

CODE OF CORPORATE GOVERNANCE

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change the document

Corporate Governance and Audit
Committee

INTRODUCTION

Corporate governance is a phrase used to describe how organisations direct and control what they do. For local authorities this also includes how a council relates to the communities that it serves.

Leeds City Council wishes to be at the forefront of those local authorities that are able to demonstrate that they have the necessary corporate governance to excel in the public sector. By applying the principles in this Code the Council commits itself to devising and delivering services to the citizens of Leeds in a way that demonstrates accountability, transparency, effectiveness, integrity, and inclusivity.

The Code is based upon the following 6 Principles:

- 1. Focussing on the Council's purpose and community needs;**
- 2. Having clear responsibilities and arrangements for accountability;**
- 3. Good conduct and behaviour;**
- 4. Taking informed and transparent decisions which are subject to effective scrutiny and risk management;**
- 5. Developing the capacity and capability of members and officers to be effective;**
- 6. Engaging with local people and other stakeholders.**

Each of these Principles is an important part of Leeds City Council's corporate governance arrangements. This statement describes how the Council will meet and demonstrate its commitment to good corporate governance.

Also described in this document is how and by whom the Council's corporate governance arrangements will be monitored and reviewed.

THE COUNCIL'S CORPORATE GOVERNANCE PRINCIPLES

1. Focussing on the Council's purpose and community needs

In delivering the Council's objectives the Council will aim to ensure that services put the needs of the public first, are non-discriminatory and are appropriate to the different needs within the community.

The Council will develop and promote its purpose and vision in partnership with communities and key agencies in the city. It will do this by:

- communicating this vision through the publication of the *Vision for Leeds*;
- working with others to keep the *Vision for Leeds* under regular review;
- producing the Council Business Plan – the *Best Council Plan*- to support the *Vision for Leeds* and other key partnership documents (for example, the Children & Young People's Plan; the Health & Wellbeing Strategy). The Best Council Plan sets out what the Council will do over the forthcoming period.

The Council will explain and report regularly on activities, performance and the Council's financial position. The Council will do this by publishing regular performance information against the strategic priorities and key performance indicators and externally audited accounts.

The Council will aim to make best use of resources and aim to ensure that tax payers and service users receive excellent value for money. The Council will do this by:

- Delivering services to meet the needs of the local community, and put in place processes to ensure that they operate effectively in practice.
- Ensuring that services are prioritised so that resources are directed to those that need services most.
- Developing effective relationships and partnerships with other public sector agencies and the private and voluntary sectors, and considering commissioning where it is efficient and effective to do so.
- Responding positively to the findings and recommendations of external auditors and statutory inspectors and putting in place arrangements for the implementation of agreed actions.
- Comparing information about our services with services provided by similar organisations and assessing why levels of efficiency, effectiveness and quality are different elsewhere.
- Considering the long-term implications of decisions on the environmental, social and economic well-being of the City.
- Considering the impact of decisions upon the City's diverse and disadvantaged communities and the positive promotion of equality of opportunity.

2. Having clear responsibilities and arrangements for accountability

The Council will ensure that the necessary roles and responsibilities of those with responsibility for the governance of the Council are identified and allocated so that it is clear who is accountable for decisions that are made. The Council's governance processes will be structured to:

- enable the Council to provide visible, accountable and effective leadership to the community in partnership with citizens, businesses and other organisations;
- help Councillors represent their constituents more effectively;
- enable decisions to be taken efficiently and effectively;
- create a powerful and effective means of holding decision-makers to public account;
- ensure that no-one will review or scrutinise a decision in which they were directly involved;
- ensure that those responsible for decision making are clearly identifiable to local people and they explain the reasons for decisions; and
- provide a means of improving the delivery of services to the community.

The Council will do this by:

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

3. Good conduct and behaviour

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

The Council will do this by:

- Establishing and keeping under review:
 - The Council's values;
 - A Member Code of Conduct;
 - An Employee Code of Conduct;
 - and such supplementary codes and protocols that might be necessary
- Establishing and keeping under review Systems for reporting and dealing with any incidents of fraud and corruption.
- Appointing a Committee with responsibilities for promoting and monitoring the application of the relevant parts of these Codes.
- Developing and maintaining a set of Council values, including leadership values for both the organisation and staff, which are a basis for developing positive and trusting relationships within the authority.

4. Taking informed and transparent decisions which are subject to effective scrutiny and risk management

The Council will ensure that:

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

The Council will be transparent about how decisions are taken and recorded. The Council will do this by:

- ensuring that decisions taken by the Executive Board and Community Committees are made in public and that information relating to those decisions is made available to the public¹;
- ensuring that all decisions of Regulatory Committees of the Council are made in Public and that information relating to those decisions is made available to the public²;
- recording all decisions that are made by committees and officers³ and making the details publicly available; and
- having rules and procedures which govern how decisions are made.

