



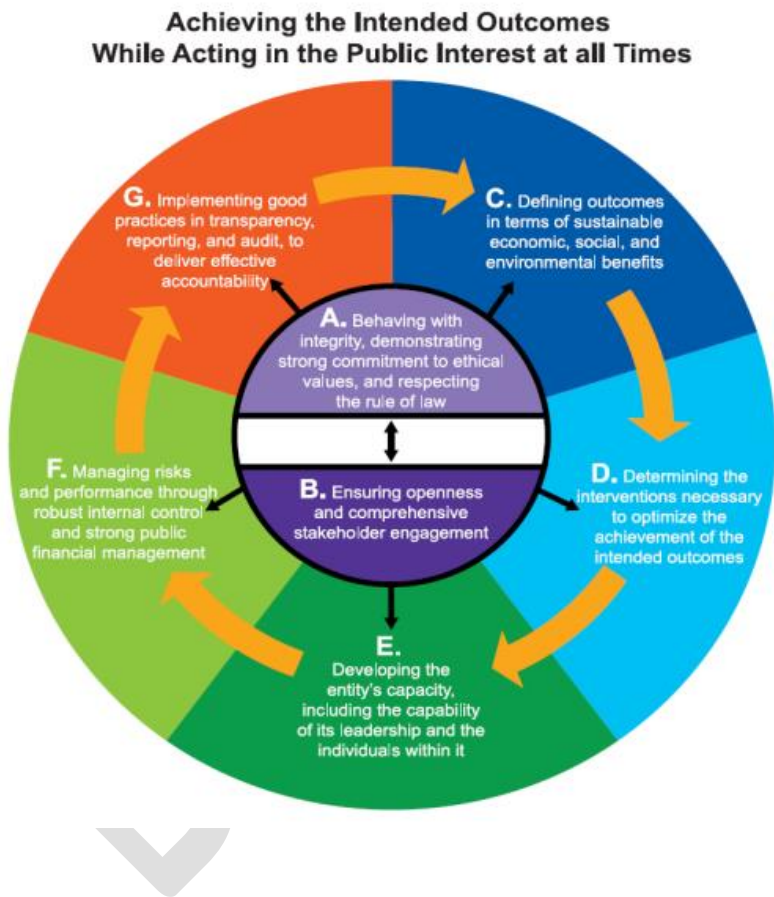
Local Code of Corporate Governance

1. Introduction to Delivering Good Governance

The council is committed to ensuring good governance principles and management practices are adopted in all business activities to ensure public trust. This Local Code of Governance provides a public statement that sets out the way in which the council will meet and demonstrate that commitment. It includes the political arrangements, administrative systems, policies and processes as well as the culture and values that underpin arrangements for the effective:

- Allocation of resources in accordance with agreed policies and priorities.
- Sound, transparent and inclusive decision making.
- Management of the organisation, performance and accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

Delivering Good Governance in Local Government; Framework, published by CIPFA, provides guidance on the standards for local authority governance in the UK. This Framework sets out seven core principles of governance as detailed in the diagram below, and illustrates that good governance is dynamic and involves continuous evaluation and review



Pendle Borough Council has adopted these principles of good governance and adapted its Local Code to reflect its responsibilities. This is demonstrated through the adoption, monitoring and continued development of this document.

The council’s key governance areas and how it will provide assurance that it is complying with these are set out in more detail within its Governance Assurance Framework.

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 ethics, conduct and behaviour, and to act with openness, integrity and accountability in carrying out their duties.

This Code ensures the council is doing the right things, in the right way. Further information regarding each of the above principles and the behaviours and actions that demonstrate good governance in practice at are detailed at Appendix A. 1.7 Similar and proportionate oversight and assurance reporting arrangements should also be put in place in respect of services outsourced to external suppliers, trading partnerships, shared service arrangements and arm’s length bodies.

2. Monitoring and review

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.

As such the council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date and working effectively. 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.

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 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. Certification

We hereby certify our commitment to this Code of Corporate Governance and will ensure that the council continues to review, evaluate and develop the council’s Governance arrangements to ensure continuous improvement of the council’s systems.

LEADER AND CE TO SIGN?

INCLUDE SECTION ON RESPONSIBILITIES?

