

Ribble Valley
Borough Council

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Local Code of Corporate Governance

ADMINISTRATION

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Committee	Accounts and Audit Committee		

This document (Local Code of Corporate Governance) is maintained and published on behalf of Ribble Valley Borough Council. A copy of the Local Code will be published on the Council's website and will be reviewed and updated as stated below.

VERSION CONTROL AND REVIEW DATE

Version	Date	Reason for Publication	Approved by Committee / Date	Next Review Date
V1	June 2023	Annual Review of Local code of Corporate Governance	Accounts and Audit Committee – 28 June 2023	June 2024
V2	June 2024	Annual Review of Local code of Corporate Governance	Accounts and Audit Committee – 26 June 2024	June 2025
V3	June 2025	Annual Review of Local code of Corporate Governance	Accounts and Audit Committee – 25 June 2025	June 2026
V3	June 2026	Annual Review of Local code of Corporate Governance		June 2027

The Council's Local Code of Corporate Governance will be reviewed, as a minimum, on an annual basis. However, consideration will be given to reviewing the Local Code should there be any changes in legislation or guidance.

EQUALITY IMPLICATIONS

	Action	Yes / No
An Equality Impact Assessment (EIA) has been completed		No – Not Required having completed EIA Checklist
EIA Hyperlink	Not Applicable	

SUPPORTING DOCUMENTS OR LEGISLATION

Please include any supporting documents / legislation
CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016

Contents

Section	Page
Introduction	**2**
Benefits of a Code of Corporate Governance	**3**
PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	**4**
PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement	**6**
PRINCIPLE C: Defining outcomes in terms of sustainable economic, social, and environmental benefits	**8**
PRINCIPLE D: Determining the interventions necessary to optimise the achievement of the intended outcomes	**9**
PRINCIPLE E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	**12**
PRINCIPLE F: Managing risks and performance through robust internal control and strong public financial management	**14**
PRINCIPLE G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability	**16**

Introduction

Corporate Governance is the system by which the Council directs and controls its functions and relates to the community. The Code of Corporate Governance sets out the Council's governance standards. These standards ensure the Council is doing the right things, in the right way in a timely, inclusive, open, effective, honest and accountable manner.

The Council has accepted the definition of Governance as stated within the CIPFA/SOLACE Framework:

> *Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.*
>
> *To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.*
>
> *Acting in the public sector implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.*

The Council has developed and adopted a local code of corporate governance which reflects the key components as set out in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016.