¹ Except where that information is exempt under the provisions of the Freedom of Information Act or determined as being confidential by Government or otherwise exempt by the Council

² Except where that information is exempt under the provisions of the Freedom of Information Act or determined as being confidential by Government or otherwise exempt by the Council

³ For Officers this relates to Key and significant operational decisions only

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The Council will put in place a range of arrangements to ensure that decision-makers can be held to account, including:

- establishing an effective scrutiny function which is able to constructively challenge decision-makers, including those who work in partnership with the Council;
- establishing an effective Corporate Governance and Audit Committee, to oversee the Council's corporate governance arrangements and ensure that they are operating effectively;
- establishing an accessible system for dealing with customer complaints, and a separate system for dealing with complaints of misconduct against Councillors; and
- establishing, reviewing and publicising a whistleblowing policy.

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

- enables officers to formally identify, evaluate and manage risks;
- maps risks to financial and other key internal controls;
- involves elected members in the risk management process;
- is applied to the Council's key business processes, including strategic planning, financial planning, policy-making and review, performance management and project management;
- is applied to the Council's significant partnerships; and
- includes business continuity management.

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

The Council will ensure that it collects, uses and stores information and data appropriately. It will do this by establishing and keeping under review:

- policies relating to records management, data quality and information security;
- the Joint Strategic Needs Assessment;
- a corporate records management facility;
- an information governance framework;
- a regional information governance policy; and
- an electronic document and records management system.

5. Developing the capacity and capability of Members and officers to be effective

The Council will ensure that all Members and officers have the skills, knowledge and experience they need to perform effectively in their roles. The Council will do this by:

- providing induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis;
- assessing the skills required by members and officers and making a commitment to develop those skills to enable roles to be carried out effectively; and
- developing skills on a continuing basis to improve performance.

The Council will support these activities by:

- implementing a Member Development Strategy;
- achieving and maintaining the Investor in People Standard;
- cascading regular information to Members and staff;
- establishing and keeping under review a Workforce Development Plan; and
- developing a set of core competencies for managers, which include skills and knowledge relating to ethical governance.

6. Engaging with local people and other stakeholders

The Council will aim to support the active involvement of local people and other stakeholders in its activities and decision-making. It will do this in line with the rights of citizens which are set out in the Council's Constitution.

The Council will do this by:

- forming and maintaining relationships with the leaders of other organisations;
- producing and making available to the public an annual report on the work of the scrutiny function and the Corporate Governance and Audit Committee;
- holding all meetings in public⁴;
- providing and supporting ways for citizens to present community concerns to the Full Council, Community Committees and Plans Panels;
- publishing a List of Forthcoming Key Decisions;
- encouraging and supporting the public in submitting requests for Scrutiny;
- having a community engagement policy which sets out the Council's overall approach to community engagement and which is supported by a community engagement toolkit, which provides managers and staff with comprehensive practical guidance and contacts;
- setting up and using a citizens panel; and
- maintaining an online consultation portal.

⁴ Except where information to be discussed is exempt under the provisions of the Freedom of Information Act or determined as being confidential by Government or otherwise exempt by the Council

MONITORING AND REVIEW

The Council has three Committees that are jointly responsible for monitoring and reviewing the Council's corporate governance arrangements.

The Corporate Governance and Audit Committee is responsible for the Council's arrangements relating to:

- approving the Council's accounts;
- external audit;
- policies and practices that ensure compliance with statutory and other guidance; and
- internal audit.

The Standards and Conduct Committee has responsibility for providing an overview of the implementation of member and officer codes and protocols relating to probity and conduct.

The General Purposes Committee has responsibility for making recommendations concerning the operation of the Constitution.

The Council will ensure that its corporate governance arrangements are kept under continual review by reporting to these bodies on:

- the work of internal audit;
- external audit opinion;
- the opinion of other review agencies and Inspectorates;
- opinion from the Council's Statutory Officers; and
- general matters relating to the implementation of this Code.

Each year, as part of the annual review of the Council's Constitution, the Head of Governance Services will consider whether a review of the Code of Corporate Governance is needed.

Assurance Framework

The Council will establish and keep under review a framework of assurances. This will provide evidence for the Annual Governance Statement.

The Annual Governance Statement

Each year the Council will publish an Annual Governance Statement⁵. This will provide an overall assessment of the Council's corporate governance arrangements and an appraisal of the key controls in place to manage the Council's principal governance risks. The Statement will also provide details of where improvements need to be made. The Annual Governance Statement will be

⁵ This is Leeds City Council's Statement on Internal Control, approved under Regulation 4 of the Accounts and Audit (England) Regulations 2011

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published as part of the Council's Annual Statement of Accounts and will be audited by our external auditors.