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Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule 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 and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub Principles	Pendle Councils commitments to achieving good governance in practice include:
A1 – Behaving with Integrity A2 – Demonstrating strong commitment to ethical values A3 – Respecting the rule of law	<p>The Council maintains a Constitution that is updated as needed and reviewed at least annually. It includes the following documents:</p> <ul style="list-style-type: none">“The Role of a Councillor”“Code of Conduct” (Staff and Councillor)“Scheme of Delegation”“Committee Terms of Reference”“Statutory Provisions”“Monitoring Officer Provisions”“Councillor / Officer Protocol”“Ethical Framework” <p>Executive model adopted from May 2023 and updated Constitution developed which reflects this. Approved by Council 18th May 2023. New Scheme of Delegation developed and agreed by Council 18th May 2023. Suite of Anti-Fraud, Theft and Corruption policies published on Council website which are reviewed regularly and approved by Accounts & Audit Committee. Whistleblowing Policy in place and published on the council’s website. This is reviewed regularly and approved by Accounts & Audit Committee. All members of Pendle Council made the declaration to abide by the Code of Conduct. Standards Hearing Panel in place (including an independent persons) to hear any alleged breaches of the Code of Conduct. Annual inductions and Members training offered which includes Ethical Awareness Training Internal Audit to regularly conduct checks on key controls as a part of routine systems audits. Employee Handbook in place, setting out the standards expected of staff and the disciplinary procedure. Personal Development Review process in place for all employees. Corporate Complaints Policy established and published online. Complaints KPI reported to Executive (formerly Policy & Resources Committee). Enhanced centralised complaints recording and reporting system launched to all services delivered by and on behalf of the Council – training conducted 22th June 2023 and launched 3rd July 2023. Equality, Diversity and Sustainability implications included in all reports. Information provided to businesses and published on the website on ‘Supplying the council’ which outlines the Council’s commitment to environmental, equalities and sustainability considerations. Register of Interests maintained and published online for all Members. Compliance with CIPFA’s Statement on the ‘Role of the Chief Financial Officer in Local Government’ and the ‘Financial Management Code’. Financial & Contract Procedure Rules in place which are reviewed regularly. Internal control framework in place and annual Review of Effectiveness undertaken. Review off Gifts & Hospitality Register, processes and monitoring arrangements undertaken and new electronic register launched June 2023.</p>

Commented [MM1]: Has this been reviewed recently?

Actions planned / needed	By who	By when
<ul style="list-style-type: none">Consider the need to provide Contract Tendering training to staff.Review of Complaints handling processes and policy undertaken and recommendations agreed	Head of Finance Monitoring Officer / Head of Policy & Commissioning	June 2024 May 2024

Principle B: 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.

Sub Principles	Pendle Councils commitments to achieving good governance in practice include:
B1 – Openness	Draft Statement of Accounts published for public rights of inspection in compliance with Regulation 15(2)(b) of the Accounts and Audit Regulations 2015.
B2 – Engaging comprehensively with institutional stakeholders	Audited Statement of Accounts published in a timely manner Compliance with GDPR regulations
B3 – Engaging with individual citizens and service users effectively	Record of business and public consultations Council’s Values were reviewed in late 2023 and launched to staff in early 2024. They continue to demonstrate our approach to openness and transparency. Complaints Strategy and Procedure and feedback processes in place – enhanced centralised recording and logging system launched 3 rd July 2023. Annual Review ⁵ of Effectiveness of Internal Control Call-In process is followed as required Timely provision of the Transparency Code datasets which are kept under regular review by the Corporate Governance Steering Group and are published in an Open Data format where possible Corporate report templates with defined sections on various implications (e.g. legal, financial, equalities) Strategic needs assessment processes in place (e.g. Housing, Planning, and Transport) Subject specific consultations – e.g. Local Plan, Council Tax Support, etc. undertaken as required Membership of other key regional and sub-regional bodies – represented at Lancashire Leaders Approval to multiple partnership arrangements in place e.g. with town and parish councils and Joint Venture arrangements Performance Management system in place to enable effective corporate reporting. Reports are published on the website as is key performance information. Sustainability considerations form part of the Council’s strategic objectives and core values Fostering a culture for all staff to deal directly with members of the public as per the Community Engagement Framework Variety of communication methods such as surveys, user groups and forums, that are appraised regularly Area Committees - a valuable tool in promoting community engagement Use of social media and Friends’ Groups for collecting feedback Consideration of hard to reach groups e.g. disabled and dementia groups in the development and delivery of engagement plans Freedom of Information Act requests responded to in a timely manner and Council Publication Scheme made available on the Council’s website Record of decision-making and Minutes made publicly available with a Public participation section at meetings Biennial resident satisfaction surveys undertaken Variety of resources made available to public via website/ social media: calendars of dates for publishing of reports, corporate/strategy documents Comprehensive stakeholder engagement and consultation sessions undertaken in the development of the Corporate Plan 2023-2027, which included elements of budget consultation.

