with FOI's within the required timescales • Information Governance policies and procedures covering data protection, information management and security and records management • Complaints and customer feedback Policy • Scrutiny Committee • Audit & Governance Committee • Whistleblowing Policy • Corporate Performance Framework • Annual Governance Statement • Audit Charter • Regular summaries of internal audit reports to Audit & Governance Committee • Opportunity for the Audit & Governance Committee members to meet both Internal & External Auditors privately • Internal audit quality assurance and improvement programme • Medium Term Financial Strategy • Regular Finance & Performance reports •

Glossary of Terms (in respect of the principles and sub principles in the Framework)

Accountability: The obligation of public sector organisations *(the Council)* to citizens and other stakeholders to account, and be answerable to, democratically chosen supervisory bodies (*e.g. external audit*), for their policies, decisions, actions, particularly in relation to public finances.

Assurance: Assurance is an evaluated opinion, based on evidence, on the Council's Governance, Risk Management and Internal Control framework. In simple terms, assurance is about knowing what is actually going on and having strong evidence to prove it. The Council needs assurance to ensure that its Governance arrangements are supporting the achievement of its objectives.

Capacity: The underlying governance and staffing structures of the Council necessary to remain fit for purpose.

Entity: The Council.

Ethical Values: Standards or principles that are commonly considered to be good.

Institutional Stakeholders: Organisation/ bodies that the Council needs to work with to improve services and outcomes for which it is accountable e.g. East Sussex County Council, Sussex Police, East Sussex Healthcare NHS Trust and the South Downs National Park.

Integrity: Holders of public office must avoid putting themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions to gain financial or other material benefits for themselves, their family or friends. They must declare and resolve any such interests and relationships.

Internal controls: Internal controls are the means by which managers ensure that systems and services work properly. Controls can include policies, procedures, plans, instructions, standards, supervision, checks and reconciliations, performance monitoring, budgets and a sound organisational structure in which systems can operate as they should.

Interventions: The means by which the public sector achieves its outcomes: These include:
- Enacting legislation or regulations.
- Delivering services.
- The ownership of assets or joint ventures.

Outcomes: The impacts on the community which occur as a result of the Council's outputs, existence and operations.

Outputs: The services provided by the Council to those outside of the organisation.

Rule of Law: Observing legal requirements.

Stakeholders: Any person, group or entity that has an interest in the Council's activities. Stakeholders include councillors, residents, customers, employees, external audit and suppliers.

Stakeholder engagement: Communication and consultation between the Council and its internal and external stakeholders.

Sustainability: The capacity of the Council to continue to survive successfully by meeting its intended economic, environmental and social outcomes while living within its resource limits.

Transparency: Openness about the outcomes the Council is pursuing, the resources necessary or used and the performance achieved.

Future Updates:

The content of this code is subject to modifications as a result of updates and to ensure that it remains relevant and fit for purpose. In the event that such modifications are required, responsibility for this will be undertaken by the Council's Monitoring Officer and Audit Manager in liaison with the Chair of the Audit and Governance Committee.