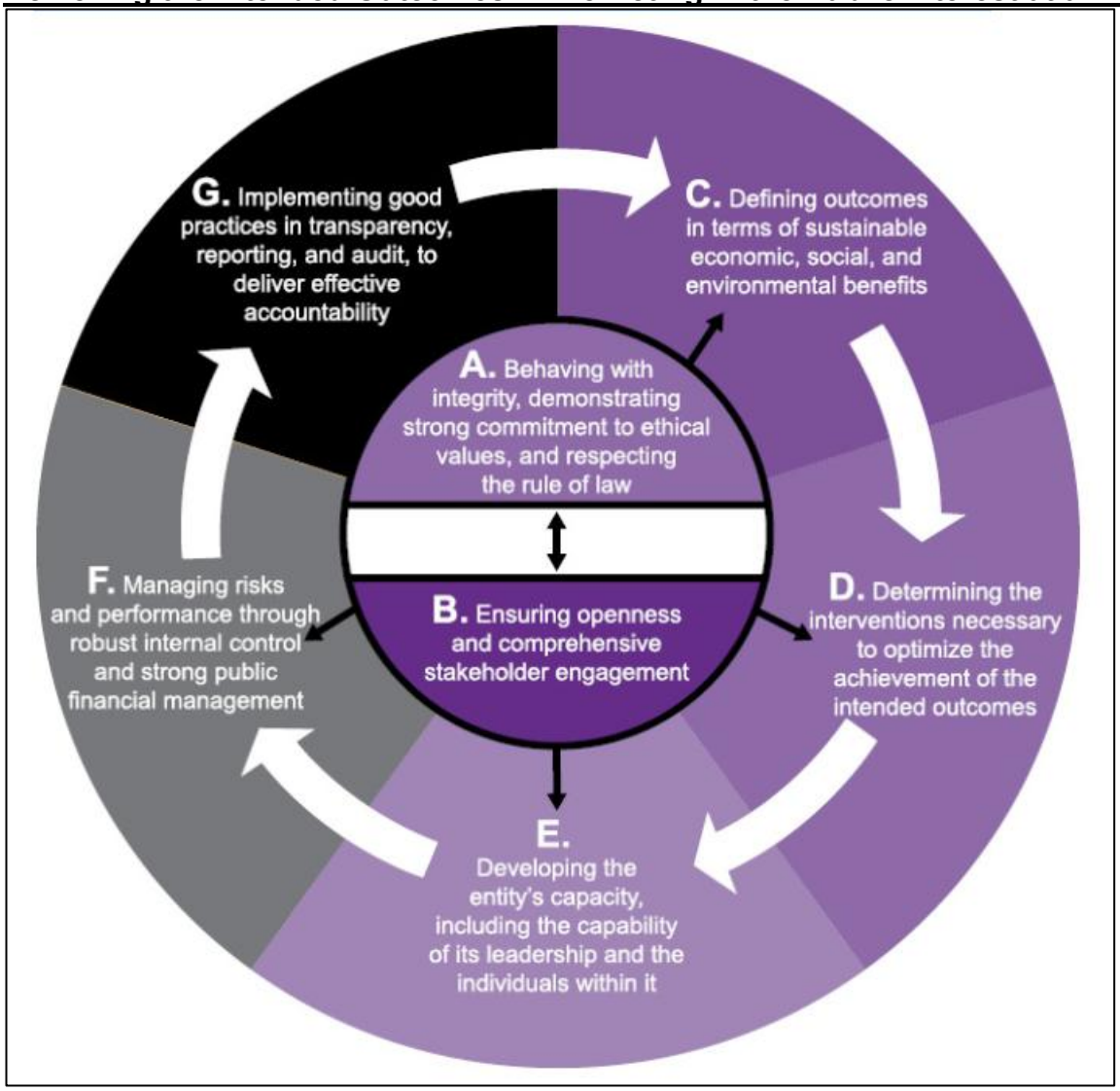
The guidance defines the seven core principles, each supported by sub-principles that then underpin our governance framework.

- **Principle A:** Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
- **Principle B:** Ensuring openness and comprehensive stakeholder engagement.
- **Principle C:** Defining outcomes in terms of sustainable economic, social and environmental benefits.
- **Principle D:** Determining the interventions necessary to optimise the achievement of the intended outcomes.
- **Principle E:** Developing the council's capacity, including the capability of its leadership and the individuals within it.
- **Principle F:** Managing risks and performance through robust internal control and strong public financial management.
- **Principle G:** Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Full details of these principles and the actions we will take to ensure that we fulfil their requirements are given at the end of this Code. We also outline how we evidence that we are satisfying such requirements.

The diagram below is taken from the International Framework and illustrates the various principles of good governance in the public sector and how they relate to each other.

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



Benefits of a Code of Corporate Governance

Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users. It enables the council to pursue its priorities effectively as well as underpinning those priorities with mechanisms for control and the management of risk.

The documents and arrangements set out in the framework within this code demonstrate that the council continually seeks to ensure it remains well governed and that, to deliver good governance, through integration of the core principles of the CIPFA/SOLACE framework into all aspects of the council's conduct and operation.

The Head of Financial Services is responsible for ensuring that the Code is reviewed annually as part of the preparation of the Annual Governance Statement. Any revisions to the Code are reported to the Accounts and Audit Committee for approval as part of this process.

PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	
We are accountable not only for how much we spend, but also for how we use the resources under our stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes we have achieved. In addition, we have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. *It is essential that we can demonstrate the appropriateness of all our actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.*	
What we will do:	**How this will be evidenced:**
Behaving with Integrity - 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 council. - ensure members take the lead in establishing specific standard operating principles or values for the council and its staff and that they are communicated and understood. These will build on the Seven Principles of Public Life (the Nolan Principles). - 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 our standard operating principles and values through our policies and processes - which will be reviewed on a regular basis to ensure that they are operating effectively.	• Council Constitution • Standing Orders • Officer Delegation Scheme • Members' Code of Conduct • Code of Conduct for Staff • Whistleblowing Policy • Counter Fraud, Bribery & Corruption Policy Statement and Strategy • Anti-Money Laundering Policy • Register of Interests – Members & Officers • Member declarations of interests recorded in Committee meeting minutes • Register of Gifts and Hospitality • Induction Process – Members & Officers • Training Records • Appraisal Scheme • Complaints Policy • Safeguarding Policy • Corporate Plan • Annual Governance Statement

What we will do:	How this will be evidenced:
Demonstrating Strong Commitment to Ethical Values - seek to establish, monitor and maintain the council's ethical standards and performance. - underpin personal behaviour with ethical values and ensure they permeate all aspects of the council'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 council are required to act with integrity and in compliance with ethical standards expected by the council	• Council Constitution • Terms of reference of Accounts and Audit Committee • Financial Regulations • Contract Procedure Rules • Members' Code of Conduct • Code of Conduct for Staff • Complaints Policy • Procurement Strategy • Standard Terms & Conditions of Purchase • Recruitment & Selection Policy • Freedom of Information Act Publication Scheme
Respecting the rule of law - 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 post holders, 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	• Council Constitution • Officer Delegation Scheme • Powers and Duties of the Council and its committees • Complaints Policy • Counter Fraud, Bribery & Corruption Policy Statement and Strategy • Anti-Money Laundering Policy • Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government

PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement	
The council is run for the public good, therefore we look to ensure openness in our activities. We ensure clear, trusted channels of communication and consultation are used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.	
What we will do:	**How this will be evidenced:**
Openness - ensure an open culture through demonstrating, documenting and communicating the council'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, we will look to provide a justification for the reasoning for keeping a decision confidential. - provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and be explicit about the criteria, rationale and considerations used. In due course, we will ensure 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.	• Council Constitution • Standing Orders • Council's website • Council's use of Social Media platforms: RVBC Facebook, Twitter and Instagram pages • Freedom of Information Act Publication Scheme • Communications Strategy • Corporate Plan • Ribble Valley People's Panel – Surveys & Public Consultations • Reports and Minutes of Meetings available on the Council's website. • Annual Governance Statement
Engaging comprehensively with institutional stakeholders - effectively engage 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.	• Communications Strategy • Ribble Valley People's Panel – Surveys & Public Consultations • Financial Regulations • Representation on Outside Bodies

What we will do:	How this will be evidenced:
Engaging with individual citizens and service users effectively	• Financial Regulations • Communications Strategy • Freedom of Information Act Publication Scheme • Ribble Valley People's Panel – Surveys & Public Consultations • Statement of Accounts • External assessment of Accounts
- 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 C: Defining outcomes in terms of sustainable economic, social, and environmental benefits	
The long-term nature and impact of the Council's responsibilities mean that we should define and plan outcomes and that these should be sustainable. Decisions should further our 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.	
What we will do:	**How this will be evidenced:**
Defining outcomes - have a clear vision, which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the Council'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.	• Corporate Plan • Core Strategy • Economic Plan • Medium Term Financial Strategy and Plan • Capital and Treasury Management Strategy • Procurement Strategy • Climate Change Action Plan • Risk Management Policy • Performance Indicators • New Deal for Greater Lancashire • Budget monitoring reports • Statement of Accounts • External Audit Letter and reports • External inspections
Sustainable economic, social and environmental benefits - 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, taking account of risk and acting transparently where there are potential conflicts between the Council'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	• Capital Programme • Capital and Treasury Management Strategy • Officer Delegation Scheme • Risk Management Policy • Climate Change Action Plan • Climate Change working group • Equality Duty • Reasonable Adjustments Policy

consultation where possible, in order to ensure appropriate trade-offs. - ensure fair access to services	

PRINCIPLE D: Determining the interventions necessary to optimise the achievement of the intended outcomes	
The Council 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 the Council has to make to ensure intended outcomes are achieved. We need robust decision-making mechanisms to ensure that our 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.	
What we will do:	**How this will be evidenced:**
Determining interventions - ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved. - 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.	• Standing Orders • Officer Delegation Scheme • Ribble Valley People's Panel – Surveys & Public Consultations • Regular and timely reporting to Service Committees • Minutes of Meetings available on the Council's website.