Actions planned / needed	By who	By when
<ul style="list-style-type: none">		

Principle C: 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 authority’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.

Sub Principles	Pendle Councils commitments to achieving good governance in practice include:
C1 – Defining Outcomes C2 - Sustainable economic, social and environmental benefits	Various plans covering defined periods of time ahead: <ul style="list-style-type: none">Corporate PlanService PlansSubject specific action plans, e.g. Corporate Peer Challenge Action PlanStrategic Risk Register (SRR)Emergency PlanBusiness Continuity PlanLocal PlanNeighbourhood Plans Community Engagement Framework in place Corporate Management Team Horizon Scanning (on informal basis) Monitoring and reporting arrangements for delivery of defined outcomes Established risk management arrangements including bi-monthly meetings of the Corporate Governance Steering Group and quarterly meetings of the Accounts & Audit Committee Budget process / resource allocation linked to corporate priorities Vision Boards Policies and action plans developed covering defined period of time ahead Discussion between members and officers on the information needs of members to support decision making Record of decision making and supporting materials Arrangements for public consultation Equality Objectives and Service Equality Impact Assessments in place Annual external audit and Value for Money review Capital investment strategy linked to corporate objectives and Capital Programme resource allocation Access to translation services Comprehensive stakeholder engagement and consultation sessions undertaken in the development of the Corporate Plan 2023-2027, which included elements of budget consultation MTFP takes account for sensitivity testing across variation factors such as pay inflation, general inflation, cost of borrowing, collection rates.

Actions planned / needed	By who	By when
<ul style="list-style-type: none">Customer Contact / Access Strategy to be reviewed and updated, ensuring alignment with the Council’s IT Strategy and Digital Strategy	Head of Policy & Commissioning	June 2024

Commented [MM2]: Anything to be included from the key funding programmes such as LUF, UKSPF, Nelson Town Deal

Commented [MM3]: What is happening with this?

Commented [MM4]: Is this still done? Or will this now be the Big Ticket item in the Performance Clinics?

Commented [MM5]: Is it?

Commented [MM6]: Still meet? How frequently?

Commented [MM7]: Action required in this area?

Commented [MM8]: Is it?

Commented [MM9]: Ad-hoc!

Translation of website available via ReachDesk app

Do we need to do more?

Principle D: 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. 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 continually to ensure that achievement of outcomes is optimised.

Sub Principles	Pendle Councils commitments to achieving good governance in practice include:
D1 - Determining interventions	Established basket of Key Performance Indicators which are subject to regular review
D2 - Planning interventions	Quarterly performance reporting to Performance Clinic Panel and Committees
D3 - Optimising achievement of intended outcomes	Option appraisals – reports setting out information and recommended course of action
	Life in Pendle Survey undertaken alongside Public consultations as part of a community engagement framework (both ad-hoc and needs lead)
	Transfer of services and facilities
	Established reporting cycles and timescales
	Reports to Committees
	Staff team meetings and surveys
	Established monitoring arrangements
	Decision-making protocols with parameters for delegated action
	Decision making protocols and the Scheme of Delegation found in the council Constitution
	Risk management and Service planning framework including regular reviews and reporting
	Performance Team established to coordinate corporate activity
	Corporate performance and financial monitoring framework
	Use of Pentana (Council’s performance management system) to track progress on Corporate Plan actions and milestones, strategic risks and performance indicators
	Performance clinics discuss in detail performance results, with issues of concern reported to CMT and Members by exception.
	Regular review and adaption of the Council’s performance management framework to ensure it is an inclusive process for all services and enables timely and effective decision-making.
	Medium Term Financial Plan (MTFP) developed and maintained showing position over 3 year rolling period
	Discussion between members and officers on the information needs of members to support decision making and the timescales at which the information will be provided
	Social value in Corporate Procurement arrangements and Contract Procedure Rules
	Comprehensive stakeholder engagement and consultation sessions undertaken in the development of the Corporate Plan 2023-2027, which included elements of budget consultation

Commented [MM10]: Has this been addressed more thoroughly now?

Actions planned / needed	By who	By when
<ul style="list-style-type: none">Social value needs to be addressed more thoroughly in our business planning and commissioning arrangements. This will be undertaken as part of a review of the Council’s Constitution and Procurement arrangements.	Head of Finance	June 2024

Principle E: *Developing the entity’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 mind-set, to operate efficiently and effectively and achieve their 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 authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Sub Principles	Pendle Councils commitments to achieving good governance in practice include:
E1 – Developing the entities capacity E2 - Developing the capability of the entity’s leadership and other individuals	Capital strategy Route optimisation software for Councils fleet in operation Adjusting resource levels in response to information that becomes available, i.e. react to seasonal changes in service needs Adapt and enhance IT infrastructure, systems and equipment to enable effective and efficient working arrangements regardless of location Suite of HR policies - subject to periodic review – which includes an annual Health and Well-being programme, management of stress and sickness policies Induction programme for new staff and members Agile Working Policy approved and published Workforce Strategy / planning approved by Management Team and launched to staff in March 2022 LG Futures Reports and Utilisation of PSAA Value for Money profiles provides insight to resource allocation Limited use of benchmarking Significant use of partnerships and collaborative working e.g. Joint Ventures, PLACE, Growth Lancashire, Parish and Town Councils, Nelson & Colne College, Vision Board. Current Organisational Development / Learning and Development Strategy in place. <u>Council Constitution</u> – containing guidance on the Role of a Councillor, Scheme of Delegation, Protocol on Councillor / Officer Relationships, Role of Leader/ CEO (as Head of Paid Service) Financial and Contract Procedure Rules & Budget policy framework Access to training and development - Training and development plans for councillors and officers produced and schedule of training provided. Subject to annual review. Attendance at courses, seminars, conferences encouraged for both councillors and officers Access to LGA Briefings and other sources of information on new legislation etc. External/Internal Audit reviews and feedback Accounts and Audit Committee that meets quarterly and has two independent members who were appointed for their audit / financial management expertise. Annual Emergency Planning desktop exercise Annual Health & Safety Audit Investment in shared learning, training and development of senior and middle management e.g. 360 appraisals, participation in leadership development programmes, etc. New Performance Development Process for staff launched October 2022 Public participation encouraged via published calendar of meetings, Life in Pendle survey, service specific public consultations, adoption of a Community Engagement Framework Corporate & service planning framework Performance & financial monitoring and service reviews undertaken as required Effectiveness of leadership considered via participation in Peer Reviews (LGA Peer Review conducted in February 2022) and inspections. Suite of staff benefits such as Employee Assistance Programme (EAP), free physio appointments, work/life balance policy.

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Actions planned / needed	By who	By when
<ul style="list-style-type: none">More consistent and corporate approach to benchmarking required – options to be consideredNew Workforce Strategy under developmentAnnual IT Disaster Recovery / BCP testing plan to be developedL&OD Officer vacancy to be filled	Director of Resources Director of Resources / HR and Payroll Manager Director of Resources Head of Policy & Commissioning	June 2024 June 2024 May 2024 June 2024