What we will do:	How this will be evidenced:
Planning interventions - establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets. - engage with internal and external stakeholders in determining how services 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 strategy and plan. - inform medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	• Communications Strategy • Financial Regulations • Risk Management Policy • Performance Indicators • Revenue Budget • Capital Programme • Medium Term Financial Strategy and Plan • Corporate Plan
Optimising achievement of intended outcomes - ensure the medium-term financial strategy 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 strategy 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.	• Medium Term Financial Strategy and Plan • Budget Working Group • Capital Programme

PRINCIPLE E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	
The Council 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. We must ensure that we have both the capacity to fulfil our mandate and to make certain that there are policies in place to guarantee that management has the operational capacity for the organisation as a whole. *Because both individuals and the environment in which we operate will change over time, there is a continuous need for us to develop our capacity as well as the skills and experience of individual staff members. Leadership in the Council is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.*	
What we will do:	**How this will be evidenced:**
Developing the entity's capacity - 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. - develop and maintain an effective workforce plan to enhance the strategic allocation of resources.	• Council Constitution • Appraisal Scheme • Performance Indicators • Capital Programme • Corporate Training • Training Policy • Induction Process – Members & Officers • Regular reporting to Personnel Committee

Developing the capability of the entity's leadership and other individuals	
- 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 Full 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: • 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 ensuring 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 arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.	• Council Constitution • Officer Delegation Scheme • Standing Orders • Protocol for Member and Officer Relations • Financial Regulations • Publication Subscriptions • Induction Process – Members & Officers • Appraisal Scheme • Training Records • Training Policy • HR Policies • Ribble Valley People's Panel – Surveys & Public Consultations

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

The Council needs to ensure that the 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.

What we will do:	How this will be evidenced:
Managing risk	• Risk Management Policy • Pentana Risk Management System • Strategic Risk Register • Annual Governance Statement • Director Assurance Statements
- 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	• Performance Indicators • Pentana Performance Database • Training Records • Standing Orders • Publication of agendas and Minutes of Meetings • Calendar of dates for the timely submission, publishing and distribution of Committee reports • Financial Regulations
- 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. - encourage effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making. - 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 (e.g. financial statements).	

What we will do:	How this will be evidenced:
Robust internal control - 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. - 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, which is independent and accountable to Full Council: • 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.	• Risk Management Policy • Audit Plan • Whistleblowing Policy • Counter Fraud, Bribery & Corruption Policy Statement and Strategy • Anti-Money Laundering Policy • Terms of Reference for Accounts and Audit Committee • Internal Audit reports • Annual Governance Statement • External Audit letter and reports
Managing data - ensure effective arrangements are in place for the safe collection, storage, use and sharing of all 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.	• Designated Data Protection Officer • HR Data Retention Policy • Data Protection Policies and Procedures • Pentana Performance Database
Strong public financial management - 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	• Financial Regulations • Medium Term Financial Strategy and Plan • Capital and Treasury Management Strategy • Budget Monitoring Reports • Capital and Revenue Outturn reports • Statement of Accounts

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.	
What we will do:	**How this will be evidenced:**
Implementing good practice in transparency - write and communicate reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring 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.	• Council's website – Open Data & Transparency
Implementing good practices in reporting - 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 the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016 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 the 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.	• External Audit Reports • Statement of Accounts • Council Constitution • Annual Governance Statement

What we will do:	How this will be evidenced:
Assurance and effective accountability - 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.	• Financial Regulations • CIPFA's Role of the Head of Internal Audit • Internal Audit Charter • Internal Audit Plan • Internal Audit reports • External inspections • External Audit Reports • Reports to Accounts and Audit Committee • Annual Governance Statement