Principle F: 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 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 is 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 delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Sub Principles	Pendle Councils commitments to achieving good governance in practice include:
F1 – Managing Risk	Risk management framework including Risk implications sections in reports, Risk Management Strategy and Policy Statement reviewed to reflect changes to the Risk Matrix and the amalgamation of the CGWG and IGWG. This was adopted by Council 28 th September 2023. This is reviewed every 3yrs as a minimum. Corporate Risk Management Working Group & Corporate Governance Steering Group in place and meet regularly Comprehensive review of the Strategic Risk Register undertaken and approved by Accounts and Audit Committee in July 2023. Centralised monitoring and reporting via Pentana now in place with quarterly comprehensive reviews as a minimum. Basket of KPIs established and formally reported on to the Executive Quarterly Performance Clinics introduced with quarterly reporting on performance to the Performance Clinic Panel and Executive (formerly Policy & Resources Committee) Annual review by CMT of full PI set, including KPIs, to ensure they remain meaningful and appropriate Council Constitution – this is a live document which gets updated as required and is subject to annual review (including terms of reference) – this has most recently been reviewed and updated to reflect the move to an Executive system and approved by Council 18 th May 2023 Audit plan (Strategic and Annual) Annual Accounts & Audit Committee Self-Assessment undertaken and Annual Report compiled. Annual review of effectiveness of internal control and assurance statements prepared by service management. Compliance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) – all published on council website Policies subject to periodic monitoring, review and reporting to Accounts and Audit Committee for approval Annual Governance Statement (AGS) and Action Plan reviewed regularly with progress reported quarterly to Accounts & Audit Committee Effective internal audit service is resourced and maintained via outsourcing of the Council’s Internal Audit provision Report to each Council meeting on work of P&R Committee / Executive Discussion between members and officers on the information needs of members to support decision-making Publication of agendas and minutes of committee meetings Calendar of meetings published – timescales defined for publication of reports in advance of meetings Corporate report templates include consideration of financial, policy, risk implications amongst others Data management framework and procedures including a designated data protection officer PCI/DSS compliance for processing payments data GDPR Action Plan being delivered with regular monitoring via the Corporate Governance Steering Group Data sharing agreement/ protocols (e.g. DWP/VOA) Data processing agreements with Liberata including data validation checks / procedures Audit committee appointed by the Council and established with reference to requirements of CIPFA guidance: Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013) Membership of the Accounts & Audit Committee includes 2 independent members appointed for their audit / financial management expertise Financial standards and guidance including monitoring / reporting arrangements including regulations and standing orders and assurance statements (submitted to external audit) Contract Procedure Rules – Review of exemptions granted in respect of tendering requirements undertaken Financial support linked to service structure as part of budget development and monitoring framework Capital spending plans/ investment analysis Project support budget development and monitoring framework All reports must be considered for financial implications Internal Audit Recommendations Progress Tracker developed and reported regularly to Corporate Governance Steering Group and Accounts & Audit Committee Comprehensive stakeholder engagement and consultation sessions undertaken in the development of the Corporate Plan 2023-2027, which included elements of budget consultation
F2 – Managing Performance	
F3 – Robust Internal Controls	
F4 – Managing Data	
F5 – Strong public financial Management	

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Actions planned / needed	By who	By when

Commented [MM12]: New actions ?

Principle G: 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.

Sub Principles	Pendle Councils commitments to achieving good governance in practice include:
G1 - Implementing good practice in transparency	Emphasis on ‘plain English’ in all reports and public documents
G2 - Implementing good practices in reporting	Internal audit work undertaken by 3 rd party
G3 - Assurance and effective accountability	Working to comply with the accessibility standards that we have to meet, namely the Website Content Accessibility Guidelines (WCAG) 2.1 Level AA.
	Publication of Audit Findings report from external auditor on Council Website
	Report writing training for staff
	Defined standards for council publications
	Responded to and continuing to implement improvements highlighted by Government Digital Service monitoring exercise
	Use of glossary or executive summary in public documents
	Publication of Annual Statement of Accounts and Annual Governance Statement on Council Website
	Financial procedures and framework include accountability arrangements
	Key decisions reported to Councillors for approval (e.g. budget outturns, use of reserves, budget development)
	Process for completion of the accounts is well-established and subject to annual review
	Feedback from councillors used to ensure we provide the right amount of information to satisfy transparency demands and enhance public scrutiny.
	Reports, agendas and minutes are published on council website
	Performance information features more now as part of the Narrative Report that forms part of the annual Statement of Accounts
	Various forms of assurance involving Councillors and senior management
	Annual Governance Statement approved by senior management, endorsed by Accounts & Audit Committee prior to forma; submission for approval to the Executive (formerly Policy and Resources Committee)
	Report and recommendations presented to Accounts and Audit Committee each year – follow up actions progressed in subsequent year
	Compliance with CIPFA’s statement on the role of the head of internal audit (2010) – Mersey internal audit agency (MIAA) procured to discharge responsibility for 2020/21
	Recommendations have informed positive improvement – status monitored & reported to the Accounts & Audit Committee
	Compliance with Public Sector Internal Audit Standards
	Agreement to outsource the Internal Audit Service gained from Policy & Resources Committee in March 2020.
	External Audit to provide assurance to the Council
	Considerations form part of financial procedure rules and monitoring arrangements
	Approval required for Council to take on accountable body status
	CPC Action Plan delivered and final progress report reported to Executive In June 2023
	Contract Procedure Rules Exemptions reported to Accounts & Audit Committee

Actions planned / needed	By who	By when
<ul style="list-style-type: none">Consider requirement for refreshing the report writing training for staff	Director of Resources	May 2024